

BUSINESS & FINANCIAL OVERVIEW

U.S. Threatens To Impose Tariffs On \$11 Billion Worth Of European Goods

President Donald Trump's administration has threatened to impose tariffs on approximately \$11 billion worth of European goods amid a long-running dispute over European Union subsidies to aerospace giant Airbus.

A statement from U.S. Trade Representative Robert Lighthizer noted the World Trade Organization has repeatedly found that EU subsidies to Airbus have caused adverse effects to the U.S.

Lighthizer said he has subsequently begun the process of identifying European products to which additional duties may be applied until the EU removes the subsidies.

The U.S. estimates the harm from the EU subsidies as \$11 billion in trade each year, although the amount is subject to arbitration at the WTO.

"This case has been in litigation for 14 years, and the time has come for action," Lighthizer said. "The Administration is preparing to respond immediately when the WTO issues its finding on the value of U.S. countermeasures."

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"Our ultimate goal is to reach an agreement with the EU to end all WTO-inconsistent subsidies to large civil aircraft," he added. "When the EU ends these harmful subsidies, the additional U.S. duties imposed in response can be lifted."

Lighthizer said the preliminary list of European goods that could see increased tariffs contains a number of products in the civil aviation sector, including Airbus aircraft.

The U.S. Trade Representative will announce a final product list after the WTO arbitrator issues its report on the value of countermeasures, which is expected this summer.

Meanwhile, a European Commission spokesman called the estimated adverse effects of the subsidies "greatly exaggerated" and pledged to retaliate against any new U.S. tariffs.

