



ALERTS

U.S. Set To Impose Retaliatory Tariffs On \$7.5 Billion In EU Goods Following WTO's Airbus Ruling

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On Oct. 2, 2019, the World Trade Organization (WTO) authorized the United States to impose tariffs on \$7.5 billion worth of products annually from the European Union (EU) in response to the EU's illegal subsidies. This is the largest arbitration award in the WTO's history.

This decision follows the United States' 15-year [dispute with the EU](#) over subsidies being given to Airbus. The U.S. alleged that Europe has been providing massive subsidies to Airbus that have seriously injured the U.S. aerospace industry and its workers and are inconsistent with WTO obligations. Because the EU failed to comply with prior WTO rulings, this latest WTO ruling allows the U.S. to apply retaliatory tariffs until the harmful EU subsidies are removed.

According to U.S. Trade Representative, Robert Lighthizer, the U.S. will begin applying tariffs on certain EU goods beginning on Oct. 18.

The U.S. has the authority to apply a 100% tariff on affected EU products; however, at this time the tariff increases will be limited to 10% on large civil aircrafts and 25% on agricultural and other products. The [list of products currently affected by these tariffs](#) are primarily from France, Germany, Spain and the United Kingdom, which are the four countries the WTO deemed responsible for the illegal subsidies. These products include Scotch whiskies, sweaters, coats, coffee, waffles, frozen meat, olives, fresh cheeses and wine, to name a few. The products that have not been included on the final list include, but are not limited to, uncooked

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pasta, cast iron, tubes, pipes, and sodium nitrate. Notably, the U.S. has decided not to impose additional duties on certain products following public comments on the initial proposed list.

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