

Washington announces tariffs on \$7.5 billion in EU goods



Washington, October 4 (RHC)-- The United States is imposing tariffs on billions of dollars' worth of aircraft, food products, and other goods being imported from the European Union (EU) in a dispute involving the bloc's subsidies to the plane maker Airbus.

The administration of U.S. President Donald Trump announced that it would slap tariffs on \$7.5 billion in EU imports beginning October 18 in retaliation for the "illegal" aid that the bloc gave to Airbus in its competition with its American rival Boeing.

According to a list released by the U.S. Trade Representative's Office, Washington will levy a 10-percent tariff on large civil aircraft from the UK, France, Germany, and Spain. It will also impose 25-percent tariffs on hundreds of other items, including olives, cheese, pork products, butter, and yogurt from various EU nations.

The office also said that the U.S. had requested that the World Trade Organization (WTO) meet on October 14 to formally authorize the tariffs, and the duties would then take effect in four days. It also said that it would "continually re-evaluate these tariffs based on our discussions with the EU" and that it expected to enter talks with the EU in a bid to resolve disagreements.

The new US tariffs are intended to pressure the bloc into dropping its subsidies for Airbus. Brussels has warned of retaliation against the new tariffs.

The announcement came shortly after the WTO ruled that the United States was entitled to impose such duties in retaliation for the EU's aid to the European multinational aerospace corporation. The WTO has for several times ruled that Airbus unfairly received launch aid loans and other trade-distorting subsidies for two of its models, namely the A380 and A350WXB.

The ruling does not resolve the long-running trans-Atlantic dispute over the European corporation. WTO authorities will rule early next year on how much the bloc can retaliate against any Airbus-linked tariffs following a separate decision that went against Boeing.

The France-based Airbus has warned that tariffs on its aircraft and components would harm the American aerospace industry, since some 40 percent of the European company's procurement comes from American suppliers.

The latest punishing trade action by the U.S. against the EU is the most significant since Washington hit the bloc with steel and aluminum tariffs last year. The fresh duties can further deteriorate ties between the two allies, which that have long sought to settle trade disputes without resorting to tariffs.

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