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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Airbus-Boeing WTO dispute. Consequences for the EU agri-food sector
- Information from the Spanish delegation

Delegations will find in the Annex a note from the Spanish delegation on the above-mentioned subject, to be dealt with under "Any other business" at the Council (Agriculture and Fisheries) on 14-15 October 2019.

Airbus-Boeing WTO dispute

Consequences for the EU agri-food sector

Last 3rd October, the United States of America (USA) published a list of products from the EU to which additional tariffs would be applied as a retaliatory measure for the EU-USA dispute on the aviation industry. Because of this conflict, the World Trade Organization has approved that USA can impose tariffs on the EU for 7,500 million dollars annually (6,831 million euros).

The list of products is provisional and a meeting in Geneva of the Dispute Settlement Body of the WTO is going to be held, coinciding with the Agriculture Council. During this meeting, USA will foreseeably obtain authorization to impose retaliatory measures. Additional tariffs announced by USA are 10% for the products of the aviation industry and 25% for food products. These measures are detrimental to the European agri-food sector that exported agricultural products to the United States in 2018 for 26,573 million Euros, maintaining a positive trade balance.

The list of European agri-food products affected by retaliatory measures is very broad. European farmers and agri-food companies are going to be affected very negatively by a conflict that has nothing to do with them. European agri-food production will pay a heavy price for this situation that will have an unpredictable impact on the single market.

Trade tensions with the United States, together with Brexit, and the impact of bilateral agreements between the European Union and third countries, are generating great uncertainty in the EU agri-food markets. The decision of USA to impose tariffs on the EU agri-food sector can jeopardize the competitiveness of our agriculture and, ultimately, our production model with high standards of quality, food safety and animal welfare.

In view of this serious situation, it is considered necessary for the European Union to intensify its actions in order to promote the development of stable and rules-based international trade on a global level. At the same time, we believe that common action is needed to send European farmers a message of tranquility and confidence that the Union has the instruments to act in the event of serious disturbances on the single market.