

JOINT STATEMENT

European and US food industry associations call for the elimination of retaliatory tariffs on agri-food exports as a result of the WTO civil aircraft disputes

(Brussels - Arlington, 9 December 2020) FoodDrinkEurope, Europe's food and drink industry organisation, and the Consumer Brands Association, representing the U.S. consumer packaged goods industry, deeply regret that food and drink manufacturers on both sides of the Atlantic, many of which are small and medium-sized enterprises, have become collateral damage in long-standing disputes which have their origin in a completely unrelated sector.

The EU and US are key trade partners in food and drink products, and traditionally rank in each other's top 3 global export destinations and import sources, trading in raw materials, ingredients and finished products. In 2019, EU-US trade in agri-food products reached a cumulated €36.1 billion¹ and food and drink industry activity on both sides of the Atlantic is highly integrated.

We are particularly alarmed about the negative implications of the retaliatory tariffs on EU-US agri-food supply chains (both up- and downstream), as well as on workers and consumers both sides of the Atlantic, at a time when these chains are already weakened by the Covid-19 pandemic and the economic slowdown.

Since October 2019, a wide range of EU agri-food exports have suffered from US retaliatory tariffs of 25%. This has led to a decline in exports of some key EU products destined for the US market and continues to weigh on competitiveness. US agri-food exports, which have recently been subjected to the EU's retaliatory tariffs of 25%, are expected to experience similar pain going forward.

Our organisations therefore fully support intensified efforts to reach a negotiated solution on the long-standing civil aircraft disputes and a de-escalation of trade tensions. We urgently call on both the EU and US to eliminate all retaliatory tariffs in place on agri-food exports.

Background

Please see below the recent developments of the dispute:

- 2 October 2019: WTO arbitrator issues [decision](#) in Airbus subsidy dispute. USTR [announcement](#) about the EU products that will be subject to additional duties.
- 12 August 2020: USTR [announcement](#) about the modification to the list of EU products subject to additional duties and the [list of amendments](#) effective on 1 September 2020.
- 13 October 2020: WTO arbitrator issues [decision](#) in Boeing subsidy dispute. EU [reaction](#) to the WTO ruling.
- 7 November 2020: [Commission Implementing Regulation \(EU\) 2020/1646](#) on commercial policy measures concerning certain products from the United States of America

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¹ https://ec.europa.eu/info/news/2019-record-year-eu-agri-food-trade-2020-mar-27_en

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About us:

[FoodDrinkEurope](#) represents the food and drink manufacturing industry. Made up of 291,000 businesses and 4.8 million employees, the food and drink industry buys 70% of all EU agricultural produce and is Europe's largest manufacturing industry.

The Consumer Brands Association champions the industry whose products Americans depend on every day, representing more than 1,700 iconic brands. From household and personal care to food and beverage products, the consumer packaged goods industry plays a vital role in powering the U.S. economy, contributing \$2 trillion to U.S. GDP and supporting more than 20 million American jobs.