

FoodDrinkEurope deeply regrets the announcement by the US to impose retaliatory tariffs on EU food and drink products in response to the WTO Airbus subsidy case

(Brussels, 3 October 2019) Following the WTO arbitrator's decision in the Airbus subsidy dispute¹ on 2 October 2019, the US administration has announced the introduction of retaliatory tariffs on a wide range of EU products to recover damages of up to USD \$7.5 billion annually.

FoodDrinkEurope, representing Europe's food and drink industry, deeply regrets that the US' list of EU goods² to face counter measures includes a wide range of food and drink products which will be subject to retaliatory tariffs of 25%. This alarming decision will severely impede access for European food and drinks to the US market, currently the industry's first foreign destination with a value of exports exceeding €20 billion in 2018.

There are serious concerns about the collateral damage that the WTO civil aircraft disputes will have on our well-established EU-US food and drink industry relations. Europe's food and drink manufacturers, 99% of which are small and medium-sized enterprises, could end up paying the price for a dispute originating in a completely unrelated sector. Not only will this be detrimental to the food industry itself, but it would also have hugely negative broader implications for supply chains, workers and consumers in the EU and in the US.

Speaking in response to the announcement, Mella Frewen, Director General of FoodDrinkEurope, said: "*We urge the EU and US to engage in a constructive dialogue to swiftly resolve the aircraft disputes and to avoid further escalation of trade tensions. All efforts should focus on a positive trade agenda which aims to strengthen our long-standing transatlantic trade relations.*"

~ENDS~

Note to editors

The US is the first foreign destination for European food and drink products with a value of exports exceeding €20 billion in 2018. This corresponds to a share of about 18% of total extra-EU food and drink exports. In turn, EU imports of US food and drink products exceeded €5 billion in 2018. This corresponds to a share of about 7% of total extra-EU food and drink imports.

¹ https://www.wto.org/english/news_e/news19_e/316arb_e.htm

² https://ustr.gov/sites/default/files/enforcement/301Investigations/EU_Large_Civil_Aircraft_Final_Product_List.pdf



About FoodDrinkEurope

FoodDrinkEurope is the organisation of Europe's food and drink industry, the largest manufacturing sector and leading employer in the EU and a key contributor to its economy (294,000 companies, 99% SMEs, 4.6 million employees.)