

DG/012/19

Ms Cecilia MALMSTRÖM
Member of the European Commission
for Trade
European Commission
Rue de la Loi 200
1049 BRUSSELS

Brussels, 11 July 2019

EU-US civil aircraft disputes and retaliation measures

Dear Commissioner Malmström,

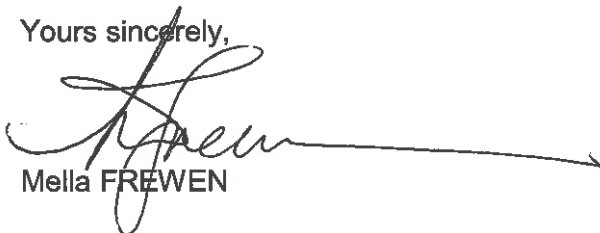
The US is the first foreign destination for European food and drink products with a value of exports exceeding €20 billion. Considering the importance of this market, the European Food and Drink Industry is extremely concerned that our industry could soon face severe retaliatory tariffs resulting from the World Trade Organization's civil aircraft disputes.

On 1 July 2019, the Office of the U.S. Trade Representative announced "*USTR Proposes Additional Products for Tariff Countermeasures in Response to Harm Caused by EU Aircraft Subsidies*"¹, which includes some of the EU's most iconic food and drinks products. FoodDrinkEurope is seriously alarmed by both USTR's latest announcement and its initial list of 12 April², which together target a wide range of commercially important European agri-food products.

FoodDrinkEurope finds unacceptable the fact that the WTO cases in the large civil aircraft industry could destabilise our well-established EU-US food and drink industry relations and that 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 another sector. Not only could this be detrimental to the food industry itself, but it would also hurt both workers and consumers. Retaliatory action, if any, must be strictly limited to the concerned industries and should not impact other unrelated sectors.

FoodDrinkEurope considers that priority must be given today to reaching a swift and mutually agreed bilateral solution to the specific civil aircraft disputes. Therefore, we strongly support the Commission's efforts to negotiate a positive outcome and continued engagement to improve transatlantic trade relations.

Yours sincerely,



Mella FREWEN

This letter has also been addressed to your colleagues, Commissioners Hogan and Bieńkowska.

¹ <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2019/july/ustr-proposes-additional-products>

² <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2019/april/ustr-proposes-products-tariff>