

Beat: Business

## Spanish Government rejects decision by US to maintain customs duties

Announced by President Trump this week

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**USPA NEWS** - Following the decision by the United States Administration to maintain the additional customs duties on the export of Spanish and European products - as a result of the Airbus panel of the World Trade Organization - which primarily affect the agri-food sector, the Government of Spain rejects this decision and trusts that an agreement will be reached that reverses the current dynamic in trade relations between the two countries, which have mutual economic interests.

"On numerous occasions the Government of Spain has reiterated its total opposition to the imposition of customs duties as a result of this conflict, and has always advocated the search for a negotiated solution," explains Spanish Government in a statement. "As evidence of this wish to reach an agreement, on 23 July, the Government agreed with Airbus to modify the terms of the launch aid granted for the A350, to bring it in line with market terms. Following this modification, the requirements demanded by the WTO have been met, which justifies the withdrawal of the counter-measures taken by the United States on products exported from the European Union."

The Minister for Industry, Trade and Tourism, Reyes Maroto, considers that "the EU and the Member States of the consortium (Spain, France and Germany) now fully comply with the WTO rules and the demands of the panel in the Airbus case, and considers that the United States should withdraw its reprisals and seek a solution to the conflict." In her opinion, "the European Union and Spain are firmly committed to tabling negotiations and their efforts towards reaching a dispute to the lengthy cross-dispute on the trade of large civilian aircraft are clear."

The Minister for Agriculture, Fisheries and Food, Luis Planas, stressed that "the agri-food sector has been dragged into a trade conflict beyond the scope of its activity" and that "it is a strategic mistake to include food in trade reprisals." He stressed that the global agri-food sector must develop its activity in markets that guarantee stability and that limit the uncertainties stemming from trade tensions. He highlighted the importance of multilateralism in trade agreements and of rule-based international trade.

The EU and Spain consider that, in the benefits of mutual interest, particularly given the current economic circumstances, the customs duties that unnecessarily prejudice the Spanish and EU economies should be suspended, while negotiations should be urgently resumed to resolve the conflict.

The European Commission has made specific proposals to reach a negotiated resolution to this dispute. Spain has just modified its contracts with Airbus for the A350 and is open to working with the United States to agree a fair and balanced outcome as regards the rules over subsidies in the construction of civilian aircraft sector.

The WTO will shortly issue its arbitration decision in the EU's parallel case against the United States on unlawful subsidies to Boeing. The EU hopes that the negotiations will allow it not to have to exercise its own rights to sanction, when the WTO establishes the level of counter-measures authorised in the Boeing case and that a mutually beneficial negotiated solution can be reached that guarantees the development of the aeronautical sector for both parties.

**Article online:**

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