



FedEx Regulatory Alerts & Updates

Regulatory Alert: Joint US-UK Statement on Suspension of Large Civil Aircraft Tariffs

March 8, 2021

BACKGROUND

The Boeing/Airbus litigation case has been ongoing within the World Trade Organization (WTO) for over sixteen (16) years. During that time, the WTO has ruled that the United States and European Union both provided infringing subsidies despite both sides making some changes to comply with the rulings.

However continued violations by both parties were found by the WTO. The most recent took place in October 2019 which led to the United States issuing tariffs on various European products in August 2020.

WHAT HAS CHANGED?

The United States and the United Kingdom released a joint statement on March 4, 2021 announcing a four-month suspension of tariffs related to the ongoing large civilian aircraft dispute.

The United Kingdom ceased applying retaliatory tariffs in the Boeing dispute from January 1, 2021 to de-escalate the issue and create space for a negotiated settlement to the Airbus and Boeing disputes. The United States likewise will suspend retaliatory tariffs in the Airbus dispute from March 4, 2021, for four months.

The agreed suspension actions will benefit a number of industries on both sides of the Atlantic. The USTR statement noted the actions also “allow time to begin seriously addressing the challenges posed by new entrants to the civil aviation market from non-market economies.”

Q & A

Q1: Have the dates been set for the four-month suspension of the tariffs?

A1: The effective dates of the suspension of the tariff actions are pending both the UK and US to finalize the required changes in their internal procedures.

REFERENCES:

USTR March 4, 2021 Notice - <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/march/joint-us-uk-statement-suspension-large-civilian-aircraft-tariffs>

U.S. Modification to the WTO Large Civil Aircraft Dispute September 4, 2020 Alert - [https://www.fedex.com/content/dam/fedex/us-united-states/International/images/2020/RegAlert_21-026_U.S. Modification to the WTO Large Civil Aircraft Dispute.pdf](https://www.fedex.com/content/dam/fedex/us-united-states/International/images/2020/RegAlert_21-026_U.S._Modification_to_the_WTO_Large_Civil_Aircraft_Dispute.pdf)

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