Resolution on the World Trade Organisation disputes between the European Union and the United States on alleged subsidies to Airbus and Boeing

2008/2571(RSP) - 09/07/2008 - Text adopted by Parliament, single reading

Following the debate which took place on 8 July 2008, the European Parliament adopted by 589 votes to 53, with 64 abstentions, a resolution tabled by the Committee on International Trade on the World Trade Organisation disputes between the European Union and the United States on alleged subsidies to Airbus and Boeing.

The resolution stresses the importance of the aircraft industry for employment, particularly in high-skilled sectors, as well as for regional development and for state-of-the-art transnational industrial cooperation. Given that both Airbus and Boeing presently have the capability to design and integrate large commercial aircraft, MEPS stress that it is in the interest of airlines and their customers to maintain a high level of healthy competition.

The resolution recalls that, in 1992, the EU and the US signed a bilateral agreement on trade in large civil aircraft (the 1992 Agreement) that created a balanced playing field with rules governing government support. While the EU has consistently adhered to the spirit and letter of the 1992 Agreement, the US has largely ignored its obligations under the 1992 Agreement by not reporting its subsidies to Boeing as well as by providing subsidies in excess of agreed limits and by granting prohibited subsidies to Boeing. The EU is challenging various prohibited and actionable US Federal, State and local subsidies benefiting Boeing, totalling USD 23.7 billion in non-repayable subsidies over the past two decades and up to 2024.

In light of these circumstances, MEPs address the following recommendations to the Commission, acting on behalf of the EU in defending the interests of the Member States and the EU large civil aircraft industry. Thus, the Parliament:

a) reaffirms its belief in the importance of fair and open competition in public procurement competitions and has noted favourably the contract award to the Northrop Grumman European Aeronautic Defence and Space company (EADS) team for the US aerial tanker programme based on neutral criteria designed to identify and place the best and most suitable equipment in the hands of the US Air Force;

b) notes, however, with deep concern, the bitter attacks by Boeing and the US Congress in an attempt to portray EADS operations and certain Member States as 'unreliable aerospace business partners' and a security risk to US military readiness;

c) reaffirms its belief that the integrity of the US Department of Defence procurement process, including the monitoring of the General Accounting Office, will remain intact for all competitors;

d) calls on the Commission to ensure that any anti-competitive actions contained in legislation or in executive policy that would improperly restrict the ability of EU companies to compete in either civil or military programmes should be met with the appropriate response by the Community and its Member States;

e) fully supports the defence of EU interests in the pending dispute settlement proceedings before the WTO and urges the Commission to continue its efforts in this regard; it doubts, however, whether WTO rulings in themselves will provide the necessary long-term solution the market requires as a basis for future peaceful and fair competition in this sector which, by contrast, a negotiated solution could deliver;

f) considers that the starting point for any talks would need to be a discussion without preconditions on the terms of negotiation, demonstrating the genuine intent by both sides to arrive at a pragmatic balance between EU civil support and the US military-industrial scheme, which lays down those aspects of government involvement genuinely impinging on the establishment of a truly level playing field.