

The additional tariffs on EU and UK products stem from the long-running U.S.-EU/UK dispute over subsidies to Airbus and is pursuant to Section 301 of the Trade Act of 1974, the same provision the United States used to impose additional tariffs on products of China. The trade dispute dates to a 2004 U.S. challenge in the World Trade Organization to EU subsidies of Airbus that had “adverse effects” on the United States. Since October 2019, 25% additional tariffs were imposed on \$7.5 billion worth of EU goods including food, beverages, certain machinery and tools, and 15% on aircraft and aircraft parts. Impacted products included cheese, fruit, meat, olives, coffee, Irish and Scotch whiskies, knives, books, and British sweaters, suits, and outerwear.

On Nov. 9, 2020, the EU announced the implementation of countermeasures (at that moment the UK still applied the EU customs duties). These measures included additional tariffs of 15% on aircraft as well as additional tariffs of 25% on a range of agricultural and industrial products imported from the United States. At the same time, the EU said they wanted to work with the United States to settle the long-running dispute. The first contacts with the Biden administration in 2021 were already promising; the early February statement of nominated USTR Katherine Tai, that she looks forward to working with the EU to resolve the 16-year-long battle over Airbus-Boeing subsidies, was received with enthusiasm in the EU and viewed as an important first step in improving the U.S.-EU trade relationship.

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