



European Association of Dairy Trade

Phil Hogan
Commissioner for Trade
European Commission
Rue de la Loi 200
1049 Brussels

Brussels, 6 July 2020

Dear Commissioner Hogan,

Eucolait wishes to express its strong concern about the revision of the punitive tariffs which have been imposed by the United States on imports from the EU since October 2019 as a result of the WTO ruling in the Airbus subsidy dispute. We are particularly worried about the possible targeting of additional dairy lines and a further increase of the tariffs already affecting the majority of EU dairy exports to the US, mainly cheese and butter.

The EU dairy sector has been seriously impacted by the COVID-19 pandemic, having already suffered the consequences of an additional 25% tariff on a wide range of product lines destined for the US market since last October. Any additional hit on the dairy sector at such a vulnerable time could have devastating long term consequences.

Many of our member companies have heavily invested in the US market and have built up longstanding business relations. In numerous cases, subsidiaries directly creating American jobs have been set up. Notwithstanding the financial exposure of these companies, they have also greatly contributed to the US economy. It follows that an estimated 20,000 jobs in the US have been affected so far because of the fallout for importers resulting from the Airbus tariffs. Further investment decisions in the US market have been put on hold for the time being, negatively affecting business development of European companies. The US tariff revision or prolongation threatens more jobs and in fact the presence of European companies on the US market.

Eucolait understands that relations between the EU and the US are currently quite fragile and that the situation is further complicated by the US presidential election and the news that the WTO ruling on the Boeing case has been delayed until the autumn. Nevertheless, we sincerely hope that the Commission will do everything in its power to mitigate a further escalation in this trade dispute, so that the weakening of our thriving dairy industry can be stopped.

We thank you in advance for your attention to our letter and we remain at your disposal should you require any further information.

Yours sincerely,

Frank van Stipdonk,

President

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