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Press release

EUCOLAIT WELCOMES ANNOUNCEMENT OF EU & US TARIFF TRUCE IN AIRCRAFT DISPUTE

Eucolait, representing the European dairy trading community, heartily welcomes today's announcement of a 5 year truce in the Airbus/Boeing dispute, extending the 4 month détente which has applied since March. Beginning in October 2019, a large variety of EU dairy lines have been subject to an additional tariff of 25% on arrival in the US. Similarly, since November 2020, the EU has applied tariffs to certain imports from the US.

The additional tariffs imposed on EU dairy exports reached hundreds of millions of dollars and had a serious impact on EU and US based businesses alike. While the US continues to be a major buyer of EU dairy products, imports of cheese from the EU dropped by 10% in 2020 and continued to decline at an even faster rate in Q1 2021. As a result, the US is no longer the first destination for EU cheeses, having been replaced by Japan which now ranks second behind the UK.

As a principle, Eucolait strongly objected to dairy and other agri-food products being dragged into a dispute about aircraft subsidization and we have been constantly calling for the abolition of all tariffs affecting sectors unrelated to the dispute since their introduction.

While the 5-year duration of the relaxation of tariffs falls short of a full and permanent resolution of this trade conflict, today's announcement is a promising sign of the willingness to engage with each other in constructive manner, heralding the beginning of a new chapter in the trade relations between the EU and the US. We commend the considerable efforts made by both sides over the last few months and look forward to an ever stronger transatlantic relationship without any undue barriers to trade.

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