

Airbus chief warns airplane tariffs would be ‘very damaging’ to US

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Airbus’s CEO has warned President Trump that tariffs on Europe’s aviation industry could blowback on its U.S. counterparts, according to Politico.

On Friday, the World Trade Organization (WTO) ruled in favor of the U.S. government in its efforts to claw back up to 8 billion euros in tariffs on \$25 billion worth of European exports, including dairy products and Airbus jets and parts.

Airbus CEO Guillaume Faury, however, warned that the U.S. and European aviation supply chains are so interwoven that the tariffs could hit the U.S. industry hard as well.

“At Airbus, 40 percent of commercial aircraft procurement is purchased from the U.S. supply chain,” Faury told the publication.

“I think it would really not be consistent to apply tariffs on planes that are manufactured in the U.S., to serve the U.S. industry relying, to a very large extent, on the U.S. supply chain. It will be damaging for the supply chain, it will be damaging for the OEMs [original equipment manufacturers], and it will be very damaging for the airlines and for the economies of Europe and the U.S.”

For example, Faury noted, numerous airlines have orders in for Airbus planes that contain parts manufactured in Mobile, Ala.

“We are assembling our A320s as well in Mobile so this will impact as well the workforce in the U.S., which would be absolutely not consistent with what President Trump is trying to push: having companies localizing activities in the U.S.,” Faury told Politico.

A separate pending case before the WTO argues the U.S. has provided anticompetitive subsidies to Boeing, and Faury said that depending on how the body rules, in that case, the U.S. risks retaliation.

“We think in the mid-term to long-term Boeing will be more significant hit than Airbus, given the U.S. versus Europe nature and mix of planes flowing both sides of the Atlantic, but we think basically it will be damaging for everybody,” he said. thehill.com

