

## Boeing Statement Regarding the WTO Appellate Decision in DS 353

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CHICAGO, March 12, 2012 /[PRNewswire](#)/ -- The World Trade Organization (WTO) Appellate Body today released its decision in DS 353 addressing a complaint the European Union (EU) filed against the United States in retaliation for an earlier U.S. challenge to the subsidies European governments have provided to Airbus. Boeing (NYSE: BA) issued the following statement in response to the WTO action:

"The Appellate Body today slashed earlier findings of harm to Airbus from U.S. subsidies. The decision confirms that in terms of amount, effect and nature, U.S. government support to Boeing is minimal in comparison to the massive European subsidies provided Airbus.

- "With respect to *amount*, the Appellate Body found that unaddressed subsidies to Boeing total approximately \$3 billion – about one-sixth of the \$18 billion Europe has given to Airbus.
- "With respect to *effects*, the Appellate Body rejected 66% of the EU's claims that Airbus had lost sales as a result of U.S. subsidies and more than 93% of its claims that it had lost market share. Boeing has had to compete with an entire fleet of subsidized Airbus aircraft that the WTO found would most likely not even exist without illegal launch aid, while Airbus competes against a Boeing product line that received little support from the U.S. government according to today's ruling.
- "With respect to *nature*, the WTO found that launch aid was a pernicious, market-distorting subsidy without which Airbus itself would most likely not have existed and no Airbus aircraft would have been built at all. By contrast, the WTO has now found that Boeing has received little U.S. government support during the same time period since the formation of Airbus.

"In sum, the WTO decisions in the two cases establish conclusively and finally that European subsidies competitively disadvantage Boeing and American workers and will continue to do so until launch aid is eliminated.

"We appreciate the work of the WTO Appellate Body, and we are prepared to work with the U.S. government as it determines what steps, if any, are necessary to address the WTO's decision. Boeing is fully committed to compliance with WTO rules.

"Airbus has not shown the same commitment to compliance with the WTO's decisions and rules. The EU had until Dec. 1, 2011, to comply with the ruling against the illegal Airbus subsidies, and it refused to comply. Airbus continues to benefit from billions of dollars of government loans that do not carry commercial terms and that the WTO found to be illegal market-distorting subsidies. What's more, European governments have recently provided billions of dollars in new launch aid for the next Airbus model, the A350, continuing this illegal practice in defiance of the WTO.

"The U.S. government has made it clear that it will use all of the WTO tools at its disposal to ensure that European governments comply with last year's ruling – particularly the ruling against \$15 billion in illegal launch aid, the pernicious subsidy unique to Airbus. Boeing supports and appreciates the strong stance the U.S. Trade Representative has taken to force European compliance and finally insist upon the level playing-field necessary for fair and open global competition."

Editor's Note: Further information will be available this afternoon at [boeing.com/wto](http://boeing.com/wto)

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