

WTO Rules Boeing Got \$5B In Illegal Subsidies

John Heilprin, Associated Press

GENEVA (AP) — The World Trade Organization ruled on Monday that U.S. planemaker Boeing received more than \$5 billion in illegal government subsidies, much less than what European arch-rival Airbus received.

The world trade body's appeals panel have now ruled on both sides of the dispute. It had earlier determined that the European Union subsidies to Airbus — based in Toulouse, France — totaled some \$18 billion over more than a quarter-century.

The latest ruling suggests the end may finally be approaching in a long-running transatlantic trade spat between the world's foremost commercial aircraft makers over a market believed to be worth more than \$3 trillion over the next two decades.

As usual, both sides claimed a measure of victory.

The European Commission, whose complaint to the WTO was the subject of the ruling, said it welcomed the confirmation that Chicago-based Boeing also received billions of dollars in illegal subsidies between 1989 and 2006.

A WTO appeals panel had ruled last May on a U.S. complaint that European governments provided \$18 billion in subsidies to Airbus that hurt Boeing, though not all were illegal under international rules.

EU Trade Commissioner Karel De Gucht called Monday's ruling vindication of the "EU's long-held claims that Boeing has received massive U.S. government handouts in the past and continues to do so today."

But his counterpart, U.S. Trade Representative Ron Kirk, called the ruling "a tremendous victory for American manufacturers and workers." He noted the WTO appeals panel had determined that U.S. support for Boeing was "far below" the amount of EU help for Airbus.

Kirk said the disproportionate nature of the U.S. versus European handouts were further illustrated by the appeals panel's finding that U.S. subsidies to Boeing cost Airbus 118 lost aircraft sales, while EU subsidies for Airbus cost Boeing 342 lost aircraft sales.

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