

UNITED STATES / AERONAUTICS

FEVS TAKES NOTE OF THE ATTENTION OF THE PRESIDENT OF THE REPUBLIC BUT REGRETS THE LACK OF TANGIBLE AND URGENT ACTION

Paris, 24 February 2020 – On February 22^d, 2019, the President of the French Republic met with wine industry leaders on the "Pavillon des vins", at "Salon de l'Agriculture". Antoine Leccia, President of the FEVS, presented to him the application of American taxes and their dramatic impact on exporting companies and, beyond that, on the entire wine sector. E. Macron was very attentive to our requests, in particular the immediate creation of an emergency compensation fund of 300 million euros. Nevertheless, while being in favor of its approval at the European scale, the President of the Republic did not give any concrete indication on its implementation.

The maintenance of the 25% additional customs duties, confirmed by the US authorities on 14 February, represents a major threat to the sustainability of our businesses and, more generally, to the wine sector. Since October 2019, the FEVS has been denouncing an unfair decision, directly linked to the conflict between Airbus and Boeing and for which the EU has been condemned by the WTO for several billion euros of illegal aids. French wines, which are at the heart of the US sanctions, are suffering major damage which will continue to increase in the coming months if no financial support is provided to compensate for this tax. Its application has already led to an 18% drop in our exports to the United States in the last quarter of 2019 alone, representing a loss of more than 40 million euros.

In order to support the 4,500 French wine-exporting companies to the US (95% of which are SMEs) and the 500,000 jobs in the sector, the FEVS has been calling for strong and rapid action by the French authorities since October 2019 in order to maintain our market share in this country. The US are the leading market in value for French wines and of vital importance for the financial balance of our companies. On 12 February, the FEVS renewed its request to set up an emergency compensation fund of € 300 million for companies exporting wines to this country.

Following the meeting, Antoine Leccia, President of the FEVS said: *"We are very thankful for the attention that the President of the Republic has shown us by meeting us today. We were able to underline the emergency and seriousness of the situation, which requires strong decisions, without waiting for any evolution of the conflict between Airbus and Boeing. The President of the Republic, who is very attentive and aware both of the inequity of this tax and of the major stakes for the wine sector - one of France's three export leaders -, must now urgently decide on concrete actions to maintain our companies' market share and the related activity and jobs."*

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**Background elements on the "Airbus" dispute
between the European Union and the United States**

6 October 2004	Filing of a WTO complaint by the United States on aid granted by the EU, Germany, Spain, France and the United Kingdom for large civil aircraft programs developed by Airbus.
1 ^{er} June 2011	Definitive condemnation by the WTO of the EU and the 4 Member States concerned for non-compliance with the WTO Agreements on some of the aid granted.
30 March 2012	Filing of a complaint to the WTO by the United States for non-compliance of the EU and the 4 Member States concerned with the June 2011 decision and request for authorization to apply compensatory measures.
28 May 2018	Definitive condemnation by the WTO of the EU and the 4 Member States involved for (partial) non-compliance.
2 October 2019	Publication by the WTO of the amount of the damage suffered by the United States due to the lack of compliance by the EU and the 4 Member States. The damage is estimated at USD 7.5 billion. Publication by the United States of the list of imported European products subject to compensation measures.
18 October 2019	Entry into effect of compensatory measures and application of additional customs duties of 25% on French still wines*.
15 February 2020	Maintenance of additional customs duties.

* *Still wines: as distinguished from sparkling wines*