
GERMAN MINISTER PUSHING TO RESOLVE TRADE DISPUTES WITH U.S.

- 12.07.2019

EuroNews (11 July 2019)

JASON LEE(Reuters)

By Andrea Shalal

WASHINGTON (Reuters) □ German Economy Minister Peter Altmaier on Thursday said he sees a 50-50 chance of averting U.S. auto tariffs, and that it will likely take weeks or months to resolve at least some of the thorny trade disputes clouding U.S.-European relations.

Altmaier told reporters he had a constructive meeting with U.S. Trade Representative Robert Lighthizer, and both sides agreed it was important to work out their differences over a range of issues, including aircraft subsidies, car imports and the Russian-led Nord Stream 2 gas pipeline.

We agreed that we must work on a solution, Altmaier said. We may perhaps have a chance to come to solutions in the coming weeks, clearly before the end of the year.

Altmaier said his top priorities were averting U.S. tariffs on European cars imported into the United States, and resolving a 15-year-old row over government subsidies to U.S. planemaker Boeing <BA.N> and Europes Airbus.

He said German carmakers already build many cars in the United States, and German firms have created over 700,000 jobs in the United States, but they were reluctant to invest more given the uncertainties caused by the current trade tensions.

Both sides have an interest in avoiding an escalation and finding reasonable solutions that can create a win-win situation, he said. We need reliability and the ability to plan, because only then will German firms be ready to invest in the United States to be able to supply world markets.

Asked how he viewed the chances of averting a 25% tariff on auto imports from Europe, Altmaier said, I think we have a 50-50 chance. We will be able to avoid punitive tariffs if we can find reasonable, viable solutions that are in the interest of both sides.

Altmaier said he and Lighthizer also discussed a longstanding dispute over government subsidies to Boeing and Airbus, but said he could not predict if a settlement could be reached.

On Wednesday, Altmaier had said he would be in favour of eliminating all government subsidies for aircraft production.

The WTO has found that both Boeing and Airbus <AIR.PA>, the worlds two largest planemakers,

have received billions of dollars of harmful or illegal government subsidies <https://www.reuters.com/article/us-eu-usa-aircraft-wto/wto-says-us-failed-to-halt-state-tax-subsidy-for-boeing-idUSKCN1R923B> to gain advantage in the global market.

The United States and EU have each threatened to impose billions of dollars of tit-for-tat tariffs, with Washington first in line to seek tariffs under the WTO timetable.

The WTO arbitrator is due to decide as early as next week how much of the \$11.2 billion in tariffs proposed by Washington can be applied. Altmaier said the WTO was expected to rule several months later on possible EU tariffs.

The EU this month said it was open to talks with Washington in the dispute, but no formal talks have begun, according to sources familiar with the issue.

I hope that we can solve the problems between Airbus and Boeing so that we don't see a repeat of what's happened in the coming 10 to 15 years, he said.

But he cautioned against expecting any instant solutions on the aircraft subsidies, or the other disagreements between the United States and Europe.

We have a lot of work to do and it will certainly take several weeks and months before we have any concrete results, he said.

(Reporting by Andrea Shalal in Washington; writing by Susan Heavey and Andrea Shalal; Editing by Nick Zieminski, Chris Reese and James Dalgleish)

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