

Summary of the dispute to date

Summary up-to-date at 11 February 2010

Consultations

Complaint by the United States (See also dispute [DS347](#)).

On 6 October 2004, the United States requested consultations with the Governments of Germany, France, the United Kingdom, and Spain (the “member States”), and with the European Communities (“EC”) concerning measures affecting trade in large civil aircraft.

According to the request for consultations from the United States, measures by the EC and the member States provide subsidies that are inconsistent with their obligations under the SCM Agreement and GATT 1994. The measures include: the provision of financing for design and development to Airbus companies (“launch aid”); the provision of grants and government-provided goods and services to develop, expand, and upgrade Airbus manufacturing sites for the development and production of the Airbus A380; the provision of loans on preferential terms; the assumption and forgiveness of debt resulting from launch and other large civil aircraft production and development financing; the provision of equity infusions and grants; the provision of research and development loans and grants in support of large civil aircraft development, directly for the benefit of Airbus, and any other measures involving a financial contribution to the Airbus companies. The subsidies in question include those relating to the entire family of Airbus products (A300 through the A380)

The United States further notes that certain launch aid provided for the A340 and A380 appear to be illegal export subsidies in contravention of certain provisions of Article 3 of the SCM Agreement.

The United States is further concerned that the measures appear to be causing adverse effects to US in a manner contrary to the provisions of Articles 5 and 6 of the SCM Agreement.

The United States is also concerned that the measures appear to be inconsistent with Article XVI:1 of GATT 1994.

Finally, the United States is concerned that the measures have caused and continue to cause nullification or impairment of benefits to the United States under GATT 1994 within the meaning of Article XXIII:1.

On 31 May 2005, the United States requested the establishment of a panel. At its meeting on 13 June 2005, the DSB deferred the establishment of a panel.

Panel and Appellate Body proceedings

At its meeting on 20 July 2005, the DSB established a panel. Australia, Brazil, Canada, China, Japan and Korea reserved their third-party rights.

At its 23 September 2005 meeting, the DSB initiated the procedures provided in Annex V of the SCM Agreement.

On 7 October 2005, the United States requested the Director-General to compose the panel. On 17 October 2005, Deputy Director Alejandro Jara, acting in place of the Director-General who recused himself on this matter, composed the panel.

On 13 April 2006, the Chairman of the Panel informed the DSB that the Panel would not be able to complete its work within six months due to the substantive and procedural complexities involved in this dispute, including the process of developing information concerning serious prejudice under Annex V of the SCM Agreement, another request for consultations by the United States, the Panel's subsequent agreement, at the parties' request, to set aside the original timetable for the dispute until an unspecified date in the future, and another request for the establishment of a panel by the United States. The Panel expected to complete its work in 2007. On 14 December 2007, the Chairman of the Panel informed the DSB that due to the substantive and procedural complexities involved in this dispute, it now expected to complete its work in 2008.

On 17 October 2008, the Chairman of the panel informed the DSB that due to, inter alia, the substantive and procedural complexities, and the volume of materials involved in this dispute, it expected to complete its works in 2009. On 3 December 2009, the Chairman of the panel informed the DSB that due to, inter alia, the substantive and procedural complexities, and the volume of materials involved in this dispute, **it now expected to complete its work before the end of April 2010.**