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Dr Andrew Murrison MP  
Chair  
Northern Ireland Affairs Committee

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## NORTHERN IRELAND AFFAIRS COMMITTEE BOMBARDIER INQUIRY

Thank you for the opportunity to respond to the question you asked during the Northern Ireland Affairs Committee hearing on Wednesday 10 January 2018.

I committed to write to you in answer to your question about:

*Are there other business sectors where similar “subsidies” have been granted, and therefore companies which may be at risk (in respect of our commercial relationship with the US)? Is HMG conducting some sort of audit to find this out? Has a formal piece of work been commissioned across Government to look at the implications of the upcoming ITC ruling for British industry?*

Many multinational businesses with operations in the UK may have received support from UK Governments in the form of Research and Development grants, tax credits or repayable loans. This theoretically, could result in companies based in the US or other countries bringing complaints through their domestic trade remedies frameworks. This of course works both ways: UK companies can currently bring similar complaints to the EU Commission and in future to the UK Trade Remedies Authority after the UK leaves the EU.

As I indicated during the evidence session, subsidies investigations are rare. According to EU Commission figures, there are only 5 definitive countervailing duty measures, imposed by third countries, currently in effect. None of these measures specifically target the UK. No tariffs have been imposed yet, relating to the US determination against Bombardier C-Series as there have not yet been any imports. The tariffs would be, if they are imposed after the forthcoming US ITC determination, on aircraft imported from Canada

We are not complacent, however, and are vigilant in ensuring WTO rules, and EU state aid rules, are adhered to when granting R&D assistance, loans and other support. We have strongly argued this to be the case for Bombardier with the US administration and the response from the US International Trade Commission is eagerly awaited. Meanwhile, the UK Government filed the notification of intent to appeal to the Court of International Trade on January 16<sup>th</sup>, as has Canada, and the EU Commission has also decided to file a Notice of Intent in parallel with the UK

We don't carry out ongoing risk assessments – one reason being that support from other governments may not be publicly disclosed but, as stated above, we do operate our support regimes within the rules and approach to trade which is designed to minimise friction. We deal with each case as they arise.

**RICHARD HARRINGTON MP**  
Minister for Energy and Industry