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1 GENERAL

1.1 Major events before 1995¹

1. The Agreement on Trade in Civil Aircraft ("Civil Aircraft Agreement") was concluded on 12 April 1979 at the end of the Tokyo Round. It entered into force on 1 January 1980.² The Civil Aircraft Agreement consists of tariff provisions requiring bound duty-free treatment for products listed in an Annex, provisions addressing non-tariff barriers to trade in civil aircraft, and institutional and final provisions. The Civil Aircraft Agreement is administered by the Committee on Trade in Civil Aircraft.

1.1.1 Authentic texts

2. At its first meeting, the Committee stated its willingness to authenticate a Spanish-language text of the Agreement on Trade in Civil Aircraft ("Civil Aircraft Agreement").³ A Spanish-language text of the Agreement was prepared in 1986, and the Committee agreed on 8 October 1986 that the Spanish-language text of the Agreement prepared by the Secretariat⁴ was the correct translation of the Agreement.⁵ On 25 March 1987, the Committee agreed that the Spanish-language text of the Civil Aircraft Agreement shall also be considered authentic.⁶

1.1.2 Elimination of customs duties and other charges on repairs

3. On 8 March 1983, the Committee adopted an "Agreed Interpretation of Article 2.1.2 of the Agreement on Trade in Civil Aircraft"⁷, which states that:

"Article 2.1.2 of the Agreement on Trade in Civil Aircraft, which provides for the elimination of 'all customs duties and other charges of any kind levied on repairs on civil aircraft', applies only to repairs of complete civil aircraft and those civil aircraft products which are classified for customs purposes under their respective tariff headings listed in the Annex to the Aircraft Agreement."⁸

4. Also on 8 March 1983, the Committee agreed that every signatory would bind its duties on repairs according to Article 2.1.3 of the Agreement. The Committee also agreed that the following

¹ For information, annual reports of the Committee under the GATT can be found in the following documents: GATT document [L/5075](#) (BISD 27S/41) for 1980; [L/5225](#) (BISD 28S/42) for 1981; [L/5411](#) (BISD 29S/58) for 1982; [L/5554](#) (BISD 30S/65) for 1983; [L/5698](#) (BISD 31S/281) for 1984; [L/5880](#) (BISD 32S/181) for 1985; [L/6056](#) (BISD 33S/223) for 1986; [L/6259](#) (BISD 34S/216) for 1987; [L/6415](#) (BISD 35S/389) for 1988; [L/6587](#) (BISD 36S/460) for 1989; [L/6767](#) (BISD 37S/320) for 1990; [L/6937](#) (BISD 38S/103) for 1991; [L/7101](#) (BISD 39S/448) for 1992; [L/7294](#) (BISD 40S/517) for 1993; [L/7557](#) (BISD 41S/720) for 1994; [L/7655](#), [WT/L/107](#) (BISD 42S/235) for 1995.

² [LT/UR/A-4/PLURI/1](#), para. 9.3.1 (BISD 26S/162-170).

³ GATT document [AIR/M/1](#), para. 44.

⁴ GATT document [AIR/61](#) and [Rev.1](#).

⁵ GATT document [AIR/M/18](#), para. 6.

⁶ "Authentic Text in Spanish - Decision of 25 March 1987, GATT document [AIR/63](#).

⁷ GATT document [AIR/M/10](#) (BISD 30S/24).

⁸ GATT document [AIR/M/10](#), para. 15.

text should be considered as a common guideline for bindings of duties on repairs, to be inserted as a Headnote in signatories' respective GATT Schedules:

"Duty free or duty exempt treatment is provided for all repairs on civil aircraft in accordance with Article 2.1.2 of the Agreement on Trade in Civil Aircraft (the term 'repairs' includes maintenance, rebuilding, modification and conversion)."⁹

5. Any signatory requiring additional language would be free to include it, provided that the obligation under Article 2.1.3 was fulfilled.

1.1.3 Annex to the Agreement: Product coverage

6. On 7 October 1982, the Committee adopted procedures for modifications and rectifications to the Annex¹⁰, adapting the Procedures for Modification and Rectification of Schedules adopted by the GATT Council on 26 March 1980.¹¹ There were two certifications of modifications or rectifications between 1983 and 1984.¹²

7. On 22 March 1984, the Committee adopted a decision to the effect that the text attached to its Decision would be a consolidated Annex to the Civil Aircraft Agreement, incorporating 32 new categories of products as agreed by the Committee on 6 October 1983.¹³ This package was implemented through the Third Certification of Modifications and Rectifications to the Annex, certified effective 1 January 1985.¹⁴

8. From 1983 to 1985, work took place on aligning the tariff coverage in the Annex with the Harmonized System tariff nomenclature. On 2 December 1986, the Committee adopted the Protocol (1986) Amending the Agreement on Trade in Civil Aircraft and opened it for signature.¹⁵ The Protocol (1986) replaced the Annex as established by the Decision of 22 March 1984 and the Third Certification. Its date of entry into force was 1 January 1988, or the date of entry into force of the Harmonized System Convention, whichever was later.¹⁶

1.1.4 Negotiations pursuant to Article 8.3

9. In July 1982, the Committee began a process of examining proposals to broaden and improve the Civil Aircraft Agreement. Negotiations conducted under Article 8.3 thereof led to a package extending the coverage of the Annex to the Civil Aircraft Agreement, which was implemented through the Third Certification of Modifications and Rectifications to the Annex, certified effective 1 January 1985.¹⁷

10. On 16 July 1992, in response to a proposal by the European Communities and the United States, the Committee agreed to open negotiations under Article 8.3 of the Civil Aircraft Agreement. The Committee agreed that these negotiations would be conducted in a Sub-Committee and would be open to signatories and to interested non-signatories.¹⁸ The Sub-Committee has not met since its fourteenth meeting in November 1995.¹⁹

⁹ GATT document [AIR/M/10](#), para. 24.

¹⁰ GATT document [AIR/41](#). See also the Secretariat Note in GATT document [AIR/W/33](#).

¹¹ GATT document [L/4962](#) (BISD 27S/25).

¹² BISD 30S/4 (1983); 31S/4 (1984).

¹³ GATT document [AIR/45](#) (BISD 30S/281).

¹⁴ BISD 31S/5.

¹⁵ GATT document [L/6259](#) (BISD 34S/216).

¹⁶ GATT document [AIR/62](#) (BISD 34S/22-24).

¹⁷ BISD 31S/5.

¹⁸ GATT document [AIR/M/32](#), paras. 25-40. Documents from these negotiations can be found in the GATT documents [AIR/RN/1](#) through [AIR/RN/12](#) and the records of the Sub-committee's work can be found in the GATT documents [AIR/70-79](#) and [AIR/81-82](#).

¹⁹ [TCA/1](#). See also [TCA/M/4](#), paras. 18-25.

1.1.5 Subsidiary bodies

11. At its meeting of 20 February 1980, the Aircraft Committee established a Technical Sub-Committee²⁰, with the following terms of reference:

"1. Pursuant to Article 8.4, to examine the implementation of the provisions of Article 2 related to product coverage, the end-use system, customs duties and other charges, including matters relating to aircraft tariff nomenclature, and to report to the Committee.

2. In the light of the Preamble of the Agreement, to examine proposals for modifying the product coverage and to report thereon to the Committee."²¹

12. At its meeting of 16 July 1992, the Aircraft Committee also established the Sub-Committee of the Committee on Trade in Civil Aircraft in which negotiations under Article 8.3 of the Civil Aircraft Agreement would be conducted.²² The Sub-Committee has not met since its fourteenth meeting in November 1995.²³

1.2 Activities under the WTO

13. The Civil Aircraft Agreement was not included within the subjects for negotiation in the Uruguay Round. From 1993 to 1994, there were efforts to seek agreement on a replacement text for the Civil Aircraft Agreement, or on rectifications to its existing text, so that the Agreement would be aligned with the WTO institutional and dispute settlement framework. These efforts were unsuccessful. The 1979 Civil Aircraft Agreement was included as a Plurilateral Trade Agreement in Annex 4 of the WTO Agreement in its state as of 15 April 1994.

14. Since 1995, the Committee has been active in maintaining and updating the Civil Aircraft Agreement's tariff provisions. The Protocol (2001) Amending the Annex to the Agreement on Trade in Civil Aircraft was adopted in November 2001 in order to align the tariff nomenclature used in the product Annex with the HS1992, HS1996, and HS2002 nomenclature updates and to expand the Agreement's product coverage. The Protocol (2015) Amending the Annex to the Agreement on Trade in Civil Aircraft was adopted in November 2015 in order to align the tariff nomenclature used in the product Annex with the HS2007 nomenclature updates. The Committee has also provided a forum for work by the Signatories on other barriers to trade in civil aircraft.

15. Efforts to seek agreement on rectifications to align the Civil Aircraft Agreement with the WTO institutional and dispute settlement framework continued from 1995 to 2000 without success.

16. As of March 2021, there are 33 Signatories to the Agreement: Albania; Canada; Egypt; the European Union; Georgia; Japan; Macao, China; Montenegro; North Macedonia; Norway; Switzerland; Chinese Taipei; the United Kingdom; the United States; and 19 EU Member States (Austria; Belgium; Bulgaria; Denmark; Estonia; France; Germany; Greece; Ireland; Italy; Latvia; Lithuania; Luxembourg; Malta; the Netherlands; Portugal; Romania; Spain; and Sweden). The following WTO Members have observer status in the Committee: Argentina; Australia; Bangladesh; Brazil; Cameroon; China; Colombia; Gabon; Ghana; India; Indonesia; Israel; Korea, Republic of; Mauritius; Nigeria; Oman; Russian Federation; Saudi Arabia, Kingdom of; Singapore; Sri Lanka; Tajikistan; Trinidad and Tobago; Tunisia; Turkey; and Ukraine. The IMF and UNCTAD are also observers.

1.3 WTO disputes relating to Civil Aircraft

17. Government support to manufacturers of civil aircraft has been the subject of a number of WTO dispute settlement proceedings. All such disputes involved claims based on the SCM Agreement, not the Civil Aircraft Agreement.

²⁰ GATT document [AIR/M/1](#), paras. 36-40.

²¹ GATT documents [AIR/M/1](#), para. 38; and [AIR/3](#).

²² GATT document [AIR/M/32](#), para. 35. See also GATT document [AIR/M/34](#), paras. 6-11.

²³ [TCA/1](#). See also [TCA/M/4](#), paras. 18-25.

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