



House of Commons  
Northern Ireland Affairs  
Committee

---

**Bombardier:  
Government Response  
to the Committee's First  
Report**

---

**Third Special Report of Session 2017–19**

*Ordered by the House of Commons  
to be printed 18 April 2018*

## Northern Ireland Affairs Committee

The Northern Ireland Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Northern Ireland Office (but excluding individual cases and advice given by the Crown Solicitor); and other matters within the responsibilities of the Secretary of State for Northern Ireland (but excluding the expenditure, administration and policy of the Office of the Director of Public Prosecutions, Northern Ireland and the drafting of legislation by the Office of the Legislative Counsel).

### Current membership

[Dr Andrew Murrison MP](#) (*Conservative, South West Wiltshire*) (Chair)

[Mr Gregory Campbell MP](#) (*Democratic Unionist Party, East Londonderry*)

[Mr Robert Goodwill MP](#) (*Conservative, Scarborough and Whitby*)

[John Grogan MP](#) (*Labour, Keighley*)

[Mr Stephen Hepburn MP](#) (*Labour, Jarrow*)

[Lady Hermon MP](#) (*Independent, North Down*)

[Kate Hoey MP](#) (*Labour, Vauxhall*)

[Jack Lopresti MP](#) (*Conservative, Filton and Bradley Stoke*)

[Conor McGinn MP](#) (*Labour, St Helens North*)

[Nigel Mills MP](#) (*Conservative, Amber Valley*)

[Ian Paisley MP](#) (*Democratic Unionist Party, North Antrim*)

[Jim Shannon MP](#) (*Democratic Unionist Party, Strangford*)

[Bob Stewart MP](#) (*Conservative, Beckenham*)

### Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

Committee reports are published on the Committee's website at [www.parliament.uk/niacom](http://www.parliament.uk/niacom) and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

### Committee staff

Margaret McKinnon (Clerk), Edward Faulkner (Second Clerk), Elektra Garvie-Adams and Polly Lord (Committee Specialists), John Hitchcock (Senior Committee Assistant) and George Perry (Media Officer).

### Contacts

All correspondence should be addressed to the Clerk of the Northern Ireland Affairs Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 2173; the Committee's email address is [northircom@parliament.uk](mailto:northircom@parliament.uk).

## Third Special Report

---

The Northern Ireland Affairs Committee published its First Report of Session 2017–19, [Bombardier](#) (HC 533), on 8 February 2018. The Government's response was received on 9 April 2018 and is appended below.

In the Government response the Committee's recommendations are shown in **bold** type; the Government's response is shown in plain type.

## Appendix: Response from the Government

---

### Introduction

The Government thanks the Committee for its report into Bombardier in Northern Ireland. As we set out in our written submissions and in the hearing, the UK Government has resolutely defended the interest of Shorts Brothers in Belfast and its workers throughout this dispute and has worked in close collaboration with Canada and Bombardier. This has been a priority at all levels of Government and we are pleased that the US International Trade Commission confirms what the UK Government has maintained from the outset: that this case was unjustified and that there is no injury to US industry from the import of Bombardier's C-Series.

### *Recommendation 1*

**The Government should work to ensure the result reached by the WTO is the same as the International Trade Commission's determination**

The focus of the WTO case being brought by Brazil is with regard to support from Canada to the Bombardier C-Series aircraft. Support to Bombardier (Shorts) from the UK Government is not within scope of the dispute. Should this case be broadened to include the UK then the Government will robustly defend its position in the same determined way it has done so in the US dispute.

### *Recommendation 2*

**Unless Boeing confirms that it respects the ITC's decision and will not appeal it, we recommend that the UK Government undertake a review of all contracts held with Boeing. We further recommend that the Government follow the approach of the Canadian Government and stipulate that, in future contract bids, the past behaviour of companies in relation to economic harm to the UK will be considered.**

All deadlines for Boeing to appeal the US ITC's decision have now passed and the UK Government welcomes Boeing's decision not to appeal the ITC determination. The UK Government will work with all key players in the industry to help build on the sector's success and to promote an open and fair global trading environment.

### ***Recommendation 3***

**In the absence of an Executive, we recommend that the UK Government work with Bombardier, Invest NI and the Department for the Economy to ensure the Airbus venture produces the best possible outcome for workers in Northern Ireland.**

The UK Government welcomes the C-Series joint venture between Bombardier and Airbus, which is ongoing and remains a positive step. This is a commercial arrangement between the two companies. Nevertheless, the Secretary of State remains in contact with both parties in this matter to receive assurances that the process is moving swiftly and positively. We hope to see the joint venture process concluded later this year, subject to due diligence processes and regulatory approvals having been completed.

### ***Recommendation 4***

**The Government should conduct an audit of all Repayable Investment Loan provisions or similar it has made to UK companies. Risk assessments should be then conducted particularly where companies have significant business in the US market. Any audit and risk assessment should also consider companies where funding has come from other Governments but where punitive measures such as tariffs could have a significant impact on UK workers.**

The UK Government is clear that the provision of Repayable Launch Investment is in line with World Trade Organisation rules on subsidies. Nevertheless the Government recognises the concern raised by the Committee and wishes to assure them that there are robust monitoring arrangements already in place for the RLI programme. There are a very small number of companies in receipt of RLI support with whom there are well established and meaningful strategic relationships including on matters pertinent to international trade. The Government also monitors detailed programme and forecast data, and this collectively informs officials' rolling programme of risk and market analysis. More broadly mandatory biannual meetings are held with the companies to monitor the progress of individual programmes, which in turn informs HMG's mid-year and end-year financial and risk evaluations. These evaluations are subject to thorough audit by the National Audit Office. The Government, however, does not have full sight of funding provided by other governments to companies with an international footprint.