



## DRAFT PRESS RELEASE

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### **New EU Tariffs on U.S. Spirits Further Devastate Once Booming Transatlantic Drinks Trade**

**WASHINGTON** - A coalition of 20 trade associations representing the U.S., European Union and United Kingdom wine and distilled spirits and related sectors today warned that new European Union tariffs of 25 percent on U.S. rum, brandy, vodka and vermouth would increase the tensions around the Airbus and Boeing disputes and further damage the once-booming transatlantic drinks trade.

“The application of excessive and unwarranted tariffs has to end,” the coalition said. “Hospitality businesses and our consumers, as well as producers, wholesalers and importers of distilled spirits, wine, and beer are being slammed from both sides of the Atlantic in an aircraft dispute wholly unrelated to the drinks business. This is on top of the closings of restaurants, bars, and distillery and winery tasting rooms because of the COVID-19 pandemic.”

These additional tariffs on U.S. products will further degrade the difficult situation the wines and spirits industries have been facing since additional tariffs were imposed in 2018. Specifically, in October 2019, the U.S. imposed a 25 percent tariff on Single Malt Scotch Whisky; Single Malt Irish Whiskey from Northern Ireland; liqueurs and cordials from Germany, Ireland, Italy, Spain and the United Kingdom, as well as certain wines from Germany, France, Spain and the UK. This has resulted in a painful 34 percent decline in Scotch Whisky exports, a 28 percent decline in liqueurs and cordials exports and a 54 percent decline in wine exports. Similarly, the EU imposed a 25 percent tariff on Bourbon and other U.S. Whiskeys since June 2018 in response to U.S. tariffs on steel and aluminum, which has resulted in a 41 percent decline in American Whiskey exports to the EU.

The coalition also noted that the imposition of additional tariffs would force more businesses to close their doors and lay off more workers in sectors already severely weakened because of the global pandemic & related restrictions.

“The U.S. and EU need to return to the negotiating table without delay,” the coalition added. “They need to immediately suspend the current tariffs as they negotiate an agreement to

simultaneously eliminate additional tariffs on distilled spirits and wine in these disputes unrelated to the sector.”

The coalition is made up of the [Distilled Spirits Council Of The United States](#), [SpiritsEUROPE](#), [Scotch Whisky Association](#), [Comité Européen Des Entreprises Vins](#), [Wine Institute](#), [American Beverage Licensees](#), [WineAmerica](#), [Wine & Spirits Wholesalers Of America](#), [National Retail Federation](#), [American Craft Spirits Association](#), [American Distilled Spirits Alliance](#), [U.S. Wine Trade Alliance](#), [National Council Of Chain Restaurants](#), [Kentucky Distillers’ Association](#), [National Restaurant Association](#), [National Association Of Beverage Importers](#), [National Association Of Wine Retailers](#), [The Wine and Spirits Trade Association](#), [Napa Valley Vintners](#), and [Wine And Spirits Shippers Association](#).

## BACKGROUND

- On October 7, 18 U.S. and EU associations representing the U.S., European and United Kingdom beverage alcohol and related sectors sent a [letter to the United States Trade Representative and the European Commission for Trade](#) expressing their shared opposition to tariffs on wine, distilled spirits and beer, and urging for their immediate elimination.
- According to a DISCUS analysis, American Whiskey exports to the EU (which includes the UK until it departs the EU customs union) have tumbled by 41 percent, costing producers more than \$300 million, since the EU’s 25 percent retaliatory tariff went into effect in June 2018.
- Since October 18, 2019, the U.S. has imposed a 25 percent tariff on imports of Single Malt Scotch Whisky; Single Malt Irish Whiskey from Northern Ireland; liqueurs and cordials from Germany, Ireland, Italy, Spain and the United Kingdom, and certain wines from Germany, France, Spain & the UK. According to the latest data available:
  - U.S. imports of Scotch Whisky are down by nearly 34 percent between October 2019 and August. 2020 (\$949 million) compared to October 2018 through August 2019 (\$1.43 billion).
  - U.S. imports of liqueurs and cordials from Germany, Ireland, Italy, Spain and the United Kingdom are down by approximately 28 percent between October 2019 and August 2020 (\$371 million) compared to October 2018 through August 2019 (\$514 million).
  - U.S. imports of the categories of wines concerned by the tariffs from Germany, France, Spain and the UK went down by 54 percent between November 2019 and August 2020 (\$528 million) compared to November 2018 through August 2019 (\$1.2 billion).

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