

PRESS RELEASE



EUROPEAN SPIRITS SECTOR BETS ON TRADE AS ENGINE OF GROWTH & RESILIENCE AMIDST CHALLENGING ECONOMIC CLIMATE

Brussels, 8 September 2022 - EU spirits exports increased markedly in 2021, reaching a value of €8.41 billion (+24% compared with 2020). The progressive relaxation of COVID-related restrictions, the suspension of EU-US tariffs and an exceptional performance in China all supported the recovery. However, 2022 is set to be a far more challenging year, with rising inflation & supply chain disruptions affecting production costs & demand in Europe and other regions of the world. Trade Policy has a critical role to play in supporting trade diversification & helping spirits producers make the most out of growth opportunities to support this fragile recovery.

Pauline Bastidon, Director of Trade at spiritsEUROPE, presented the association's **2022 Trade Review**, which shows that European spirits exports fared significantly better in 2021 than in the previous year. The reopening of the hospitality & tourism sectors around the world, as well as the suspension of retaliatory tariffs on EU spirits in the US greatly supported this trend.

Pauline Bastidon said: *"Early indications show that this positive trend also continued during the first months of 2022. However, supply chain disruptions and dramatic price increases for raw materials and energy—made worse by the war in Ukraine—could slow down future growth prospects significantly. Against this challenging economic background, our sector will need new export opportunities as well as stability in our relations with major trading partners."*

Boosted by a return to tariff-free trade in spirits across the Atlantic, the US remains the first export market for EU spirits, with exports of a value of €3.26 billion, followed by China, the UK and Singapore – which is used as a hub for the wider Asian region.

A stable & predictable relationship with major trading partners including enhanced cooperation on regulatory matters, will be essential to minimise potential barriers to trade. *"We also need to focus on emerging markets, where future growth will materialise if trade barriers & protectionist measures can successfully be lowered, such as in India, ASEAN and Mercosur countries."* said Pauline Bastidon.

spiritsEUROPE calls on the EU to support companies' efforts in diversification so as to increase their resilience in a challenging trading environment, through trade negotiations & agreements, market access & enforcement efforts and promotion activities. An open & ambitious EU trade policy can help to protect jobs rooted in European regions, while acting as an engine for higher production standards and sustainable development worldwide.

Pauline Bastidon concluded: *"Trade in spirits supports countless jobs – particularly in oftentimes disadvantaged rural areas, thanks to our impressive network of Geographical Indications. It also allows us to export best practices in terms of production standards and sustainability – contributing to rising standards around the World"*.

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Note to editors

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- **spiritsEUROPE** is the representative body for the spirits industry at European level comprising 31 associations and 11 international companies: www.spirits.eu.
- Click [here](#) for the Trade Review 2022 publication