

spiritsEUROPE deeply disappointed over EU announced Tariffs on US Whiskey & spirits as part of unrelated steel and aluminium dispute

Brussels, 12 March 2025 – spiritsEUROPE is extremely concerned by the EU announcement this morning regarding EU rebalancing tariffs on US Whiskey and other US spirits categories in response to US tariffs on steel and aluminium, urges the EU & the US to keep spirits out of unrelated disputes.

The announcement comes at a particularly difficult time for the spirits sector, amidst geopolitical tensions and a marked slowdown in many key markets. If implemented on 1 April, these tariffs will have a hugely damaging impact on the EU companies that produce US spirits, US companies that are heavily invested in Europe and all actors in the value chain, putting at risk the many jobs they support, including in rural areas.

"Yet again, spirit drinks have become collateral damage in an unrelated trade dispute. As highlighted in our numerous engagements with the European Commission over the last seven years, we fail to understand how this will help with the broader, unrelated dispute on steel and aluminium. The EU and US spirits sectors stand united in their steadfast commitment to maintaining transatlantic spirits trade tariff-free", said Pauline Bastidon, Trade & Economic Affairs Director at spiritsEUROPE.

The 1997 reciprocal zero-for-zero agreement that eliminated tariffs on spirits led to a remarkable 450% growth in transatlantic trade until 2018, before retaliatory tariffs were first introduced. Their return would have devastating consequences for the sector and put at risk the strong transatlantic trade & investment flows that have benefited both sides and created so many interconnections on both sides of the Atlantic.

"The clock is ticking. We urge the EU & the US to keep spirits out of unrelated disputes while they work on resolving their differences and protecting the vitally important transatlantic trade relationship", she said.

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Note to editors

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- spiritsEUROPE is the representative body for the spirits industry at European level comprising 30 associations and 11 international companies: www.spirits.eu.

Background Information:

In response to the US tariffs, the EU issued a <u>press release</u> and a <u>memo</u> announcing retaliation in two waves, along the lines described last week:

- First, the Commission will allow the suspension of existing 2018 and 2020 countermeasures against the US to lapse on 1 April. These countermeasures target a range of US products that respond to the economic harm done on €8 billion of EU steel and aluminium exports and include tariffs on US whiskeys. We understand that the intention is to apply both annexes of Commission Implementing Regulation (EU) 2018/886 of 20 June 2018 on certain commercial policy measures concerning certain products originating in the United States of America and amending Implementing Regulation (EU) 2018/724 which would lead to a total tariff of 50% on US Whiskey.
- Second, in response to new US tariffs affecting more than €18 billion of EU exports, the Commission is putting forward a package of new countermeasures on US exports. They will come into force by mid-April, following consultation of Member States and stakeholders. The <u>public consultation</u> on this new list is open from today till 26 March. You can find the full list of products the Commission is proposing to target as part of a second wave of rebalancing tariffs <u>here</u>. Many agri-food categories are on the list, including wines and several spirits categories such as gin, liqueurs and cordials and products falling in the "other" category (220890).
- A Spirits of Unity A flourishing sector marked by strong transatlantic ties: click <u>here</u>
- Calling for #ToastsNotTariffs by spiritsEUROPE and the Distilled Spirits Council of United States: click here for the video