



PRESS RELEASE

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End Spirits, Wine and Beer Tariffs:

Industry Calls for U.S. and EU to End Trade Dispute Urgently to Save Jobs

WASHINGTON – In a show of transatlantic unity, 17 associations representing the U.S. and European beverage alcohol sectors submitted comments today to the United States Trade Representative (USTR) in opposition to the U.S. government’s proposal to impose tariffs on distilled spirits, wine and beer imported from the European Union and the United Kingdom.

The organizations submitted individual comments from [spiritsEUROPE](#), the [Scotch Whisky Association](#) and [a coalition of U.S. beverage alcohol associations](#).

“Our 17 U.S., EU and UK associations are united in strong opposition to tariffs on beverage alcohol products. We are speaking with one voice in calling for the U.S. Administration and the European Commission to remove the current tariffs on spirits and wine from the EU and UK, and American Whiskeys, and to forgo imposing any additional tariffs on beverage alcohol products. We hope Friday’s announcement by Airbus and the legislation passed in Washington State in March regarding civil aviation subsidies are significant steps toward the elimination of tariffs,” said the group of U.S., EU, and UK beverage alcohol associations.

“Beverage alcohol sectors on both sides of the Atlantic have suffered enough. These tariffs are exacerbating the incredible burden hospitality businesses are experiencing with the widespread closures of bars and restaurants due to COVID-19. The U.S. and EU need to seek measures to bolster hospitality jobs, not saddle businesses with unnecessary tariffs.”

Under USTR’s proposal, tariffs of up to 100 percent may be imposed on Scotch Whisky, Irish Whiskey, other Whiskeys and Grape Brandy from all EU members; vodka, gin and beer from the UK, Germany, France and Spain; liqueurs and cordials from all other EU members not currently facing tariffs; and certain wines from all EU members and the United Kingdom.

According to an analysis by the Distilled Spirits Council of the United States (DISCUS), U.S. tariffs on UK and EU wine, distilled spirits and beer may lead to a loss of approximately 13,700 to 95,900 U.S. jobs, depending on the percent increase of the tariffs.

The groups underscored that retaliatory tariffs on U.S., EU and UK distilled spirits and wine are having a significant negative impact on both industries.

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 United Kingdom; and certain wines from France, Germany, Spain, and the United Kingdom.

According to the latest data available:

- U.S. imports of Scotch Whisky are down by nearly 33 percent between October 2019-May 2020 (\$723 million) compared to October 2018-May 2019 (\$1.01 billion).
- U.S. imports of liqueurs and cordials from Germany, Ireland, Italy, Spain and the United Kingdom are down by approximately 23 percent between October 2019-May 2020 (\$288 million) compared October 2018-May 2019 (\$372 million).
- U.S. imports of certain wines from France, Germany, Spain and the UK are down by approximately 44 percent between October 2019-May 2020 (\$587 million) compared October 2018-May 2019 (\$1.04 billion).

In a separate dispute, the EU has imposed a retaliatory tariff of 25 percent on all U.S. Whiskey imports since June 22, 2018. According to a DISCUS analysis, American Whiskey exports to the EU have tumbled by 33 percent and cost \$300 million since the EU's 25 percent retaliatory tariff went into effect. The EU has stated it may impose retaliatory tariffs this fall on U.S. rum, vodka, brandy and wine in its parallel case at the World Trade Organization concerning Boeing. In addition, the EU is scheduled to increase its retaliatory tariff on American Whiskey to 50 percent in spring 2021.

"We are calling on both sides to de-escalate the disputes and return to the 1994 zero-for-zero agreement on both sides of the Atlantic which has been instrumental to our success and job creation in the U.S., EU and UK," the group said.

The joint release was issued by the following beverage alcohol trade associations: *Distilled Spirits Council of the United States, *spiritsEUROPE, *Scotch Whisky Association, *American Beverage Licensees, *National Retail Federation, *American Craft Spirits Association, *American Distilled Spirits Alliance, *National Council of Chain Restaurants, *Kentucky Distillers' Association, *National Association of Beverage Importers, *National Restaurant Association, *U.S. Wine & Trade Alliance, *WineAmerica, *Wine Institute, *Wine and Spirits Shippers Association, *Wines & Spirits Wholesalers of America, and the *National Association of Wine Retailers.

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