



PRESS RELEASE

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Transatlantic Beverage Alcohol Associations Send Joint Letter to U.S. and EU Urging Immediate End to Tariffs on Spirits and Wine

WASHINGTON – Eighteen associations representing the U.S., European and UK beverage alcohol and related sectors sent a letter today to the United States Trade Representative (USTR) and the European Commission for Trade expressing their shared opposition to tariffs on wine, distilled spirits and beer and urging for their immediate elimination.

The joint letter, sent in response to news reports that the World Trade Organization authorized the EU to impose \$4 billion in tariffs on U.S. imports in the Boeing dispute, expressed concern that the ruling could trigger the EU to impose additional tariffs on U.S. beverage alcohol products. The EU previously indicated that it may impose tariffs on U.S. wine, rum, brandy and vodka in this dispute.

“The escalation of tariffs on the distilled spirits and wine sectors, by either the U.S. or EU, will only increase harm to an industry already suffering,” said the group of U.S., EU, and UK spirits, wine and beer associations. “The spirits and wine industries and hospitality sector are facing incredible economic harm due to the mandatory closings of restaurants, bars and distillery and winery tasting rooms in response to the outbreak of COVID-19.”

The groups stated, “These tariffs, which have been imposed in connection with unrelated trade disputes, have generated severe economic pain for our sectors and our wider supply chains.”

They pointed to the damaging ripple effect throughout the entire industry from distillery and winery workers, hospitality workers, retail workers, and farmers to packaging companies that provide the containers, caps, and lids, and truckers, freight forwarders and logistic providers that get these products through Customs. The 18 associations urged the EU and U.S. “to come to a negotiated settlement without delay that simultaneously eliminates additional tariffs on distilled spirits and wine, which will generate growth and jobs on both sides of the Atlantic.”

Further, they called on the U.S. and EU to immediately agree to refrain from imposing any new tariffs and suspend all additional tariffs while negotiations are underway.

Tariffs are having a debilitating impact on U.S. & EU distillers

According to a DISCUS analysis, since the imposition of the EU's 25 percent tariff on American Whiskey in June 2018, American Whiskey exports to the EU have tumbled by 41 percent from \$757 million (July 2017 to June 2018) to \$449 million (August 2019 to July 2020 – latest data available).

Since Oct. 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 UK; and certain wines from France, Germany, Spain and UK.

According to the latest data available, U.S. imports of Scotch Whisky are down by nearly 35 percent between Oct. 2019-July 2020 (\$852 million) compared to Oct. 2018-July 2019 (\$1.31 billion). U.S. imports of liqueurs and cordials from Germany, Ireland, Italy, Spain and the United Kingdom are down by approximately 26 percent between Oct. 2019-July 2020 (\$331 million) compared to Oct. 2018-July 2019 (\$450 million). U.S. imports of the categories of wines concerned by the tariffs from Germany, France, Spain and UK went down by 54 percent between Nov. 2019-July 2020 (\$575 million) compared to Nov. 2018-July 2019 (\$1.2 billion).

The associations concluded, "An immediate restoration of duty-free access for all distilled spirits and low tariffs for wine is essential to returning our industries to supporting jobs on both sides of the Atlantic."

The joint letter was signed by the following trade associations: [Distilled Spirits Council of the United States](#), [spiritsEUROPE](#), [Comité Européen des Entreprises Vins](#), [Scotch Whisky Association](#), [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](#), and the [Wine and Spirits Shippers Association](#).

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