

PRESS RELEASE



spiritsEUROPE applauds EU-US agreement on Section 232 dispute, welcomes removal of retaliatory tariffs on spirits

Brussels, 2 November 2021 – On Sunday, the European Commission & US Government announced that they had reached an agreement on the Section 232 dispute on steel and aluminium whereby all retaliatory tariffs on spirits will be lifted, more than 3 years after they were first introduced, in a significant boost to transatlantic trade.

Commenting on this announcement, Ulrich Adam, Director General of spiritsEUROPE said:

“This is a hugely positive development and a great relief to the many unrelated sectors targeted in this dispute, not least the spirits sector! We would like to commend the EU and the US for reaching this agreement, which finally allows us all to focus on building a positive transatlantic agenda, as we are slowly starting to rebound from the economic crisis. Returning to tariff-free trade for spirits across the Atlantic will bring much-needed certainty to distillers and our value chain partners in the hospitality sector – many of which continue to be negatively impacted by the aftermaths of the COVID crisis”.

From 1997 to 2018, prior to the introduction of retaliatory tariffs, the spirits sector had benefited from tariff-free transatlantic trade, which had resulted in a growth in transatlantic spirits trade of +450% over 20 years. This was put in jeopardy when retaliatory tariffs on spirits were introduced more than three years ago as part of unrelated trade disputes – first, on steel and aluminium, and then on large civil aircrafts. The suspension of tariffs on EU spirits in the Airbus-Boeing disputes earlier this year already generated a strong boost for spirits exports to the US, the sector’s first export market, demonstrating how much mutual trade and growth can be generated in the absence of trade disputes and tariffs.

“We want to praise Sunday’s ground-breaking decision, which will allow companies on both sides of the Atlantic to focus on creating jobs, growth and investment and hope that both the EU and the US will be able to find a permanent resolution to the disputes and address any future differences without resorting to retaliatory tariffs”, Adam added.

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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 10 multinationals: www.spirits.eu.

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