

# U.S.-EU-UK Tariffs on Distilled Spirits and Wines: Timeline and Impact



**June 22, 2018:** The EU imposed a 25% retaliatory tariff on American Whiskey in response to U.S. Section 232 tariffs on steel and aluminum. As a result of the retaliatory tariff, American Whiskey exports to the EU, our largest export market, have plunged 20%, from \$552 million to \$440 million (2018- 2021). American Whiskey exports to the UK, our second largest market, have declined by 42%, from \$150 million to \$88 million since the imposition of tariffs (2018-2021).

**October 18, 2019:** The U.S. imposed a 25% retaliatory tariff on Single Malt Scotch Whisky and Single Malt Irish Whiskey from Northern Ireland, and liqueurs and cordials from Germany, Ireland, Italy, Spain and the UK, and certain wines from Germany, France, Spain & the UK in the WTO Airbus dispute. U.S. imports of Scotch Whisky were down by nearly 38% between from 2019 (\$1.5 billion) compared to 2021 (\$850 million). U.S. imports of liqueurs and cordials from Germany, Ireland, Italy, Spain and the UK were down by approximately 11% from 2019 (\$628 million) compared to 2021 (\$557 million). U.S. imports of certain wines from Germany, France, Spain & the UK were down nearly 18% from 2019 (\$1.5 billion) compared to 2021 (\$1.3 billion).

**November 10, 2020:** EU imposed 25% tariff on U.S. rum, brandy, and vodka in the WTO Boeing-Airbus disputes.

**December 8, 2020:** UK announced it would suspend the tariff on U.S. rum, brandy and vodka in connection to the WTO Boeing-Airbus disputes when it departs the EU Customs Union on January 1, 2021. However, the UK announced it would maintain the tariff on American Whiskey to evaluate its response to U.S. 232 tariffs on steel and aluminum.

**January 12, 2021:** U.S. imposed a 25% tariff on Cognac, other grape brandies valued over \$38 per proof liter in connection to the WTO Boeing-Airbus disputes.

**March 4, 2021:** U.S. and UK agreed to suspend tariffs for four months on UK goods in connection to the WTO Boeing-Airbus disputes, including Single Malt Scotch, Single Malt Irish Whiskey from Northern Ireland, liqueurs and cordials, and certain wines for four months as they negotiate the underlying dispute. The 4-month tariff suspension went into effect on March 4, 2021.

**March 5, 2021:** U.S. and EU agreed to suspend for four months tariffs on goods in connection to the WTO Boeing-Airbus disputes, including the 25% tariffs imposed by the EU on U.S. rum, brandy and vodka and the U.S. imposed on liqueurs and cordials from Germany, Ireland, Italy, and Spain, on certain Cognacs and other grape brandies from France and Germany, and certain wines from Germany, France, and Spain. The 4-month tariff suspension went into effect on March 11, 2021.

**May 17, 2021:** U.S. and EU reached an agreement to start discussions to address global steel and aluminum excess capacity and committed to finding solutions before the end 2021.

**May 31, 2021:** EU published a regulation suspending the June 1, 2021, doubling of its tariff on American Whiskey and other U.S. goods for 6-months to December 1, 2021.

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**May 24, 2021:** UK launched its consultations on its tariffs in response to U.S. steel and aluminium tariffs.

**June 15, 2021:** The U.S. and EU announced a five-year suspension of tariffs on U.S. and EU distilled spirits and wines as part of the WTO Boeing-Airbus trade dispute agreement. Under the agreement, the EU suspended for five years the 25% tariffs on U.S. rum, brandy and vodka. In return, the U.S. will suspend for five years the 25% tariffs on liqueurs and cordials from Germany, Ireland, Italy and Spain, certain wines from Germany, France, Spain, and on certain Cognacs and other grape brandies from France and Germany.

**June 17, 2021:** The U.S. and UK announced a five-year suspension of tariffs on UK distilled spirits is the WTO Boeing-Airbus disputes. The U.S. suspended the 25% tariffs on Single Malt Scotch, Single Malt Irish Whisky from Northern Ireland, UK liqueurs and cordials, and certain wines. The UK suspended the 25% tariffs on U.S. rum, brandy and vodka on January 1, 2021.

**July 5, 2021:** Deadline for comments in the UK's consultation on its tariffs in response to U.S. steel/aluminum tariffs.

**October 31, 2021:** the U.S. and EU announced an agreement in the U.S. Section 232 steel and aluminum dispute which will suspend all retaliatory tariffs imposed in connection with this dispute, including the EU's 25% retaliatory tariff on American Whiskeys. The EU's retaliatory tariffs will remain at 25% (avoiding an automatic doubling to 50% on December 1<sup>st</sup>) and will be suspended on January 1, 2022.

**November 29, 2021:** The EU published [a notice in its Official Journal](#) announcing that it will suspend tariffs in the steel and aluminum dispute for two years. The EU indicated that it would suspend the tariffs for two years in response to the decision by the U.S. to extend the exclusions it granted to certain EU steel and aluminum imports until December 31, 2023. The EU believes that two years allows the U.S. and EU to significantly increase cooperation on global overcapacity issues "with a view of eliminating the respective tariffs."

**January 1, 2022:** The EU's 25% retaliatory tariff on American Whiskeys suspended for two years.

**January 1, 2024:** The EU's 25% retaliatory tariff on American Whiskeys to be snapped back if there is no agreement between the U.S. and EU.