

# 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. tariffs on steel/aluminum. As a result of the retaliatory tariff, U.S. Whiskey exports to the EU, our largest export market, plunged 20%, from \$552 million to \$440 million (2018- 2021). Since the EU suspended its 25% retaliatory tariff in Jan. 2022, U.S. whiskey exports increased 32% compared to 2021. American Whiskey exports to the UK, our third largest market, declined by 42%, from \$150 million to \$88 million while the tariffs were in effect (2018-2021). The UK suspended its retaliatory tariff on American Whiskeys on June 1, 2022. In 2022, American Whiskey exports to the UK increased by nearly 28% compared to 2021, reaching \$112 million. However, it is still down 25% from the pre-tariff 2017 level.

**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. In June 2021, agreements were reached to suspend tariffs in the dispute for five years. U.S. imports of Scotch Whisky were down by nearly 38% between 2019 (\$1.5 billion) and 2021 (\$850 million). In 2022, U.S. imports of Scotch Whiskey increased 27% (\$1.1 billion). U.S. imports of liqueurs and cordials from Germany, Ireland, Italy, Spain and the UK were down by approximately 28% from 2019 (\$556 million) compared to 2021 (\$398 million). In 2022, U.S. imports increased 33% to reach \$531 million. U.S. imports of certain wines from Germany, France, Spain & the UK were down nearly 2% from 2019 (\$1.6 billion) compared to 2021 (\$1.5 billion). In 2022, U.S. imports were up less than 1%.

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

**December 8, 2020:** UK announced it would remove 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 Jan. 1, 2021. However, it would maintain the tariff on American Whiskey in the steel/aluminum dispute.

**January 1, 2021:** UK removes its retaliatory tariff on U.S. rum, brandy and vodka in connection to the WTO Boeing-Airbus dispute.

**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 and suspend tariffs for four months on UK goods in connection to the WTO Boeing-Airbus disputes.

**March 5, 2021:** U.S. and EU agreed to suspend for four months tariffs on goods in connection to the WTO Boeing-Airbus disputes.

**March 11, 2021:** 4-month U.S.-EU tariff suspension in the WTO Boeing-Airbus dispute in effect.

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**May 17, 2021:** U.S. and EU agreed 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 Dec. 1, 2021.

**May 24, 2021:** UK launched its consultations on its tariffs in response to U.S. steel and aluminium tariffs. Comments were due on July 5, 2021.

**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.

**June 17, 2021:** The U.S. and UK announced a five-year suspension of tariffs on UK distilled spirits in the WTO Boeing-Airbus disputes.

**October 31, 2021:** the U.S. and EU announced an agreement in the U.S. Section 232 steel and aluminum dispute to suspend all retaliatory tariffs, including the 25% retaliatory tariff on American Whiskeys and avoiding an automatic doubling to 50% on Dec. 1<sup>st</sup>.

**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.

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

**March 10, 2023:** Presidents Biden and Von Der Leyen issue [a joint statement](#) committing to reach an agreement on steel/aluminum by Oct. 2023.

**March 22, 2022:** The U.S. and UK announced an agreement to remove the UK's 25% retaliatory tariff on American Whiskeys on June 1, 2022 and eliminate the threat of additional tariffs on American wines.

**June 1, 2022:** UK removes its 25% retaliatory tariff on American Whiskeys.

**October 2023:** EU's deadline to reach an agreement in the steel and aluminum dispute to implement it by Jan 1, 2024.

**January 1, 2024:** The EU's 50% retaliatory tariff on American Whiskeys to snap back if there is no agreement between the U.S. and EU in the steel and aluminum dispute.