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Survey Finds 60% of European Spirits Producers See a Worse Business Climate

Most companies said they will hold investment steady despite pressure from regulation, taxes, inflation, bureaucracy and trade disputes.

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European spirits producers say they remain committed to making, investing in, and developing their products in Europe, but a new industry survey released in Brussels on Tuesday shows growing concern that the region is becoming a harder place to expand.

The survey, published by spiritsEUROPE during its “Spirit of Life Week” in Brussels, found that many producers still plan to keep their money and operations in Europe even as they face what they describe as a weaker business climate. The trade group said the results point to rising pressure from inflation, softer consumer spending, regulation, tax burdens, bureaucracy, and trade tensions.

spiritsEUROPE said the sector plays a broad economic role across the continent, linking agriculture, manufacturing, tourism, and hospitality. According to the group, the spirits industry supports 1.2 million jobs in Europe, generates €60 billion in gross value added, and brings in €25.3 billion in annual tax revenue. It also said European spirits carry 250 geographical indications, which it described as an important part of the region’s cultural and commercial identity.

The survey collected responses from 50 spirits producers, with small and medium-sized companies making up most of those surveyed. The findings suggest that, while many companies are not pulling back from Europe, they are increasingly doubtful that current conditions will support faster growth.

Nearly 33% of respondents said they plan to increase investment over the next year. Most of the rest said they expect investment to stay broadly unchanged. At the same time, 60% said the overall business environment in Europe had worsened over the past 12 months. More than 50% identified regulatory issues as one of the main challenges they expect to face over the next year.

The industry group framed those responses as a warning that Europe’s position as a global center for spirits production cannot be assumed to remain secure. While producers continue to view Europe as the natural home of many of the world’s best-known spirits, the survey suggests they are more cautious about the region’s ability to compete in a more difficult global market.

The findings were released as industry representatives gathered in Brussels for a week of meetings and events intended to highlight the sector’s economic contribution and press the case for policies that would support future growth. spiritsEUROPE said the event is meant to promote dialogue with European policymakers at a time when producers are asking for faster action on competitiveness and market access.

Patrick Piana, president of spiritsEUROPE, said the sector still has strong fundamentals but faces sharper international competition and needs a more supportive policy environment. He said spirits producers combine long-established skills and heritage with innovation, create employment across Europe, especially in rural areas, and remain successful exporters. But he also said that record should not be taken for granted.

Mark Titterington, the group’s director general, said members are looking for quicker progress on cutting red tape, improving the functioning of the European Union’s single market, and ensuring a more predictable regulatory and tax framework. He also called for stronger support for trade promotion and market access so that European producers can compete more effectively overseas.

The survey results show that many producers do not see a single pressure point but rather a combination of factors affecting business decisions. Inflation continues to raise operating costs, while weaker household purchasing power is affecting demand in some markets. Companies also pointed to administrative burdens and tax pressure as barriers to expansion. On top of those domestic concerns, rising geopolitical strain and trade disputes are adding uncertainty for exporters.

That matters for a sector that depends heavily on international markets and on Europe’s reputation for premium products. European spirits producers sell products that are often tied to specific regions and traditional methods, making them part of the bloc’s broader export identity. Industry representatives said that position can still be strengthened, but only if Europe moves more quickly to improve competitiveness.

Respondents to the survey said they see a clear role for the EU in several areas. According to spiritsEUROPE, producers want the bloc to act as a proportionate regulator, an effective trade negotiator, a defender of the single market, and a driver of

competitiveness. The group said companies have welcomed signs that EU institutions are giving greater attention to competitiveness and regulatory simplification, as well as efforts to open new commercial opportunities through future trade agreements.

Even so, the message from the survey was that many producers believe current efforts are not moving fast enough. spiritsEUROPE said businesses are looking for more ambitious action if Europe wants to preserve the sector’s long-term strength and avoid losing ground to competitors elsewhere.

The release of the survey during “Spirit of Life Week” gives the industry a platform to make that case directly in Brussels. Producers are using the event to argue that spirits are not only a consumer product but also part of a wider value chain that stretches from farms and equipment makers to bars, restaurants, and tourism businesses. In that sense, the concerns raised in the survey go beyond distilleries themselves and touch a wider group of workers and suppliers across Europe.

For now, the survey points to a mixed picture. Companies are still willing to invest and are not signaling a broad retreat from Europe. But the data also show clear unease about whether the region is offering the right conditions for future growth, especially as producers navigate higher costs, tighter regulation, and a more uncertain trading environment. Titterington said that, with the right conditions, the sector can continue to support jobs and investment across the continent, “from farm to glass.”