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# Germany’s spirits industry urges lawmakers to scrap two alcohol tax plans before the Nov. 27 vote

The BSI says the proposals could add 1.29 euros to some drinks, create labeling conflicts, yield less revenue than forecast

Tuesday, November 24, 2026



Germany’s spirits industry is pressing lawmakers to drop two planned tax measures before the Bundestag’s final debate and vote on the 2027 budget companion law on November 27, saying the proposals could raise costs, create legal and logistical problems, and deliver less revenue than expected.

The call came in a statement issued on Tuesday, November 24, by the Federal Association of the German Spirits Industry and Importers, known as the BSI. The group asked parliament to stop a planned 20% increase in the alcohol tax on spirits and a separate plan to expand the alcopop tax to spirit-based ready-to-drink products with alcohol content from 10% ABV to under 15% ABV.

The BSI said both measures have not been sufficiently tested for their fiscal, economic, legal, and practical effects. Angelika Wiesgen-Pick, the association’s managing director, said the issue was no longer about small changes to the draft law, but about stopping two measures that, in the group’s view, could not be justified on the basis of their expected returns or practical impact.

The tax debate matters beyond one industry lobby’s concerns because Germany is a major market for domestic producers, importers, and international drinks suppliers. Any change in excise taxes or special levies could affect pricing, margins, product labeling, and distribution across spirits and mixed drinks, with possible knock-on effects for retailers, logistics companies, bars, restaurants, and tourism businesses.

The BSI said the proposed alcopop tax expansion would create immediate problems for products already made or already planned for sale from January 1, 2027. In a joint position paper with the German food retail association, the Markenverband, and other groups, the association said newly covered ready-to-drink products would face additional youth-protection labeling requirements. According to the trade groups, cans and bottles that have already been produced and printed could not realistically be relabeled under current production conditions.

The association also said some newly covered products sold in single-use glass bottles would fall under Germany’s deposit system, requiring deposit markings and approval through the DPG system. In the worst case, the group said, already produced beverages that are otherwise saleable could have to be destroyed. Manufacturers and

retailers, it added, have already ordered raw materials and packaging, scheduled production capacity, and in some cases completed production.

The BSI also raised a legal concern under European Union rules. It said the proposed expansion of youth-protection labeling requirements may need to be notified at the European level, which could trigger a standstill period of up to six months. That, the association argued, means the issue is not limited to tax rates. It also concerns whether products already made in compliance with current rules could still be legally sold.

The group tied its objections to Germany’s experience with the alcopop tax introduced in 2004. According to BSI figures, the volume of spirit-based ready-to-drink products fell 74.2% between 2005 and 2010, while tax revenue from the segment dropped 75%, from about 9.6 million euros to 2.4 million euros. The association said that history suggests consumers switched to other products rather than disappearing from the market altogether.

The current amendment, according to the BSI, assumes 80 million euros in additional annual revenue once the expanded alcopop tax is in full effect. The association said the government has not disclosed the sales volume, price elasticity, or substitution assumptions behind that estimate. It offered one example to challenge the projection: for a typical 0.33-liter ready-to-drink product at 10% ABV, a full pass-through of the tax to consumers would add about 1.29 euros to the shelf price, which it said would amount to an increase of more than 40%.

The BSI made a similar argument against the broader tax increase on spirits. Under the plan, the tax would rise from 13.03 euros to 15.64 euros per liter of pure alcohol. The association said the expected gain is about 385 million euros per full year, but it disputed whether that figure would hold once consumers respond to higher prices.

Using what it described as current NielsenIQ data, the BSI said its own modeling points to an observed price elasticity of about -1.9 in the spirits market. On that basis, the association said, much of the expected additional revenue from alcohol tax and value-added tax would be offset by lower sales volumes. It added that a slightly stronger consumer reaction would push the net fiscal effect into negative territory. The association said its estimate does not yet include possible declines in business taxes,

other profit-related taxes, employment, purchases made outside Germany, or shifts into other alcohol categories.

The BSI said the increase would hit a spirits market that has already been shrinking for years and could add pressure across the supply chain, from family-owned producers and midsize companies to international brands, wholesalers, retailers, logistics firms, and hospitality operators. The group also said a legal opinion it commissioned found serious constitutional and European Union law concerns, though the statement did not name the author of that opinion or provide further detail.

The association said it wants lawmakers to ensure that legally produced goods remain marketable, avoid unnecessary product destruction, create a workable solution on the deposit issue, and comply with any European notification requirements. It said an implementation date of January 1, 2027 is not realistic under those conditions.

The BSI, which says it represents about 250 members in Germany’s spirits industry, is urging the Bundestag to withdraw both tax measures rather than delay them. Parliament is scheduled to take up the final debate and vote on the bill on November 27.