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EU Reimposes 50% Tariff on American Whiskey, Raising Concerns Among U.S. Distillers

The tariff reintroduction threatens U.S. spirits exports, potentially impacting distillers and farmers amid an already challenging market.

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The European Union's decision to reimpose a 50% tariff on American Whiskey starting April 1 has sparked concern among U.S. distillers. For the past three years, the EU had suspended its 25% tariff on American Whiskey, allowing U.S. distillers to regain their

footing in the European market. Chris Swonger, President and CEO of the Distilled Spirits Council, expressed disappointment over the EU's move, stating it undermines efforts to rebuild U.S. spirits exports in Europe.

From 1997 to 2018, the U.S. and EU enjoyed a zero-tariff agreement on spirits, which led to a 450% increase in transatlantic trade. Many spirits, such as Bourbon and Tennessee Whiskey, are recognized as unique products and can only be produced in their respective countries. The reimposition of tariffs comes at a challenging time for the spirits industry, which is already experiencing a slowdown in the U.S. market. This move could further hinder growth and negatively affect distillers and farmers across the United States.

Swonger urged both U.S. and EU governments to resolve the issue and return to a zero-tariff model, which has historically benefited both sides. The 2018 imposition of the EU's retaliatory tariff led to a 20% drop in American Whiskey exports to the EU, from $552 million to $440 million by 2021. However, during the suspension period, exports surged nearly 60%, reaching $699 million in 2024. The industry hopes for a resolution that supports fair trade and allows the spirits market to thrive once again.