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European wine sector avoids immediate US tariff threat

Bourbon and wine excluded from EU's retaliatory tariffs

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The European wine sector has received a temporary reprieve following the European Union's decision to exclude American wines and spirits from the initial round of retaliatory tariffs in response to trade measures imposed by U.S. President Donald Trump. On Wednesday, April 9, the European Commission confirmed it will apply 25 percent tariffs on U.S. imports worth €21 billion, but has left out products like bourbon and wine, which were initially on the list.

The move is part of a phased response that will unfold in three stages—April, May, and December—and targets goods such as eggs, toilet paper, textiles, cosmetics, video games, and industrial materials like steel and aluminum. The exclusion of bourbon and wine came after pressure from several member states, including France, which warned of the risk of more severe retaliation from Washington. Diplomatic sources indicated that the U.S. government had threatened to impose tariffs of up to 200 percent on European wines if they were included in the EU's list.

Fears of a disproportionate reaction led Brussels to adjust its original proposal. Wine producers in Spain, France, and Italy had raised concerns over the economic impact of significantly higher U.S. tariffs. Exports of European wine to the U.S. represent a major share of agri-food trade between the two regions.

On the same day as the European announcement, President Trump also declared a temporary pause in implementing the tariffs he had decreed on April 2. For 90 days, countries engaged in trade talks with the United States will see their tariffs reduced to 10 percent. This move also benefits the European wine sector during the specified period.

However, the overall situation remains uncertain. The European Commission has emphasized that these countermeasures may be suspended at any time if the United States agrees to negotiate a "fair and balanced" deal. Brussels maintains that its goal is not to prolong the trade dispute but to reach a negotiated settlement.

In the meantime, the Commission is preparing additional responses to other tariffs announced by Washington, including a 20 percent surcharge on all imports and a 25 percent duty on European vehicles and components. These measures may take effect in May if no agreement is reached with the United States.

At the same time, President Trump has escalated his stance toward China, increasing tariffs on Chinese goods to 125 percent after accusing Beijing of market manipulation. China has responded by raising its tariffs on American products to 84 percent.

Global trade is facing heightened tension driven by unilateral decisions and coordinated responses. In this context, the European wine industry is closely monitoring political and economic developments that may impact its export markets. For now, the

temporary exclusion of European wines from U.S. tariffs allows trade flows with one of its key foreign markets to continue.