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Fine wine investment market faces volatility as tariff threats disrupt global trade and investor confidence

Industry leaders see cautious optimism if Bordeaux pricing adjusts and US tariff policy stabilizes in coming months

Thursday, May 8, 2025



The fine wine investment market has faced significant turbulence in recent years, and the impact of tariffs imposed by former President Donald Trump continues to be a major concern for industry leaders. Andrew Lofthouse, a financial professional and fine wine investor known as The Northern Wine Guy, recently spoke with three chief

executives from leading fine wine companies to assess how these tariffs are shaping the market.

Tom Gearing, CEO of Cult Wines, James Shakeshaft, CEO of Vin-X Fine Wine Investment, and Callum Woodcock, CEO of WineFi, all agree that the uncertainty caused by Trump's tariffs has added new challenges to an already volatile sector. The market was struggling before the latest round of tariff threats, with 2024 described as a particularly tough year for fine wine investment. Gearing notes that nearly two years of underperformance had already led to reduced buyer activity and lower liquidity.

The start of 2025 brought some optimism. The Chinese New Year saw higher-than-expected activity from Asian investors, and wholesale business in February surpassed January's numbers. This suggested that investors were returning to the market, attracted by current price levels and improved liquidity. However, the threat of new tariffs quickly dampened this positive momentum.

Shakeshaft points out that Trump's history with wine tariffs dates back to 2019, when a 25% tariff was imposed on imported wines from France, Germany, Spain, and the UK under Section 301. Italy and Champagne were exempted. The result was a 14% drop in French wine exports to the US in 2020, costing the market around €400 million.

The situation escalated in March when Trump announced a potential 200% tariff on French wines entering the US. Gearing describes this as a "show stopper" that could have devastated the fine wine market. The US is the top export destination for both Champagne and Bordeaux. Shakeshaft estimates that such a tariff could have wiped out up to 90% of French fine wine sales to the US, triggered sharp declines in Champagne and Italian wine values, and forced US consumers to pay much higher prices. European producers would have faced multi-billion dollar losses.

After Trump withdrew the threat of a 200% tariff, there was some relief among investors and industry leaders. A tariff in the range of 20% to 25% is seen as manageable for most players in the fine wine sector. Woodcock believes that even the fear of tariffs will force changes in how chateaux price their releases. He suggests that this could finally prompt Bordeaux producers to lower prices enough to attract investors back into the market.

Much now depends on the performance of Bordeaux en primeur releases for 2024. Gearing says this year’s release could dominate global attention for several weeks and potentially reset the market if prices are set at attractive levels. Shakeshaft agrees that Bordeaux has a unique opportunity this year to make a significant impact. Producers are aware of both tariff risks and declining interest from younger consumers, so they are expected to price their wines accordingly.

Looking for value in today’s market requires careful consideration. Shakeshaft recalls that during previous crises, investors found opportunities in Italian wines and Champagne due to strong demand and relative insulation from tariffs. Napa Valley wines stored in the UK also present potential value. Woodcock highlights mature back vintages already held in bond or with established distribution channels as safer bets since they are less exposed to new tariffs.

Data from WineFi suggests that price stability could soon lead to a market correction, creating an optimal entry point for investors. Gearing adds that if tariffs are clearly defined at around 20% and Bordeaux producers reduce prices by about 30%, this could actually increase liquidity and bring buyers back into the market.

Industry leaders remain cautious but see reasons for optimism if clear guidance on tariffs is provided and if Bordeaux en primeur pricing meets investor expectations. The next few months will be critical as producers set their strategies amid ongoing uncertainty over US trade policy. Investors are advised to watch both Bordeaux pricing decisions and any further announcements from Washington closely as they navigate this unpredictable landscape.