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Spanish red wine exports to the UK fall sharply after new alcohol-based tariffs

Producers struggle with higher costs and declining competitiveness as British market imposes stricter duties on higher-alcohol wines

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Spanish wine producers are facing a challenging year as new British tariffs on alcohol content have led to a significant drop in exports of Spanish red wine to the United Kingdom. The regulation, which took effect in February 2025, requires importers to pay

higher duties on wines with greater alcohol content. This change has hit Spanish reds especially hard, as these wines often exceed 12.5% alcohol due to Spain’s warmer climate, which results in grapes with higher sugar levels and, after fermentation, higher alcohol.

The United Kingdom has long been the main market for Spanish still wines. However, data from the Spanish Wine Interprofessional Organisation shows that exports to the UK fell by 7.5% in value during the first four months of 2025, reaching 111 million euros ($127.32 million). This decline is sharper than those experienced by France and Italy, whose exports to Britain dropped by 6% and 6.7% respectively over the same period.

Before this year’s changes, British wine duties were based on liquid volume rather than alcohol content. The new system now favors beverages like beer and some sparkling wines, which generally have lower alcohol levels. Jose Luis Benitez, director of the Spanish Wine Federation, said that Spanish red wines are “the most penalized by the tax increase.” He noted that the new rules are making it harder for Spanish producers to compete in the UK market, especially since post-Brexit costs had already eroded their competitiveness.

Producers and exporters are feeling the impact directly. Nicola Thornton, founder of Spanish Palate in Toro, northwestern Spain, said that prices for Spanish wines in Britain have risen sharply. “It’s putting our prices much, much higher,” she said. “The tax is definitely a conversation that’s in the foreground. Everyone is asking: what’s the alcohol level?”

Richi Arambarri, CEO of Rioja-based Vintae winery, explained that British importers are now paying about 20% more for many Spanish red wines affected by the new levy. He described England as a “big and historic market for Spanish wines” and expressed concern about the long-term effects of these changes.

Some importers are trying to adapt by shifting toward lighter wines with alcohol levels between 11.5% and 12% to reduce costs. However, these products face resistance from consumers who prefer fuller-bodied wines with higher alcohol content. “In the end, people like wines that have a certain body, and for that, the alcohol content is essential,” Arambarri said.

While exports to Britain have declined, Spanish wine sales to the United States have increased by 9% to 119.6 million euros during the same period. This growth is partly due to rising importer demand in anticipation of possible U.S. tariff increases.

Spanish winemakers remain concerned about their future in the British market as they navigate both regulatory changes and shifting consumer preferences. The new tariffs have added another layer of complexity to an already challenging export environment shaped by Brexit and global trade tensions.