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Trump’s proposed tariffs threaten French wine and spirits industry with severe export losses

French producers warn of economic fallout as new trade barriers risk destabilizing rural economies and transatlantic relations

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The recent announcement by former President Donald Trump to impose a 30% tariff on imports from Mexico and the European Union has sent shockwaves through the French wine and spirits industry. The decision, made public on Saturday, comes as part of

ongoing trade negotiations ahead of an August 1 deadline. Industry leaders in France are calling the move a near-embargo, warning of severe consequences for their sector.

Jérôme Despey, a leading figure in French viticulture, described the situation as catastrophic for the entire industry. He explained that French wines and spirits are already facing significant challenges, and this new tariff could push many producers to the brink. Despey pointed out that it is not easy to shift export strategies overnight. If French producers cannot sell their wine abroad, large stocks will remain in France, putting additional pressure on the domestic market just before the next harvest.

The impact of U.S. tariffs on French wine is not new. In October 2019, a previous round of tariffs under the Trump administration led to a 50% drop in French wine exports to the United States. Despey emphasized that recovering from such losses is not simple or quick.

Gabriel Picard, president of the Federation of Wine and Spirits Exporters (FEVS), echoed these concerns. He calculated that with the new 30% tariff and currency fluctuations adding another 15%, there is now a 45% price gap between French and American products. Picard said this is not technically an embargo but comes very close. He expressed surprise at the decision, noting that recent high-level talks between the European Union and the United States had been positive and seemed close to reaching an agreement just days ago.

Picard also highlighted that earlier tariff increases in April were manageable because both exporters and importers shared the burden. However, he believes this latest increase will make exporting nearly impossible. He warned that this move will hurt both sides, as every dollar spent on imported wines or spirits in the U.S. generates four euros of economic activity locally.

French industry leaders are urging the European Commission to remain firm in negotiations with Washington. They argue that repeated threats from the United States have created uncertainty and instability for European producers.

The new tariffs come at a time when global trade tensions are already high, and many sectors are struggling with inflation and supply chain disruptions. For French winemakers, who rely heavily on exports to the U.S., these measures could have long-lasting effects on their businesses and on rural economies across France.

As negotiations continue, both exporters and importers are watching closely to see if any compromise can be reached before the tariffs take full effect in August. The outcome will likely shape transatlantic trade relations for months or even years to come.