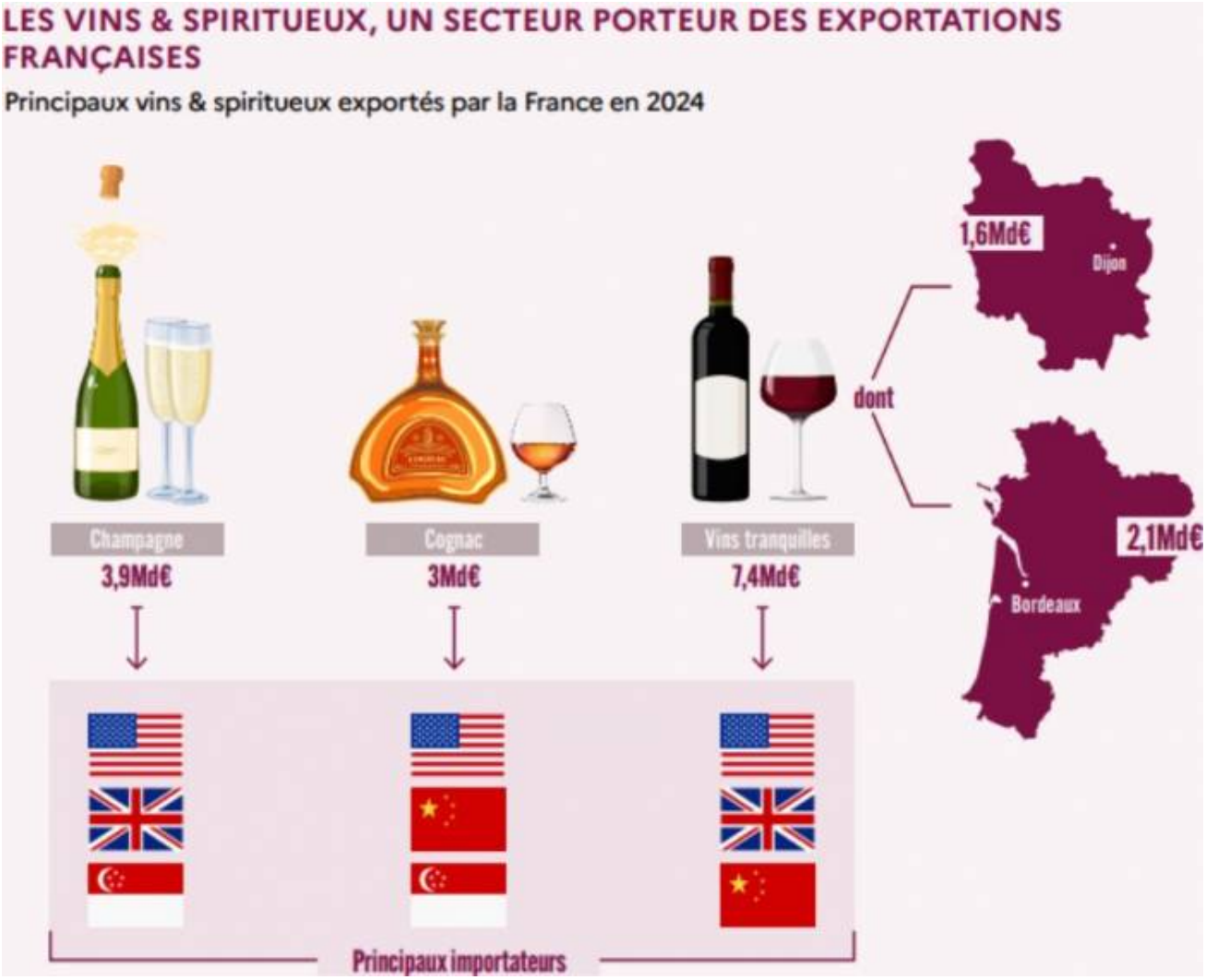
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French Beverage Exports Plunge 6.5% in August Amid Tariffs and Trade Tensions

Wine and spirits producers face sharp declines as China and U.S. duties hit key export markets, threatening sector stability

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French beverage exports saw a significant decline in the third quarter of 2025, according to recent data from the French customs authority. This drop comes at a time when France’s overall economy is showing strong growth, outpacing the eurozone and Germany in particular. While the country’s GDP rose by 0.5% in the third quarter, the performance of its agri-food sector, and especially beverage exports, has raised concerns among industry observers.

Beverages are a major part of France’s export economy. In 2024, agri-food products accounted for nearly 11% of all French exports, totaling €64 billion. Of this, beverages made up about €20 billion, with wine and spirits representing 85% of beverage exports. These products alone contributed €16.5 billion in 2024, or nearly 3% of total French exports. The trade surplus for wine and spirits was also substantial, reaching €14.3 billion last year.

France’s reliance on markets outside the European Union is particularly pronounced for wine and spirits. The United States is the largest export destination for these products, followed by China, which is especially important for cognac and still wines. According to a recent study by the customs authority, 40% of French wine and spirit exporters sold to the U.S., while 20% exported to China and Hong Kong in 2022. Many of these companies are highly dependent on these two markets.

Recent trade tensions have had a direct impact on French beverage exports. On October 7, 2024, China imposed anti-dumping duties averaging 34.8% on European grape-based spirits, with cognac accounting for most of this category. The effect was immediate: French cognac exports to China fell by 56% in the first quarter of 2025 compared to the same period in 2024.

The United States has also introduced new tariffs affecting French beverages. Under the Turnberry agreement between the European Union and the U.S., a minimum tariff rate of 15% now applies to EU beverage exports to America. This follows an additional 10% tariff that had been in place since April 2025. While the overall macroeconomic impact on France is expected to be less severe than for some other European countries—exports to the U.S. make up about 2% of French GDP—the effect is concentrated in sectors like wine and spirits.

France remains Europe’s leading exporter of wine and spirits outside the EU in 2024, ahead of Italy even as Italian producers focus more on lower- and mid-range wines. French producers have pursued a strategy focused on premium products with higher prices than their competitors. This makes them more vulnerable to changes in demand from key markets like the U.S. and China.

After a period of strong growth following the pandemic—driven by both higher prices and increased volumes—French wine and spirit exports began to decline in value starting in 2023. Anticipation of possible new tariffs after Donald Trump’s election as U.S. president in November 2024 led many exporters to accelerate shipments late last year. In December 2024, exports to the U.S. surged: Bordeaux wine shipments rose by 150% compared to November, while other French wines saw increases of over 100%. A similar but smaller spike occurred in March 2025.

However, this front-loading was followed by a sharp drop-off as new tariffs took effect and demand softened. By August 2025, French beverage exports had fallen by 6.5% compared to July, following a previous decline of 7.6% from January to July (seasonally adjusted). Data for September are not yet available but are expected to confirm this downward trend.

The current situation highlights France’s vulnerability to external shocks in its key export sectors. While other industries such as aerospace have helped offset losses in agri-food exports this year, many small and medium-sized producers—especially those focused on premium wines and spirits—are feeling the impact of reduced access to major international markets due to trade disputes with China and the United States.