

Trump Administration Considers Again 100% Tariffs on All European Wine



Update June 2020: While segments of the U.S. wine and spirits industry, particularly restaurants, continue to suffer the consequences of the Covid-19 shutdown, the U.S. is set to once again consider raising and imposing tariffs on wines from Europe-up to 100% tariff. This would be devastating to small and large U.S.-based businesses, especially now. This would be an extension to the original 25% tariff that was approved on October 2, 2019 and remains in place on wines from Spain, France, Germany and the UK. **This tariff, which could also be removed in this next tariff review, has already caused significant hardship among all three tiers of the wine business.**

From [Wine Spectator](#): "The odds of the tariffs being lifted do not look good, and it's possible the White House could raise them. Negotiations with the European Union over subsidies to Airbus, the cause of the tariff fight, have broken down. What's more, the USTR has begun a separate investigation into a dispute with Italy, Spain and other nations that could potentially lead to additional tariffs." This next round of tariff consideration should be completed by August 12.

Please take the time to comment once again on the proposed tariffs that would be detrimental to the wine industry and consumers alike:

<https://comments.ustr.gov/s/>

PUBLIC COMMENTS MUST BE SUBMITTED BY SUNDAY, JULY 26, 2020

Background on the Tariffs

As the fight over airplane manufacturer subsidies continues, the Trump administration is considering increasing wine tariffs up to 100% on all European wines, among many other items. This is an extension of the [25% tariffs already in place](#) on a range of products (including wine under 14% alcohol). While consumers may not yet be seeing a substantial increase in the cost of their favorite wines, if these new tariffs are implemented it would certainly result in sticker shock at retail and restaurants nationwide.

The Office of the United States Trade Representative (USTR) is reviewing and has [published potential changes](#) to the current tariffs already in place, and is asking for public comment regarding:

1. *whether products impacted should be removed from the list*
2. *whether the rate of additional tariff duty should be increased from 25% up to 100%*
3. *whether the list of products impacted should be expanded to include other categories (e.g., from only wine under 14% from Spain, France Germany and the UK, to ALL European wine).*

The USTR office is requesting comments on whether such actions would cause disproportionate harm to U.S. interests, including small or medium-sized businesses and consumers.

PLEASE TAKE A MOMENT TO SHARE YOUR OPINION! Here is the *updated link to public comment*: <https://comments.ustr.gov/s/>

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Our Take on Why These Proposed Wine Tariffs Would be Devastating

Natural Merchants is a family-owned U.S. wine import company, working primarily with wineries from throughout Europe. The existing and potentially expanded tariffs on ALL classes of wines from Europe would have a devastating effect to the United States' three-tier alcohol system.

All three tiers of U.S.-based alcohol industry companies – importers, distributors and retailers – will feel an immediate financial effect of the tariffs, inevitably leading to major loss of income and U.S. jobs in every tier. Many in the alcohol industry are considered small businesses, including thousands of family owned and operated liquor stores, small distributors in all 50 states and importers such as ourselves.



[European wine makes up 90% of our imported wine business](#) and applying a tariff of 100% will greatly impair our current business model. We would have to consider raising our prices to incorporate the new tariffs, but the end consumer will never be willing to pay more than twice the price for the now value-oriented organic wines which we are able to sell across the country. All American companies in the industry would need to decide if they pass along these costs and put themselves out of business or if there are any other possible radical options to consider that could keep them afloat.

The likely outcome would be the survival of only major corporate entities in all three tiers of the wine industry who have the capital to absorb the price increase without passing it along, or the clout to be able to navigate their way around the tariffs. This will effectively kill or greatly hamper all small-mid-sized, family owned and operated businesses, resulting in loss of hundreds of thousands of U.S. jobs.

We understand that the Administration's goal is to punish European businesses and therefore the countries themselves, but the result would actually be devastating to U.S. companies who rely on importing and selling European wine and other products. We are asking the Administration to consider this potentially devastating loss of U.S. jobs and refrain from instituting any additional tariffs as well as remove the ones currently in place.

If you love organic wine and other products from Europe, please take a moment to voice your opinion on the matter

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Thank you in advance for your support of small, family owned European wineries and the thousands of small U.S. businesses that bring them to market.

Read More About the Potential Tariffs and Their Devastating Impact

Wine Spectator

[Tariffs on European Wines Never Went Away—the Trump Administration Begins a Review of the Duties this Week](#)

[Trump Administration Considers 100 Percent Tariffs on All European Wines](#)

VinePair

[New Round of Potential Tariff Hikes Threatens U.S. Wine and Spirits Businesses Already Reeling From Covid-19](#)

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