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UNITED STATES : FEVS DEPLORES THE DECISION TO IMPOSE ADDITIONAL TARIFFS ON FRENCH WINES.

Paris, October 3rd, 2019 — In the context of their dispute with the European Union in the aeronautical sector, the American authorities announced last night their decision to impose on French still wine* additional ad valorem customs duties of 25%, as of October 18th 2019.

"This is bad news for the sector and for our producers. We deeply regret this decision, which goes against free trade. The introduction of these customs duties will severely impact French wine producers and exporters, but also our customers and consumers in the United States. Customs duties are good news for no one," said Antoine Leccia, President of FEVS, at a press conference.

"On both sides of the Atlantic, operators of the wine sector cultivate a strong relationship that has contributed, for many years, to the development of a fruitful and dynamic trade activity between our two countries. Since 2010, still wine trades between the United States and France have been multiplied by 2.5.

In this conflict, which is entirely unrelated to our sector, we solemnly ask the French and European authorities to find, without delay, a negotiated solution to the dispute between them and the United States in the aeronautical field and thus to obtain the removal of the additional tariffs that arbitrarily affect French wines.

We also call on the French, European and American authorities to stop this series of escalating trade sanctions, which can only result in loss on both sides of the Atlantic.

"In the meantime, we expect the public authorities to do their best to limit the effects of these tariffs on our sector and our companies" Antoine Leccia concludes.

Technical information

- 25% tariffs apply to the value of the products upon customs clearance.
- These duties apply to still wines exported in containers of 2 liters or less and with an alcohol content of 14 % or less.
- In 2018, the turnover generated by these products on the American market amounted to one billion euros for nearly 14 million 9-litre cases. Over the first six months of 2019, these exports increased by 10% in value and 2% in volume.
- Still wine above 14 % of alcohol content, wine packaged in bulk and sparkling wine **are not affected** by this measure.
- Behind Italy, France is the second largest European supplier to the United States of still wine in container of less than 2 liters.
- French products constitute 40% of European exports, which amounted to €2.6 billion in 2018.
- US tariffs on products subject to these measures remain at 0.063 USD/Liter.

** Still wines: as opposed to sparkling wines*

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About the FEVS

The federation of French wines and spirits exporter (FEVS) brings together approximately 550 companies exporting wines and spirits from France, representing 85% of French wine and spirits exports.

In 2018, these exports reached €13.2 billion with a trade surplus of €11.5 billion. The United States is the leading market for French wine and spirits, with a turnover of €3.2 billion.