August 5, 2019

Joseph L. Barloon
General Counsel
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Submitted electronically via http://www.regulations.gov

Re: Notice of Hearing and Request for Public Comments: Enforcement of U.S. WTO Rights in Large Civil Aircraft Dispute (USTR–2019–0003)

Dear Mr. Barloon:

On behalf of the Distilled Spirits Council of the United States, Kentucky Distiller's Association, Wine Institute, American Craft Spirits Association, WineAmerica, Wine & Spirits Wholesalers of America, the National Association of Beverage Importers, American Beverage Licensees, Wine and Spirits Shippers Association, and the American Distilled Spirits Association, we welcome this opportunity (84 Fed. Reg. 32248 (July 5, 2019)) to reiterate and expand upon our previous comments submitted on May 28, 2019. We strongly urge the United States and the European Union (EU) to de-escalate the current trade disputes, secure the removal of the EU's 25 percent retaliatory tariff on American Whiskey and reach a negotiated settlement in this dispute and avoid the implementation of new tariffs in connection with the World Trade Organization (WTO) dispute against the EU and certain EU members states in *EC and Certain member States – Measures Affecting Trade in Large Civil Aircraft* (DS316).

Overview

Our associations have long supported the United States' efforts to open overseas markets for our exports and ensure that our trading partners adhere to the rules-based trading system. We have also supported commitments by the United States to open its market to imported products and to ensure that such products are afforded the same level of market access as similar domestically-produced products. Our small, medium and large companies, their employees and their suppliers -- from farmers that provide the agricultural raw materials to the packaging producers that provide the bottles, cans, caps, and labels -- to all the other jobs throughout the distribution chain, have benefitted from the United States' successful efforts to open markets for U.S. beverage alcohol exports.

To be sure, U.S. beverage alcohol exports have been a great American export success story. Total U.S. distilled spirits exports, for example, have grown from $496 million in 1998 to $1.8 billion in 2018, representing an increase of 261 percent. In 2018, U.S. distilled spirits were exported from 45 states across the United States. Exports of U.S. craft distilled spirits, in particular, reached 598,000 cases in 2017, adding more than 7.7 percent of the additional volume to U.S. craft distillers' total sales. Exports of craft U.S. distilled spirits in 2017 grew by 5.7 percent versus the previous year.[1] U.S. wine exports have grown 174 percent by value from $531 million in 1998 to $1.5 billion in 2018. In 2018, 6,009,978 barrels of beer were exported worldwide from the United States. However, this extraordinary growth may be at risk due to the retaliatory tariffs imposed by key trading partners on American wine and spirits exports in response to unrelated trade disputes.

Because of the market-opening commitments concerning beverage alcohol made by both the U.S. and EU governments and in order to satisfy consumer demands, many companies within the industries have become very interconnected, with companies owning both U.S. and EU spirits, wine and beer brands.

Thus, if tariffs are imposed on the proposed list of beverage alcohol products, it will lead to numerous negative unintended consequences for the U.S. beverage alcohol sector and, therefore, the U.S. economy. According to our analysis, the imposition of tariffs on the spirits and wine products imported from the EU that are included on the preliminary and supplemental lists could lead to a loss of approximately 11,200 to 78,600 U.S. jobs, a significant increase from the loss of 6,600 to 45,800 jobs we estimated in our May 28th submission.

In fact, many U.S. wine and spirits companies have become collateral damage in unrelated trade disputes with key trading partners. Many of these companies will certainly face additional retaliatory tariffs compounding the negative impact that companies are already suffering if the U.S. adopts this proposed list as currently drafted. In response to the U.S. list, the EU indicated it would propose to impose additional tariffs on several categories of U.S.-origin spirits and wine in connection with its WTO dispute concerning civil aircraft against the United States. In addition, beverage alcohol companies that are not currently subject to retaliatory tariffs, but who produce products on the EU's proposed list, are now currently facing the threat of retaliatory tariffs on their exports to the EU. If beverage alcohol products remain on the final U.S. list, the EU would certainly respond by keeping U.S. beverage alcohol products on its list, thus inflicting more damage on U.S. companies who export to this critically important market and hampering the export progress that has benefited our sectors and created good paying jobs across the U.S.

The negative impact of tariffs is felt well beyond their removal because once a market is lost it is very difficult and costly to regain. This is particularly true for small importers who have built a niche U.S. market or U.S. craft distillers, wineries, and brewers who have built a

[1] Data source is provided by the Craft Spirits Data Project © American Craft Spirits Association, Park Street, IWSR (2018)

meaningful export market in the EU. In fact, they may never regain the lost market share and may be forced to close their U.S. operations.

As the United States has long supported free and fair trade, we are pleased that U.S. and EU leaders have publicly expressed their strong desire to reach a negotiated settlement in this long-standing WTO dispute and therefore avoid the tit-for-tat imposition of tariffs. On behalf of the vast majority of our sectors, we urge USTR to remove distilled spirits, wine, and non-alcoholic beer in order the avoid the unintended consequences highlighted above and expanded upon in our detailed analysis below.

I. Imposing Tariffs on EU Beverage Alcohol Products Will Cause a Loss of U.S. Jobs

Our sectors create good paying jobs in every state, from the production, import and wholesale tiers all the way through to the retail tier. Of course, as high value-added agricultural products, the raw materials for beverage alcohol products includes grapes, fruits, corn, wheat, hops, barley, rye, rice, sorghum and others, which are sourced from farmers across the United States. Jobs in the hospitality industry include those at restaurants, bars, taverns, nightclubs, etc. Jobs are also tied to our industry at off-premise establishments such as specialty liquor stores, small, local package stores, small, medium and large grocery stores. In addition, jobs related to the import and export of beverage alcohol include those in fields such as transportation/logistics, wholesale, bottling, retail, marketing, finance, and legal/compliance.

A tariff is a tax that often must be passed along to consumers in the form of higher retail prices. Alternatively, if producers do not pass it along, profitability is negatively impacted, resulting in a reduction in investment and loss of job creation. As prices rise, consumers typically purchase less or sometimes trade down to less expensive products, and U.S. jobs are negatively impacted. As overall sales levels decline, jobs across the entire three-tier chain (i.e., at the producer, importer, wholesaler, and retailer levels) are negatively impacted.

As previously advised, the proposed preliminary list would impact nearly $1.4 billion in brandy imports from the EU. Almost all brandy imported from the EU is Cognac, which has been officially recognized by the United States as a distinctive product of France since 1971. Accordingly, products labeled as Cognac for sale in the U.S. must be produced in compliance with the laws and regulations of France. The proposed preliminary retaliatory tariff on liqueurs and cordials would impact nearly $800 million in imports from the EU. Imports from Ireland, such as Irish Cream Liqueurs, account for nearly 34 percent of the total value and volume liqueur and cordial imports from the EU, while imports from Germany account for nearly 20 percent of the total volume and 15 percent of the total value.

The proposed supplemental list included Scotch Whisky, Irish Whiskey, and other whiskeys from the EU and would impact nearly $1.8 billion in imports. Like Cognac, Scotch and Irish Whiskey are recognized as distinctive products and these products must be made in accordance with the laws of the U.K. or Ireland.

The proposed retaliatory tariffs on wine imported from the EU would impact nearly $4.7 billion in wine imports. In total, the preliminary and supplemental lists would impact nearly $8.7 billion in wine and spirits imports from the EU (*see* Tables 1 & 2).

The *Federal Register* notices indicate that it may impose additional *ad valorem* duties of up to 100 percent on products drawn from the preliminary list. Below is an analysis demonstrating the significant harm and damage *ad valorem* tariffs of 10 percent, 25 percent, and 100 percent on the specified EU wine and distilled spirits products could have on U.S. jobs.

A. 10 Percent Tariff Would Result in The Loss of Over 11,200 U.S. Jobs

The imposition of a 10 percent tariff would increase the retail price of Cognac by nearly 6.3 percent and increase the price of Scotch Whisky and Irish Whiskey by approximately 5.42 percent. Cordial prices would go up by almost 5.5 percent and imported wine prices by 7.2 percent. As consumers curb their buying in response to higher prices, total retail sales of the products are projected to fall by over $1.4 billion. The decline in sales **would result in estimated lost jobs for over 11,200 workers**[2] (*see* Table 3), up from the estimated 6,600 jobs lost based on wine and spirits on the preliminary list.

B. 25 Percent Tariff Would Result in the Loss of Nearly 26,200 U.S. Jobs

The imposition of a 25 percent tariff would increase the retail price of Cognac by an estimated 15.7 percent, the price of the impacted cordials by 13.7 percent, the price of Scotch Whisky and Irish Whiskey by 13.5 percent, and the impacted wines by 18 percent. As a result, retail sales would be reduced by nearly $3.3 billion and around **26,200 workers would lose their jobs** (*see* Table 4), up from the estimated 15,400 jobs lost based on wine and spirits on the preliminary list.

C. 100 Percent Tariff Would Result in the Loss of Nearly 78,600 U.S. Jobs

The imposition of a 100 percent *ad valorem* tariff on EU brandy, liqueurs and cordials, Scotch Whisky and Irish Whiskey and wine would increase the retail price of Cognac by an estimated 63 percent, the price of the impacted liqueurs and cordials by nearly 55 percent, Scotch Whisky and Irish Whiskey by 54 percent and the impacted wines by 72 percent. As a result, retail sales would be reduced by nearly $10 billion and around **78,600 workers would lose their jobs** (*see* Table 5), up from the estimated 45,800 jobs lost based on wine and spirits on the preliminary list.

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[2] Analysis by the Distilled Spirits Council Office of Economic and Strategic Analysis. To calculate lost jobs, we first estimated the impact of tariffs on retail prices by each category. We then used the price elasticity of demand to estimate the reduction in consumption as a result of price increases. We then estimated the decline in employment stemming from the lost consumption in the effected industries; namely, importers, wholesalers and retailers. After calculating the direct impact of job losses, we used direct-effect employment multipliers to estimate the total number of job losses.

II. Imposing Tariffs on EU Beverage Alcohol Products Will Further Reduce U.S. Wine and Spirits Exports to the United States' Most Important Export Market

Imposing tariffs on imports of EU distilled spirits, and additional tariffs on EU wine, and non-alcoholic beer will result in more U.S. beverage alcohol products facing retaliatory tariffs in the EU. In fact, the EU responded to the U.S. proposed list by issuing its preliminary list of products which included U.S. wines and distilled spirits upon which it may apply additional duties as part of its dispute with the U.S. at the WTO concerning civil aviation subsidies. This potential escalation is particularly troubling since American spirits and wines are already collateral damage and being negatively impacted by retaliatory tariffs imposed by the EU and several countries resulting from other trade disputes that are unrelated to the U.S. beverage alcohol industry.

A. Retaliatory Tariffs are Currently Being Imposed on U.S. Wine and Spirits Exports

Wine: The EU is the largest export market for U.S. wine, totaling $469 million in 2018. Taking a closer look within the EU-28, U.S. wines are the largest U.S. agricultural product exported to the United Kingdom by value, reaching $223.5 million in the same year. The U.S. wine industry believes that the targeting of EU wines with new tariffs will ultimately harm U.S. wine producers and have negative consequences for future export opportunities for a high value-added agricultural product. In response to U.S. actions on steel, aluminum and consumer goods, the U.S. wine industry currently faces a 54 percent retaliatory tariff in in China. As a result, trade with China is down 57 percent since the beginning of 2019.

Distilled Spirits: Currently, certain U.S. distilled spirits exports face retaliatory tariffs in the EU, China and Turkey ranging from 25-70 percent *ad valorem*. With the exception of China, previously U.S. distilled spirits exports were subject to zero MFN tariffs in these markets. With regard to China, U.S. spirits previously faced either 5 or 10 percent *ad valorem* tariffs. Since the imposition of tariffs last summer through May 2019, U.S. spirits exports valued at $615 million have faced retaliatory tariffs.

In 2018, American Whiskey exports to the **EU** reached $704 million, accounting for 59 percent of global American Whiskey exports. Since June 22, 2018, the EU has imposed a retaliatory tariff of 25 percent on all U.S. whiskeys in response to the U.S. imposition of steel and aluminum tariffs. The tariffs on American Whiskeys are already having an impact on the industry. Since the imposition the tariff last summer, American Whiskey exports to the EU declined 19 percent between July 2018 through May 2019 as compared to July 2017 through May 2018. This is an acceleration from the 15 percent decrease through March 2019 reported in the coalition's previous submission. The EU's 25 percent retaliatory tariff on American Whiskey is scheduled to increase to 50 percent in 2021.

In addition, **Turkey** is imposing a 70 percent tariff on all U.S. distilled spirits imports in response to the steel and aluminum tariffs, which resulted in a 59 percent decline between July 2018 through May 2019 as compared to July 2017 through May 2018. This is an acceleration from the 54 percent decrease reported in the coalition's earlier submission through March 2019.

The impact of retaliatory tariffs is being felt across the U.S. throughout the entire supply chain, from farmers, to suppliers and to retailers. For example, several small U.S. distillers and wineries have reported that their export orders have been cancelled or reduced. For many, it has taken years of work and hundreds of thousands of dollars to build up demand for their products in overseas markets. In fact, many of these small companies have utilized U.S. government-funded export promotion programs, such as USDA's Market Access Program (MAP) to help identify and develop export markets. However, as a result of the tariffs, several small companies are putting expansion plans on hold, are holding off new hires, and in the case of spirits, are cutting back on local grain purchases.

B. The EU will Respond by Imposing Additional Tariffs on American Wines and Spirits

On April 17, 2019, the EU issued its notice seeking input on its preliminary list of certain U.S. products which it may apply additional duties as part of its dispute with the U.S. at the WTO concerning civil aviation subsidies (*United States – Measures Affecting Trade in Large Civil Aircraft (Second complaint) – Recourse to Article 21.5 of the DSU by the European Union*). The EU's proposed list includes brandy, rum, vodka, undenatured alcohol for beverage purposes, and several categories of wine. In 2018, U.S. exports to the EU of the U.S. wine and spirits on the EU's preliminary retaliatory tariff list reached approximately $497 million. (*see* Tables 6 and 7)

It is certainly assured that if the U.S. keeps EU-origin beverage alcohol products on its final list, that the EU will respond in kind. We are gravely concerned that this escalation would compound the negative impact of the tariffs on companies that are already feeling the damaging impact resulting from unrelated trade disputes.

III. Imposing Tariffs on EU Beverage Alcohol Products Will Harm U.S. Consumers and U.S. Businesses

Over the past several decades, international trade in beverage alcohol products has boomed as tariffs and non-tariff barriers to trade have been reduced. This has resulted in a wide range of products becoming available to adult consumers, evolving consumer tastes and increasing expectations and demand. To meet this consumer demand, beverage alcohol companies diversified their portfolios with products from around the world and the U.S. and EU spirits sectors have become very interconnected. The sectors' ability to offer a product for every taste, budget and occasion has driven growth and also created a myriad of job opportunities for U.S. workers.

For example, in the distilled spirits sector, the U.S. has agreed through mutual recognition agreements with various trading partners to officially recognize certain products from a handful of key spirits-producing countries. Thus, "Irish Whiskey" can only be made in

Ireland and Northern Ireland, “Scotch Whisky” can only be made in Scotland, “Cognac” can only be made in France, etc. In return, the EU and others such as Canada and Mexico have officially recognized “Bourbon” and “Tennessee Whiskey” as distinctive products of the United States. Such mutual recognition has helped U.S. companies to distinguish their brands from other whiskey products, creating a cache for these products and contributing to the huge increase in American Whiskey exports over the past two decades. U.S. distilled spirits consumers, for example, have come to understand that products such as “Cognac” and “Scotch Whisky” have characteristics unique to the regions in which they are produced and that these products cannot be made in the United States.

As stated previously, the EU is the most valuable export destination for U.S. wine exports, and the same for EU producers importing into the United States. The EU and the United States have benefited from a wine agreement since 2006, which provides for recognition of winemaking standards and acknowledgement of American Viticultural Areas in the EU market.

As a result, the U.S. and EU beverage alcohol sectors are deeply integrated with companies owning a range of U.S. and EU spirits. Trade is critical on both sides of the Atlantic. Many companies have made considerable investments in both the U.S. and the EU to successfully create complementary product portfolios with brands from both the U.S. and EU to satisfy consumer demands. While tariffs imposed on EU spirits may appear to only harm EU companies, this is simply not the case. The same is true for EU tariffs on American spirits. Thus, imposing tariffs in connection with unrelated trade disputes would compound the negative impact on companies that are already suffering the damaging impact of the EU’s current retaliatory tariff on American Whiskey.

Since retaliatory tariffs on imports are, in effect, taxes, imposing tariffs on EU beverage alcohol imports will have the unintended consequence of also harming U.S. consumers of these products.

Accordingly, our EU counterparts share our strong opposition to the application of any tariffs on distilled spirits and wine. EU spirits associations are strongly urging the Commission to remove the EU’s retaliatory tariff on American Whiskey as soon as possible. EU spirits and wine associations are also strongly urging that the EU does not include U.S. spirits and wine on its final list of products for tariffs in its parallel case.

IV. Beverage Alcohol Products Are Significant Revenue Generators for State and Local Governments

The beverage alcohol sector is unique compared to other product categories included on the preliminary and supplementary lists due to the fact that beverage alcohol products pay federal, state, and sometimes local, excise taxes. Applying a tariff on top of excise taxes is unfair, overly burdensome and would, as noted above, increase the price. A likely unintended consequence of reduced sales resulting from tariffs will be decreased excise tax revenues, particularly for state and local governments.

Conclusion

The beverage alcohol industry in the United States supports hundreds of thousands of jobs across the United States in an array of related industries. U.S. beverage alcohol producers have benefitted from the U.S. efforts to open markets for our exports, which has been a tremendous success.

We strongly urge the U.S. and EU to de-escalate the current trade disputes and reach a negotiated settlement in this dispute and avoid the implementation of new tariffs, and also secure the removal of the 25 percent retaliatory tariff on American Whiskey. Our EU counterparts share our strong opposition to the application of any tariffs on distilled spirits and wine.

Thank you for this opportunity to expand and reiterate upon our previous submission. Please do not hesitate to contact us should you need any additional information.

Sincerely,

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Table 1				
Impacted Spirits Imports from European Union				
Product	Value	Proof Liters	Est. 9_liter Cases	Est. Average Case Price
WHISKEY	$1,849,385,895	98,859,161	13,730,439	$134.69
2208.30.30	$1,834,863,183	97,390,006	13,526,390	$135.65
2208.30.60	$14,522,712	1,469,155	204,049	$71.17
BRANDY	$1,379,560,185	49,624,849	6,892,340	$200.16
2208.20.2000	$481,276	32,821	4,558	$105.58
2208.20.3000	$609,921	217,264	30,176	$20.21
2208.20.4000	$1,371,710,333	47,734,702	6,629,820	$206.90
2208.20.5000	$1,036,501	737,716	102,461	$10.12
2208.20.6000	$5,722,154	902,346	125,326	$45.66
CORDIALS	$792,023,062	37,233,343	8,274,076	$95.72
2208.70.0030	$789,405,243	36,627,345	8,139,410	$96.99
2208.70.0060	$2,617,819	605,998	134,666	$19.44
Note: In converting to cases, abv content is assumed to be 40% for whisky and brandy; and 25% for cordials				
Sources: Distilled Spirits Council Office of Economic and Strategic Analysis and U.S. International Trade Commission				

Table 2				
Impacted Wine Imports from European Union				
Product	Value	Proof Liters	Est. 9_liter Cases	Est. Average Case Price
WINE	$4,678,969,428	619,546,054	68,838,450	$67.97
2204.10.0030	$286,053	228,503	25,389	$11.27
2204.10.0065	$14,502,412	1,405,131	156,126	$92.89
2204.10.0075	$1,244,720,514	129,732,904	14,414,767	$86.35
2204.21.2000	$2,231,603	660,805	73,423	$30.39
2204.21.3000	$510,695	21,853	2,428	$210.33
2204.21.5005	$361,833	547,137	60,793	$5.95
2204.21.5015	$327,300	402,692	44,744	$7.32
2204.21.5025	$72,450	94,266	10,474	$6.92
2204.21.5028	$207,806	25,833	2,870	$72.40
2204.21.5035	$12,799,530	2,127,122	236,347	$54.16
2204.21.5040	$1,497,591,026	190,099,106	21,122,123	$70.90
2204.21.5050	$11,066,401	2,352,665	261,407	$42.33
2204.21.5055	$1,148,152,025	193,944,506	21,549,390	$53.28
2204.21.5060	$339,146,328	52,044,667	5,782,741	$58.65
2204.21.6000	$4,457,339	1,097,587	121,954	$36.55
2204.21.8030	$9,034,420	1,242,270	138,030	$65.45
2204.21.8060	$344,715,331	23,096,370	2,566,263	$134.33
2204.22.2005	$68,594	80,078	8,898	$7.71
2204.22.2015	$79,866	94,148	10,461	$7.63
2204.22.2025	$80,901	90,901	10,100	$8.01
2204.22.2030	$10,330,525	3,612,594	401,399	$25.74
2204.22.2045	$2,877,915	1,152,516	128,057	$22.47
2204.22.2060	$2,059,874	569,464	63,274	$32.55
2204.22.4000	$1,375,506	279,483	31,054	$44.29
2204.22.6000	$4,209,655	993,717	110,413	$38.13
2204.22.8000	$567,289	8,482	942	$601.93
2204.29.6100	$25,754,995	12,868,414	1,429,824	$18.01
2204.29.8100	$1,289,932	609,536	67,726	$19.05
2204.30.0000	$91,310	63,304	7,034	$12.98
Sources: Distilled Spirits Council Office of Economic and Strategic Analysis and U.S. International Trade Commission				

Table 3					
Impact of 10% tariff					
	Whiskey	Cognac	Cordials	Wine	Total
Old Average Price	$32.87	$41.95	$23.04	$12.45	
New Average Price	$34.65	$44.59	$24.30	$13.35	
Price change ($)	$1.78	$2.64	$1.26	$0.90	
Price change (%)	5.42%	6.29%	5.49%	7.21%	
Volume change (gallons)	-1,332,291	-771,489	-812,605	-6,150,538	
9L Case Gain/(Loss)	-560,363	-324,489	-341,783	-2,586,925	
Volume change (%)	-4.08%	-4.71%	-4.13%	-3.76%	
Jobs Gained/(Lost)	-4,626	-1,779	-1,863	-2,986	-11,254
In Millions					
Off-premise Sales	-$175	-$129	-$75	-$316	-$695
On-premise Sales	-$245	-$181	-$105	-$212	-$744
Retail Sales	-$420	-$311	-$180	-$528	-$1,439
Source: Distilled Spirits Council Office of Economic and Strategic Analysis					

Table 4					
Impact of 25% tariff					
	Whiskey	Cognac	Cordials	Wine	Total
Old Average Price	$32.87	$41.95	$23.04	$12.45	
New Average Price	$37.32	$48.55	$26.20	$14.69	
Price change ($)	$4.45	$6.60	$3.16	$2.24	
Price change (%)	13.54%	15.74%	13.71%	18.03%	
Volume change (gallons)	-3,115,956	-1,786,784	-1,899,038	-14,262,961	
9L Case Gain/(Loss)	-1,310,576	-751,524	-798,738	-5,999,021	
Volume change (%)	-9.55%	-10.90%	-9.65%	-8.71%	
Jobs Gained/(Lost)	-10,820	-4,120	-4,353	-6,925	-26,218
In Millions					
Off-premise Sales	-$409	-$300	-$175	-$732	-$1,616
On-premise Sales	-$574	-$420	-$245	-$492	-$1,731
Retail Sales	-$983	-$720	-$420	-$1,224	-$3,347
Source: Distilled Spirits Council Office of Economic and Strategic Analysis					

Table 5

Impact of 100% tariff

	Whiskey	Cognac	Cordials	Wine	Total
Old Average Price	$32.87	$41.95	$23.04	$12.45	
New Average Price	$50.67	$68.36	$35.68	$21.43	
Price change ($)	$17.80	$26.41	$12.64	$8.98	
Price change (%)	54.16%	62.94%	54.85%	72.13%	
Volume change (gallons)	-9,453,957	-5,244,329	-5,746,269	-42,259,412	
9L Case Gain/(Loss)	-3,976,347	-2,205,772	-2,416,889	-17,774,367	
Volume change (%)	-28.96%	-32.00%	-29.21%	-25.82%	
Jobs Gained/(Lost)	-32,828	-12,093	-13,171	-20,519	-78,611
In Millions					
Off-premise Sales	-$1,242	-$879	-$529	-$2,170	-$4,820
On-premise Sales	-$1,741	-$1,232	-$742	-$1,458	-$5,173
Retail Sales	-$2,983	-$2,112	-$1,271	-$3,627	-$9,993

Source: Distilled Spirits Council Office of Economic and Strategic Analysis

Table 6

Wine Exports to European Union

		Value	Liters	Est. 9_liter Cases	Est. Average Case Price
2204.10	SPARKLING WINE OF FRESH GRAPES	$2,833,583	335,373	37,264	$76.04
2204.21	WINE OF FRESH GRAPES, IN CONTAINERS HOLDING 2 LITERS OR LESS	$239,262,947	30,903,321	3,433,702	$69.68
2204.22	WINE OF FRESH GRAPES, IN CONTAINERS HOLDING OVER 2 LITERS BUT NO MORE THAN 10 LITERS	$913,485	52,186	5,798	$157.54
2204.29	WINE OF FRESH GRAPES, IN CONTAINERS HOLDING OVER 10 LITERS	$202,960,190	165,014,988	18,334,999	$11.07

Sources: Distilled Spirits Council Office of Economic and Strategic Analysis and U.S. International Trade Commission

Table 7

Spirits Exports to European Union

		Value	Proof Liters	Est. 9_liter Cases	Est. Average Case Price
2207.10	ETHYL ALCOHOL, UNDENATURED FOR BEVERAGE PURPOSES	$4,966,004	6,163,705	856,070	$5.80
2208.20.	GRAPE BRANDY	$4,976,913	689,195	95,722	$51.99
2208.60	VODKA	$32,830,485	8,946,018	1,242,503	$26.42
2028.90	OTHER SPIRITS	$8,125,004	899,775	124,969	$65.02

Note: In converting to cases, abv content is assumed to be 40%.

Sources: Distilled Spirits Council Office of Economic and Strategic Analysis and U.S. International Trade Commission