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WSWA REMAINS STRONGLY OPPOSED TO TARIFFS ON EUROPEAN-ORIGIN WINE AND SPIRITS

Wine & Spirit Wholesalers of America stands in strong opposition of the Office of the United States Trade Representative and the continuation of a 25 percent tariff on EU wines and spirits

WASHINGTON, D.C.,02/14/2020– The Wine & Spirits Wholesalers of America today announced its strong opposition to the Office of the United States Trade Representative's decision that the current 25 percent tariff on EU Wine and Spirits will remain on the list of "carousel retaliation" – meaning that tariffs will be applied to a rotating list of European products every 180 days.

"Our industry provides consumers with the most diverse selection of products in the world and supports hundreds of thousands of jobs across the country in an array of related industries," said WSWA President and CEO Michelle Korsmo. "Our members offer products for every taste, budget and occasion and are already being negatively impacted by the imposition of retaliatory tariffs by China and the European Union on U.S-origin distilled spirits and wines – these tariffs will only increase that burden."

Since October 2019, U.S. wine and spirit wholesalers and the industry at large have experienced the unintended consequences of a trade dispute between the United States and the European Union outside of the beverage alcohol industry – leading to loss of revenue, hiring freezes and general uncertainty. These consequences that will only compound the longer these tariffs remain in effect.

Economists at John Dunham and Associates report that under the 25 percent carousel list implemented in October, the U.S. beverage alcohol industry stands to lose nearly 36,000 jobs and more than \$1.6 billion in wages, costing the U.S. economy more than \$5.3 billion in 2020.

"We hope that the administration recognizes the consequences to U.S business and encourage EU and U.S. trade officials to reach a deal soon," added Korsmo.

About Wine & Spirits Wholesalers of America

WSWA is the national trade association representing the distribution tier of the wine and spirits industry, dedicated to advancing the interests and independence of distributors and brokers of wine and spirits. Founded in 1943, WSWA has more than 380 member companies in 50 states and the District of Columbia, and its members distribute more than 80 percent of all wine and spirits sold at wholesale in the United States. To learn more, please visit <u>www.wswa.org</u> or connect with us on <u>Facebook</u> or <u>Twitter</u>.

