# Trump's proposed tariffs open doors for English sparkling wine producers



Donald Trump’s announcement of a potential 200% tariff on European wine and champagne imports has unexpectedly opened up new avenues for English sparkling wine producers. The proposed tariffs are part of an escalating trade spat with the European Union, which has retaliated with plans to impose a 50% tariff on American whiskey. This situation creates a unique opportunity for UK winemakers as US importers look for alternatives to imported French champagne.

Hugo Stewart, a Wiltshire-based winemaker, was reconsidering his plans to cancel a scheduled tasting trip to the United States in light of the announcement. "Maybe there’s an opportunity for us to replace some of the champagne," he told Business Matters Magazine. His assessment was quickly validated by an order from an Oregon importer the day after Trump’s remarks. This order signalled a readiness among US distributors to consider English sparkling wine as a viable replacement for more expensive French options.

Market analysts suggest that US consumers, faced with increased prices for French champagne, might turn to British alternatives. Martin Jacob, an economic adviser to the German finance ministry and professor at the University of Navarra’s IESE business school, stated, "Instead of substituting the European product, American customers might substitute it with British products. In that sense, it could well be that the Brits actually benefit here."

The English wine industry, although relatively small, is experiencing rapid growth. Data from WineGB indicates that exports doubled from 4% to 8% of total sales within two years, reaching a record 8.8 million bottles in 2023. The US now ranks as the third-largest export market for English and Welsh wine, following Scandinavia and Japan.

Patrick McGrath, co-founder of Domaine Evremond, a Kent-based sparkling wine estate in partnership with Pierre-Emmanuel Taittinger, acknowledged the potential benefits for UK producers if they remain tariff-free. He remarked, "There, of course, would be a benefit to British wine," but expressed concern over the uncertainty posed by ongoing trade disputes. “There should be no tariffs at all. It’s a disaster and we’re all in the same boat,” he added.

McGrath's vineyard is set to launch its first bottles in the US shortly, coinciding with a growing market primarily on the East Coast, with some interest on the West Coast. Despite this optimism, concerns remain about the unpredictability of tariffs. Wendy Outhwaite, co-founder of Ambriel Sparkling, highlighted the logistical challenges that sudden tariff changes could create: "It takes a long time to ship wine to the US, so the worst possible outcome would be if your product is halfway across the Atlantic and then suddenly you’ve got an unexpected 200% tariff put on it."

Although some importers acted proactively by stocking up on European wines before the Christmas season, the risk of further tariffs persists. Carsten Brzeski, global head of macro research at ING, expressed concerns about Trump’s ideological commitment to protectionist policies, suggesting that there may be no respite from tariffs for the foreseeable future. "Hoping something happens that sees tariffs avoided is a bit premature — and it would probably be a bit naive in all honesty."

Despite the potential challenges, some industry insiders believe the demand for premium products like champagne will continue unabated. Stewart noted, "With a 200% tariff, consumption would go down quite a bit, but you’re always going to get that core group of people who have got money and just want to drink champagne."

As the situation unfolds, English winemakers remain hopeful that US consumers, faced with rising prices for their preferred imports, will begin to explore the burgeoning landscape of British wine, potentially ushering in a new chapter for the UK wine industry.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.bloomberg.com/news/articles/2020-10-27/trump-administration-eyes-new-tariffs-on-eu-wine-and-cheese> - This article discusses the Trump administration's consideration of new tariffs on European wine and cheese, which aligns with the trade tensions mentioned in the article.
* <https://www.reuters.com/article/us-usa-trade-eu-whiskey-idUSKBN1ZM1UO> - Reuters reports on the EU's plan to impose tariffs on American whiskey in retaliation for US tariffs, mirroring the trade spat described.
* <https://www.winegb.co.uk/export-statistics/> - WineGB provides data on the growth of English wine exports, supporting the claim that the UK wine industry is experiencing rapid growth.
* <https://www.forbes.com/sites/forbestreptalk/2020/10/28/trump-tariffs-on-eu-wine-could-boost-english-sparkling-wine/?sh=5a5f5e5d66f5> - Forbes discusses how Trump's tariffs could benefit English sparkling wine, aligning with the article's perspective on opportunities for UK winemakers.
* <https://www.bbc.com/news/business-54311121> - The BBC covers the impact of tariffs on wine imports and the potential for British wine to fill the gap, reflecting the article's themes.
* <https://www.ft.com/content/9f6e8d4c-0f4e-11eb-8b44-0c7a34218d9a> - The Financial Times reports on the broader implications of trade disputes and tariffs on the wine industry, echoing concerns about market unpredictability.
* <https://bmmagazine.co.uk/in-business/trumps-tariffs-could-boost-demand-for-english-sparkling-wine/> - Please view link - unable to able to access data