

## IDEALWINE PUTS US INVESTMENT ON HOLD AFTER RAISED WINE TARIFFS

9th October, 2019 by Rupert Millar

The implementation of a 25% tariff on certain EU wines by the US has caused online wine auctioneer, iDealwine, to “seriously question” planned American investments.



The auctioneer said in a statement that the imposition of the additional import tax on French, German and Spanish table wines by the US was a troubling move and had made it rethink its investment in the country and potentially opening an office there.

Although the US represents less than 5% of the auctioneer’s annual turnover, but that grew 62% from January 2018 and September 2019 and as such it had been earmarked as “our main area of focus for international development” for the next five years, iDealwine explained in a statement.

French wines are of course enormously popular in the US and there were thoughts about opening an office there as the company has in Hong Kong.

As CEO, Cyrille Jomand, said: “The market is mature and highly knowledgeable. Americans were among our first non-French customers to buy wines such as Clos Rougeard, natural wines, wines from the Jura...”

“Given the constraints that already exist when it comes to importing, our progress on this market has been slow but sure; it has shown itself to be very reactive and dynamic. Our turnover increased by 62% between 2018 and 2019 (January-September). This success has led us to dedicate a development project focusing on the region. For example, we will be participating in the New York wine show Matter of Taste organised by The Wine Advocate.

“The next step would be to open an office in New York, just like we did in Hong Kong in 2013 – which then went on to become our top buying country after France. We had planned to make various investments and recruitments to develop growth.”

The recent decision to go ahead with raised tariffs on numerous goods from across the European Union by the US as part of a spat involving subsidies given to the aeronautic companies Boeing and Airbus has led iDealwine to question further investment, however.

He went on: “This supplementary tax of 25% for wines headed to the US forces us to seriously question these projects. For now, we are waiting to hear the reactions of our American customers. We sincerely hope that the French government will support us by continuing negotiations with the United States, so as to reestablish normal trading conditions.”