

NEWS RELEASE

Distilled Spirits Council is the trade association representing producers and marketers of distilled spirits sold in the United States.

Website: <http://www.distilledspirits.org>

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DISTILLED SPIRITS COUNCIL APPLAUDS U.S. - PERU FREE TRADE AGREEMENT

Washington, DC—The Distilled Spirits Council today celebrated Congressional approval of the U.S.—Peru Trade Promotion Agreement (PTPA). The pact will result in the immediate elimination of Peru's tariffs on U.S. spirits, a move the Council says will allow U.S. spirits products to compete on a level playing field in the Peruvian spirits market.

"This agreement is a tremendous achievement for the United States," said Council Senior Vice President Debbie Lamb. "It will result in tangible and immediate benefits for the U.S. distilled spirits industry." Lamb noted that under the agreement Peru's tariffs on all U.S.-origin spirits, which range from 10- 20% *ad valorem*, will be eliminated immediately upon entry-into-force of the agreement.

Lamb noted that the PTPA also secures important protection for America's leading spirits exports: Bourbon and Tennessee Whiskey. Peru's commitment to recognize Bourbon and Tennessee Whiskey as distinctive U.S. products ensures that only spirits produced in the U.S., in accordance with U.S. regulations, may be sold as Bourbon and Tennessee Whiskey in Peru.

"Peru is a very promising market in South America for U.S. spirits exports," said Lamb. "It is clear that the U.S. spirits industry will benefit significantly from the new market opportunities created by this agreement."

From 2000-2006, U.S. spirits exports to Peru averaged approximately \$580,000 annually (FAS export value, not retail value). In the first nine months of 2007, U.S. exports reached \$741,000, a 45% increase over the comparable period in 2006. Bourbon and Tennessee Whiskey accounted for 70% of the total.