

**FTAs WITH COLOMBIA, PANAMA AND PERU:  
IMPORTANCE TO THE U.S. DISTILLED SPIRITS INDUSTRY**

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The Distilled Spirits Council of the United States, Inc., a national trade association representing U.S. producers, marketers and exporters of distilled spirits products and importers of wine, strongly supports the Trade Promotion Agreements the United States has negotiated with Colombia, Panama and Peru. DISCUS member companies export spirits products to more than 130 countries worldwide, including all three of these trading partners.

**The Agreements will level the playing field for U.S. exports by eliminating steep tariffs.**

- Nearly all imported distilled spirits from Colombia, Panama and Peru currently enter the United States duty-free. In contrast, Colombia currently assesses a tariff of 20% *ad valorem* on imported spirits, Panama's tariff is 15% *ad valorem*, and Peru's tariffs range from 10% to 20% *ad valorem*.
  - Panama and Peru have agreed to eliminate their tariffs on all U.S.-origin spirits immediately upon entry-into-force of the FTAs.
  - Colombia will eliminate its 20% *ad valorem* tariff on U.S.-origin brandy, gin, liqueurs and certain other spirits immediately upon entry-into-force of the Agreement. The tariffs on U.S.-origin whiskey, rum and vodka will be phased-out in equal annual stages over 10 years.
  - These tariff reductions will yield significant improvements in market access.

**The Agreements secure important protection for Bourbon and Tennessee Whiskey.**

- All three countries have agreed to recognize Bourbon and Tennessee Whiskey as distinctive products of the United States. These spirits are by far the leading U.S. spirits exports worldwide, accounting for almost three-quarters of total U.S. spirits exports.
  - This recognition provides the industry with an additional anti-counterfeiting tool: these commitments ensure that only spirits produced in the United States, in accordance with the laws and regulations of the United States, may be sold as Bourbon or Tennessee Whiskey in these important markets.

**The Agreements will eliminate significant non-tariff barriers that currently impede trade.**

- Colombia will eliminate the discriminatory practices of its state alcohol monopolies. Currently, the alcohol monopolies (*Licoreras*) in several states, engage in market-distorting and anti-competitive practices in the distilled spirits market.
- Colombia also agreed to eliminate its discriminatory excise taxes on distilled spirits within four years from the date of the Agreement's entry-into-force, thus that U.S. distilled spirits are taxed the same as domestically-produced spirits, consistent with national treatment obligations.
- The separate U.S. - Panama Agreement Regarding Certain Sanitary and Phytosanitary Measures and Technical Standards Affecting Trade in Agricultural Products will streamline documentation requirements for imported processed foods, including distilled spirits. These measures will cut costly and unnecessary red tape.



