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Poland

Wine

Poland Implements Duty Free Access for EU Wine 2003

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Report Highlights:

Poland implemented duty free access for EU wines effective April 1, 2003. Despite the competitive price advantage this provides EU wine compared to U.S. wine, solid interest in U.S. "new world" wine remains.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Warsaw [PL1], PL

The Polish Customs office announced its latest EU product import duty reductions in its government legal journal, "Dziennik Ustaw Nr. 53", March 28, 2003. These reductions went into effect April 1, 2003. They cover a variety of food products (meat, fruits, vegetables, wine). The U.S. commodity most affected is wine.

Poland's EU wine import duty rates declined from 20%/minimum 42 EUR/hl to zero. Starting April 1, 2003 all wines from the EU enter Poland duty free. By comparison, wines originating from the United States, on average, are assessed a duty of 30%/min 25 EUR/hl. Currently, there are two lower duty exceptions for products originating from the United States: white wines (HS 220421790) and other (HS 22042180) wines in containers up to 2 liters. These wines are assessed 20% min 25 EUR/hl.

The above mentioned EU rate reduction was for many months discussed between EU and Polish authorities. Their actual implementation could not be confirmed through official sources. While reduction of duties for the EU products could slightly affect U.S. exports; Polish importers expressed opinions that since the wines from the U.S. have found a stable place on the Polish market and are a "must" on wine lists, the impact would be slight. Polish importers also commented that the sales of wine of French origin are constantly going down, while Polish customers have growing preference for "New World" wines. Recent successful wine promotions carried out in Poland by the California Wine Institute clearly strengthened the presence of U.S. wine in Poland and contributed to better product awareness among Polish customers.

EU duty free access would have become effective upon Poland's EU accession (likely May 1, 2004) in any case. Poland's EU accession will result in lowering of current import duties for non-EU suppliers. The Polish non-EU wine import duty will change (on average) to 13.1 EUR/hl. As a result, U.S. exporters will face lower duties, which could stimulate higher exports of U.S. wine to Poland.

For additional information on the Polish wine market, please see GAIN report PL2026 "Product Brief-Wine", which can be accessed by visiting the FAS web site <www.fas.usda.gov> and clicking on the link, *Attache Reports*.