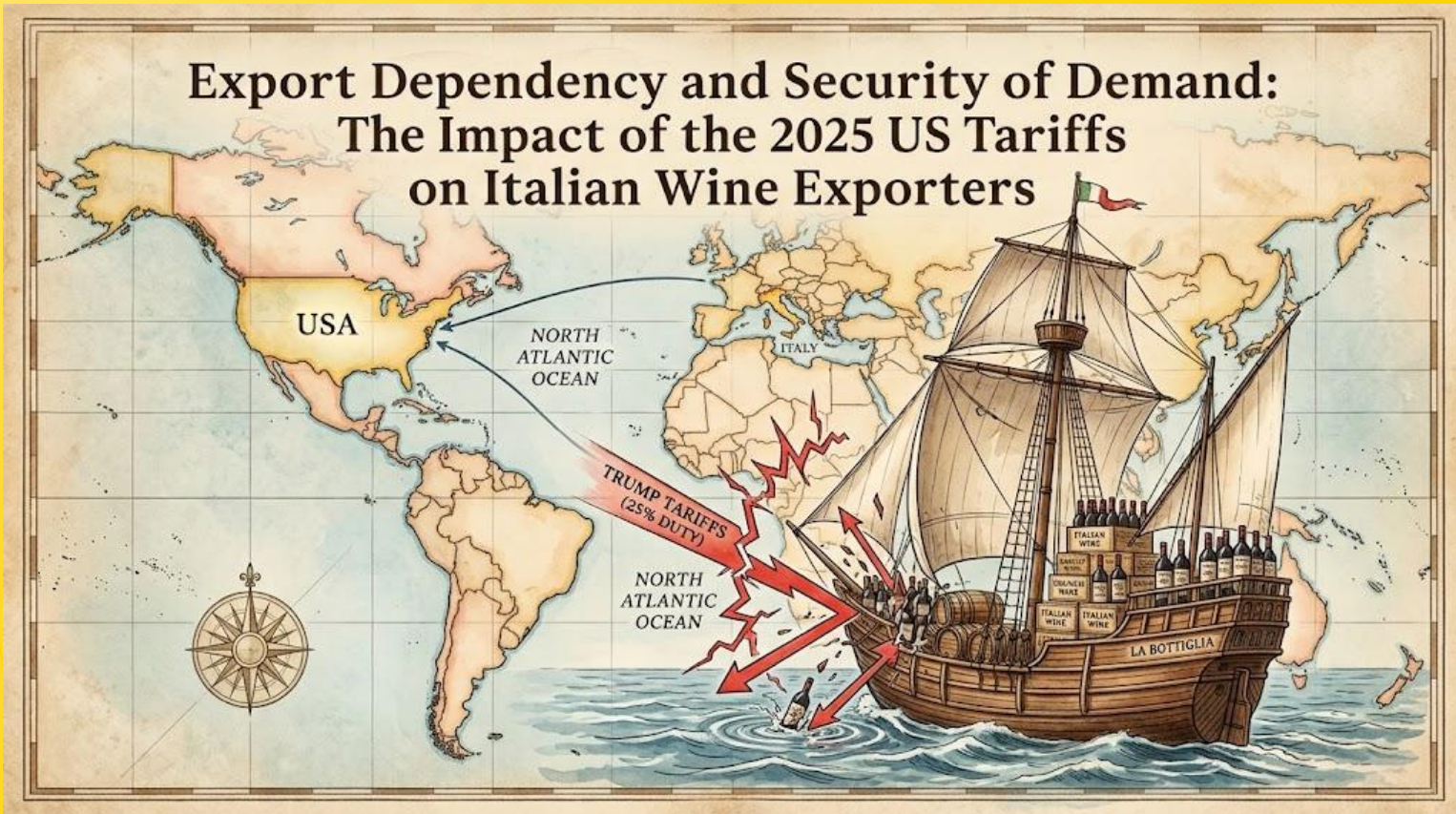




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IPES Yale
Oct 2026

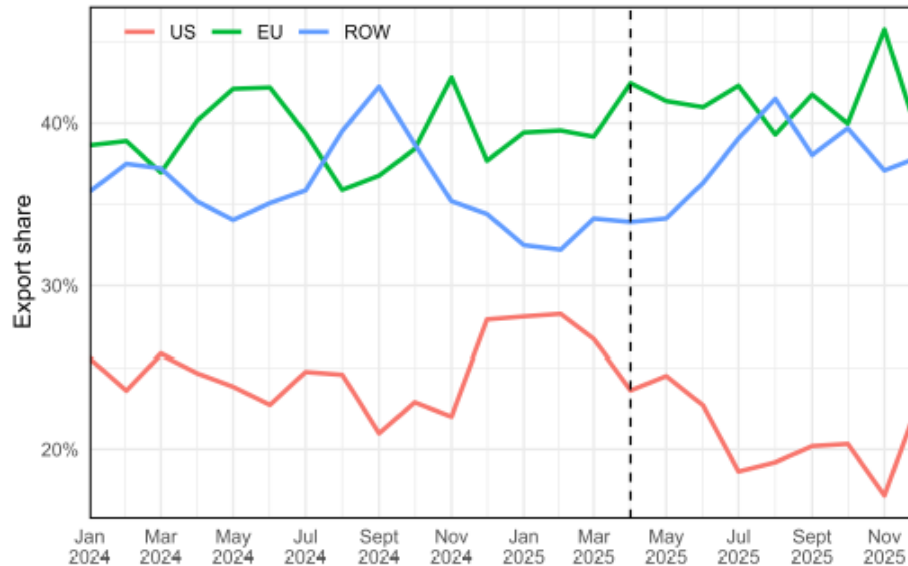
Introduction

- April 2025 “Liberation day” tariff announcements
 - Allow us to study pass-through and other responses like stockpiling
- Setting: Italian wine exports to US (granular & high-frequency)
 - Relevance: strong sectoral dependence on exports to US
 - Data: universe of Italian wine exports (~8000 firms), monthly data, CN8 level
- Contribution: new light on pass-through & export dependency
 - Dynamics over time, as well as firm and product heterogeneity
 - Methods: diff-in-diff PPML HDFE (and OLS for log of unit values), event study
- Findings
 - Exporters more exposed to US market suffered more
 - More differentiated wines (Geographical Indications) suffered less
 - Stockpiling after Trump was elected, followed by slump

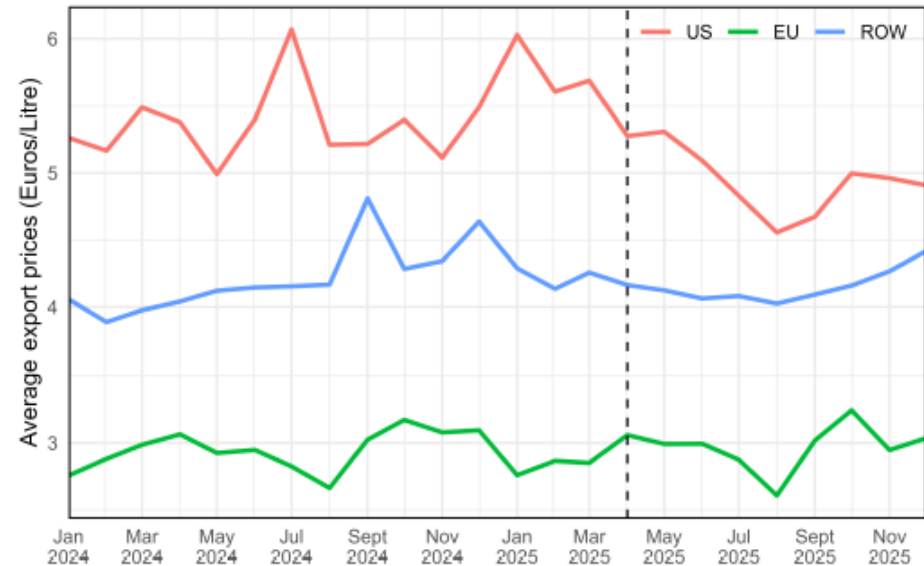
Timeline

- Trump 1 (2017-2021): tariffs passed through to American consumers (Fajgelbaum et al, 2020; Flaaen et al., 2025)
- Trump 2 (2025-...)
 - Elected Nov 2024
 - Inaugurated Jan 2025, tariffs “most beautiful word in the dictionary”
 - “Reciprocal tariffs” plan Feb 2025
 - “Liberation day”, Apr 2025
 - 15% tariff has applied since Aug 2025

Descriptives



(a) Destination export shares



(b) Average export prices

Notes: The figure plots monthly destination-level trends in Italian wine exports from January 2024 to December 2025. Panel (a) shows each destination group's share of total Italian wine export value; Panel (b) shows average export prices (€/litre) by destination group. The dashed vertical line marks Liberation Day (April 2025). EU denotes European Union destinations; ROW denotes all other non-US, non-EU destinations.

Main result: Trump tariffs hurt quantity and price

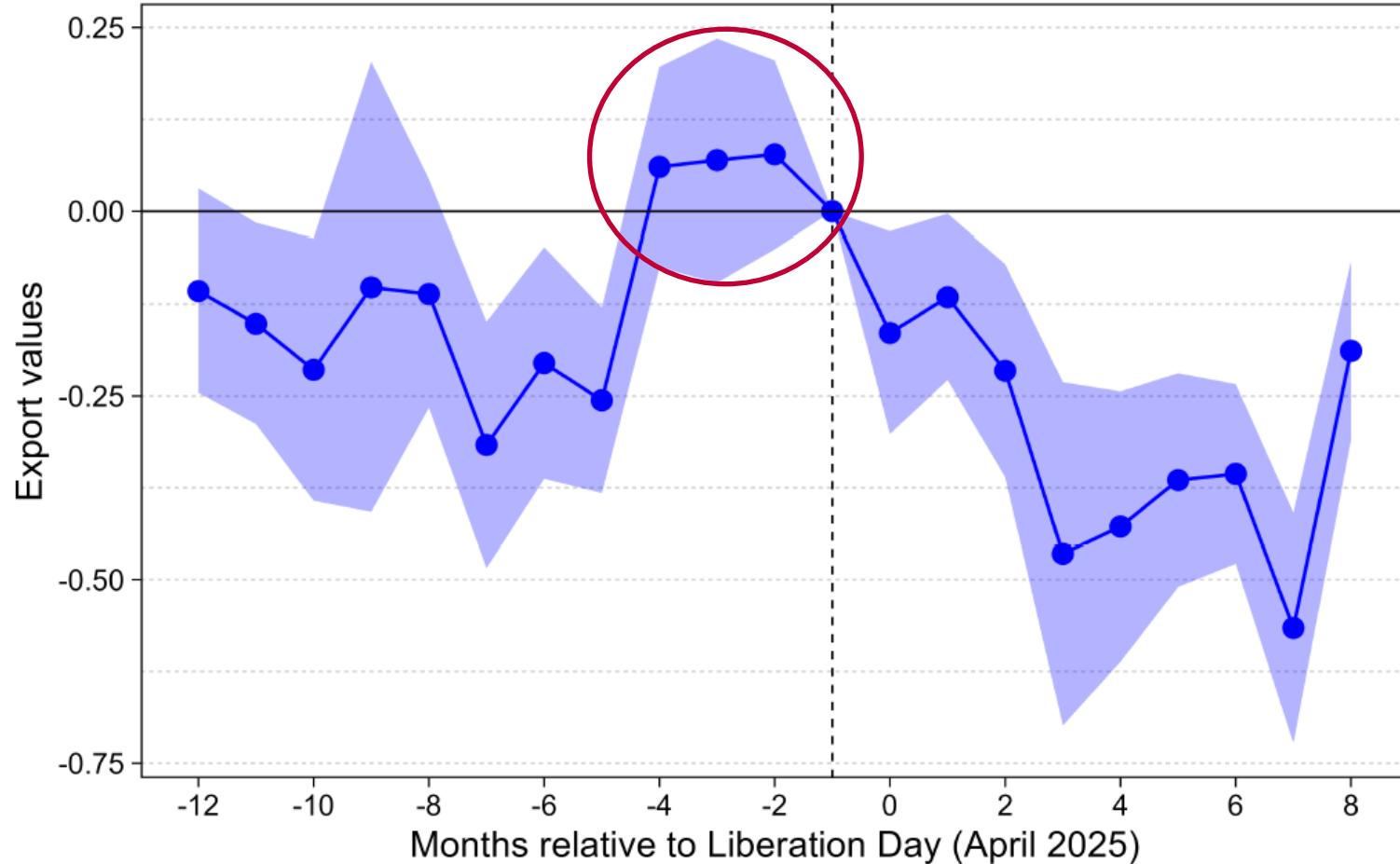
Table 3: Effect of Liberation Day on export margins (2024–2025)

	<u>Value_{<i>f p d t</i>}</u>	<u>Quantity_{<i>f p d t</i>}</u>	<u>Log Price_{<i>f p d t</i>}</u>
	(1)	(2)	(3)
$\text{Post}_t \times \text{USA}_d$	−0.206*** (0.029)	−0.117*** (0.040)	−0.039*** (0.007)
Firm-Product-Destination FE	✓	✓	✓
Month-Year FE	✓	✓	✓
Observations	3,693,864	3,693,864	568,335
Pseudo R ²	0.817	0.862	0.872
Estimator	PPML	PPML	OLS

Notes: ***, ** and * denote statistical significance at 1%, 5%, and 10%.

- SE clustered at firm level
- Robustness: only EU as control group (higher baseline and lower diversion into the EU, so less potential SUTVA violation)

Event study: stockpiling after Trump's election





PDO

Protected Designation of Origin



PGI

Protected Geographical Indication

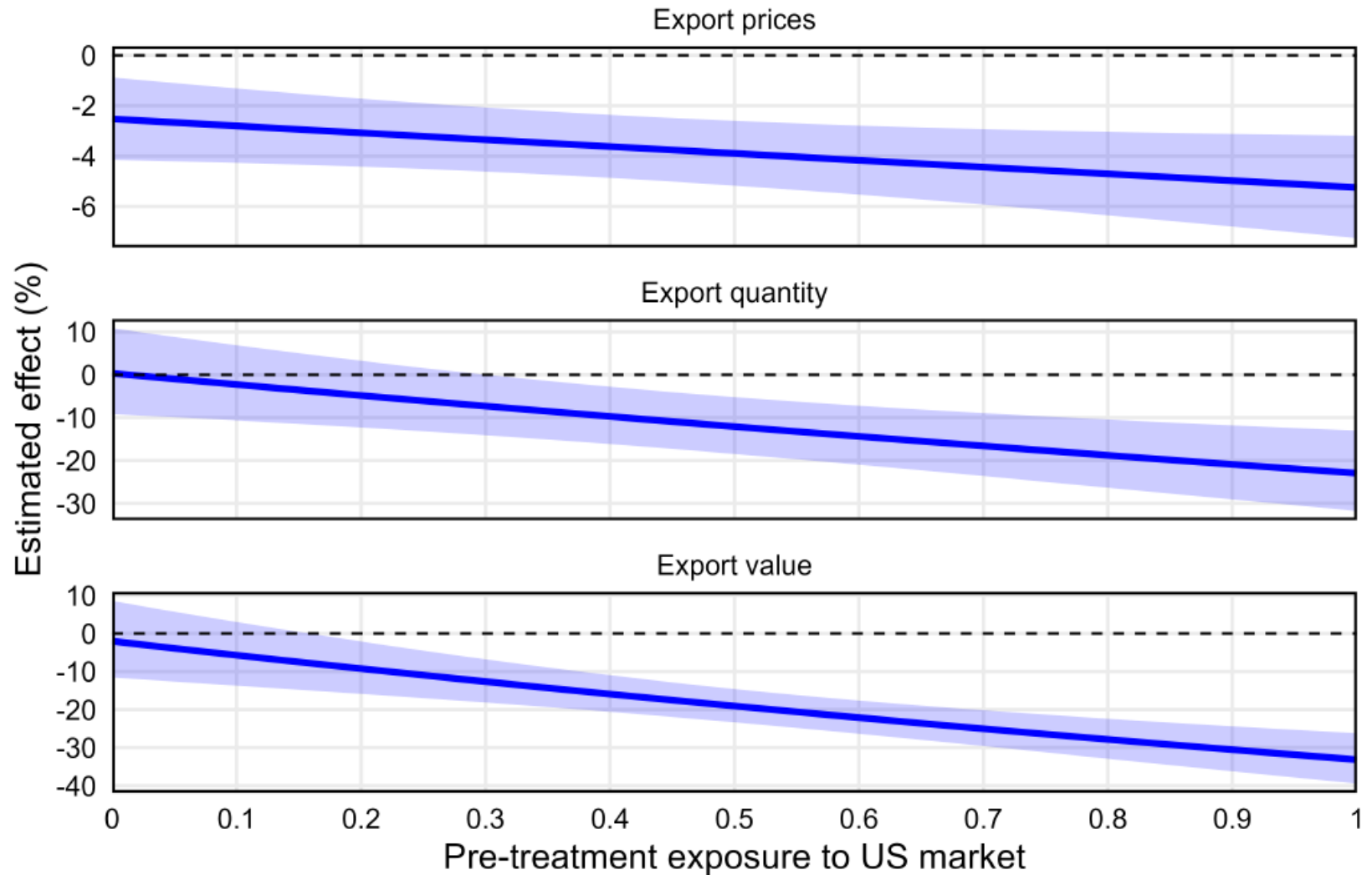
GI differentiation limits damage

Table 5: Heterogeneous effects by geographical indication status

	Value _{<i>f pdt</i>}	Quantity _{<i>f pdt</i>}	Log Price _{<i>f pdt</i>}
	(1)	(2)	(3)
Post _{<i>t</i>} × USA _{<i>d</i>}	−0.258*** (0.039)	−0.176*** (0.045)	−0.041*** (0.007)
Post _{<i>t</i>} × USA _{<i>d</i>} × Italian GI _{<i>p</i>}	0.079** (0.035)	0.099*** (0.036)	0.004 (0.006)
Firm-Product-Destination FE	✓	✓	✓
Month-Year FE	✓	✓	✓
Observations	3,693,864	3,693,864	568,335

Notes: ***, ** and * denote statistical significance at 1%, 5%, and 10%. GI_{*p*} is an indicator variable that takes the value 1 if the CN8 digit product is a GI product and 0 otherwise.

More US-exposed firms suffered more, up to -40% value



Export dependency as a geopolitical risk

- Italian winemaker federations (e.g. UIV) pushed for EU-US deal
 - i.e. export dependency gave US leverage vis-à-vis EU
 - Von der Leyen had to “brush off criticism that Brussels caved” (Politico.eu)
 - Turnberry deal “widely perceived as involving significant EU concessions” (Reinhold, Verfassungsblog)

Dazi USA al 20%: l'allarme di UIV sul vino italiano

Unione Italiana Vini lancia l'allarme: i dazi USA al 20% colpiscono duramente l'export vinicolo italiano, con un danno stimato di 323 milioni di euro all'anno e oltre 360 milioni di bottiglie coinvolte.

Il presidente Lamberto Frescobaldi propone un patto tra imprese italiane e buyer americani per condividere l'onere e difendere il posizionamento del vino italiano. Il segretario generale Paolo Castelletti sottolinea i rischi superiori per l'Italia rispetto a Francia e Spagna, con il 24% dell'export diretto proprio negli Stati Uniti.



Moscow and Beijing would have cheered EU-US trade war, von der Leyen says

European Commission chief uses op-ed in Spanish media to defend her Trump deal, pitching it as stability over escalation and brushing off criticism that Brussels caved.

AUGUST 24, 2025

ROMA – I dazi “ritorsivi” al 200% minacciati dal presidente Trump a vini e alcolici dell’Unione europea rischiano di azzerare un valore complessivo delle esportazioni verso gli Usa pari a 8 miliardi di euro.

Le stesse categorie di prodotto esportate dagli Usa e oggetto delle possibili contromisure dell’Ue quotano circa 1,35 miliardi. Lo rileva l'Osservatorio di Unione italiana vini (Uiv) nel considerare inopportuna l'inclusione nella disputa commerciale di categorie di prodotti in cui il “gioco a perdere” è evidente, con un rapporto di 6 a 1.

Conclusion



- Trump liberation day tariffs hurt Italian wine exports
 - Both volumes and unit prices went down (after short-lived stockpiling)
- More exposure to US market caused bigger losses
 - Diversification
- Reputed wines (GIs) associated with lower losses
 - Differentiation
- Export dependency as a geopolitical risk
 - Wine industry among the sectors pushing for a quick EU-US deal
 - Result described as “humiliating”

Q&A: After a 'humiliating' U.S. deal, where does the EU trade next?

Former trade commissioner Cecilia Malmström on Brussels' concessions to Washington, the EU's recent agreements and the case for strengthening ties across the Pacific.



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Appendix

Descriptives

Statistic	2021	2022	2023	2024	2025
Observations	331,205	348,464	345,662	355,370	341,455
Firms	7,993	8,347	8,498	8,323	7,237
Products (CN8)	122	123	122	121	121
Destinations	178	188	189	185	179
Total export value (million EUR)	7,169.43	7,833.41	7,708.98	8,071.36	7,776.75
Total export quantity (million litres)	2,205.82	2,159.85	2,110.35	2,135.67	2,101.44
Export price (unit values, EUR/litre)	3.25	3.63	3.65	3.78	3.70
Number of firms exporting to the US	4,226	4,527	4,505	4,477	3,659
Share of firms exporting to the US (%)	52.87	54.24	53.01	53.79	50.56

Only EU as control group (ROW excluded)

Table 10: Effect of Liberation Day on export margins, EU as control

	<u>Value_{<i>f</i><i>pdt</i>}</u>	<u>Quantity_{<i>f</i><i>pdt</i>}</u>	<u>Log Price_{<i>f</i><i>pdt</i>}</u>
	(1)	(2)	(3)
$\text{Post}_t \times \text{USA}_d$	−0.215*** (0.038)	−0.112** (0.057)	−0.039*** (0.009)
Firm-Product-Destination FE	✓	✓	✓
Month-Year FE	✓	✓	✓
Observations	1,741,080	1,741,080	388,393
Estimator	PPML	PPML	OLS

Notes: ***, ** and * denote statistical significance at 1%, 5%, and 10%.