



Wednesday 4<sup>th</sup> April 2007

## Global demand for Scotch at record high

- Record export value and volume achieved
- £78 a second contributed to UK exports (£2.5bn in total)
- Scotch represents a quarter of all UK food and drink exports
- Over one billion bottles shipped worldwide
- USA is largest market by value, reaching £400m for first time
- Growth for both Malts and Blends

2006 was a record year for Scotch Whisky exports, with shipments of both Malt and Blended Scotch Whisky increasing worldwide, according to new figures published by The Scotch Whisky Association (SWA).

Scotch Whisky exports rose by 4% in value reaching nearly £2.5bn, the highest ever value for shipments and beating a previous high of £2.4bn in 1997. In particular, there was encouraging growth for both bottled Malt exports (+7% to £408m), which broke the £400m barrier for the first time, and bottled Blended Scotch (+4% to £1.92bn).

Export volume was also at a new record high with shipments surpassing the equivalent of one billion bottles, up 6% on 2005 levels (to 1,051m bottles). The previous record was achieved in 2001 (1,013m bottles). Bottled Malt shipments soared 23% in volume (76m bottles), with bottled Blended Scotch rising 4% (762m bottles).

Consumer demand was broad based, with exports to each of the key regions growing in value and volume. Shipments to the EU (+0.2% in value), Asia (+2%), North America (+6%), and Central & South America (+24%) all rose on 2005 levels.

Richard Burrows, the SWA Chairman, commented:

“Building on a record year in 2006, the prospects for Scotch Whisky are brighter than they have been for many years. I’m greatly encouraged that distillers, large and small, are investing in facilities in Scotland and taking advantage of opportunities worldwide, with markets in Asia, North and South America offering strong potential for growth.



“To support the industry’s international competitiveness, the SWA is continuing to press the case for new legislation that will improve both the legal protection of Scotch Whisky from unfair competition and help promote the positive reputation of Scotch to consumers around the world.”

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Note to Editors:

1. The SWA figures are derived from HM Revenue & Customs data and are based on individual company declarations of the export value and volume of shipments to each market, not on sales/consumption of Scotch Whisky in those markets.
2. A summary of Scotch Whisky shipments on a regional basis and a table showing the top ten export markets by shipment value and volume are below at Annex One.
3. For further information, please contact Campbell Evans (0131 222 9231 and 07768 002 262) or David Williamson (0131 222 9230 and 07730 496 151)



## Annex One

### Summary of Scotch Whisky shipments by value on a regional basis (2006)

#### Asia (+2% to £546m)

China's exciting growth continued, with shipments rising by 27% to £58m, and the market entering the industry's top ten by value for the first time.

The high level of shipments to Singapore\* (+33% to £86m) reflect its role as a key distribution hub into China and South East Asian markets.

The South Korean market remains robust despite a decrease in shipments (-12% to £136m). Lower shipments follow an increase in exports in late 2005 ahead of an anticipated excise tax rise in 2006.

Exports to India were down 6% (to £24m), with the discriminatory tariff and tax system continuing to restrict fair market access. Future prospects, however, are encouraging, with the issue now referred by the EU to a WTO dispute settlement panel for an early ruling.

#### Europe (+0.2% to £839m)

European markets were stable in 2006. Whilst France (+7% to £275m) and Italy (+7% to £51m) performed well, it is particularly encouraging to see emerging markets for Scotch Whisky in Central and Eastern Europe, for example Poland to which shipments were up 42% (to £10m). Shipments to Spain were down (-19% to £195m).

#### North America (+6% to £457m)

The US market for premium spirit drinks remained buoyant. It is the industry's largest export market by value, with total exports reaching £400m for the first time (+7%).

#### Central & South America (+24% to £326m)

Brazil continues to emerge as a Scotch Whisky market (+45% to £38m). Venezuela remains the largest market in the region, and the industry's fifth largest export market by shipment value (+45% to £107m).

#### Africa (+17% to £114m)

South Africa is one of the industry's fastest growing markets with shipments up by 31% to £83.5m in 2006. Increased shipments are being driven by the growing popularity for Scotch amongst increasingly affluent South African consumers.



**Top ten export markets by volume  
(Jan-Dec 2006, million bottles)**

	<b>2006</b>	<b>2005</b>	<b>% change</b>
France	170.2	154.6	+10
USA	127.1	120.0	+6
Spain	85.7	92.7	-8
Thailand	40.5	50.3	-19
South Africa	39.3	31.2	+26
Venezuela	38.4	33.9	+13
South Korea	36.8	39.6	-7
Australia	31.1	28.9	+8
Brazil	30.0	24.7	+21
Germany	29.3	29.0	+1
<b>Total Exports</b>	<b>1,051.1</b>	<b>992.5</b>	<b>+6</b>

**Top ten export markets by value  
(Jan-Dec 2006, £million)**

	<b>2006</b>	<b>2005</b>	<b>% change</b>
USA	400.0	372.7	+7
France	274.9	257.0	+7
Spain	195.1	240.4	-19
South Korea	136.2	155.7	-12
Venezuela	106.7	73.7	+45
Taiwan	106.5	102.0	+4
Singapore*	85.8	64.5	+33
South Africa	83.5	64.0	+31
Greece	76.8	77.3	-1
China	58.2	45.9	+27
<b>Total Exports</b>	<b>2,474.8</b>	<b>2,370.3</b>	<b>+4</b>