



Wednesday 26th October 2005

Asian markets drive growth in Scotch exports

- Half year exports exceed £1,000m for first time in 8 years
- China climbs to 11th most valuable export market
- Buoyant US market still number one for export value
- Challenging conditions in European markets

Over £1,000m worth of Scotch Whisky was shipped overseas in the first six months of 2005, the first time that barrier has been broken since 1997, according to new figures published today by The Scotch Whisky Association (SWA).

In an encouraging first half of 2005, the overall value of Scotch Whisky exports was up 3% to £1,011m compared with the same period in 2004. Global volumes also grew by 2% to 429m bottles (+9m bottles). And there was good news for jobs in Scotland, with both bottled in Scotland malt (+11% to £160m) and blended Scotch Whiskies (+2% to £787m) enjoying increases in the value and volume of shipments.

Scotch and Green tea - a popular way to drink Scotch Whisky in China - is proving a successful combination for distillers, with exports to China up 124% in value to £22m. And demand in other key Asian markets was also particularly strong, with exports to South Korea (+26% to £72m), Thailand (+47% to £21m) and Taiwan (+25% to £44m) all rising.

Exports to the USA grew (+7% to £152m), as a buoyant market and a cocktail renaissance helped to consolidate the USA as Scotch Whisky's most valuable export market.

Elsewhere, emerging markets such as India (+19% to £7m) and Russia (+80% to £12m) continued to grow, while a recovery in exports to Venezuela (+80% to £25m) helped boost the value of exports to South America (+19% to £106m) as a whole.

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Tough economic conditions, however, held back exports to the EU (-13% to £360m), with Scotch exports to France (-4% to £114m) and Spain (-16% to £110m) down in value. In contrast, exports to the ten countries that joined the EU in 2004 have increased (+15% to £10m), benefiting from local economic growth and the removal of import tariffs. While the domestic market slipped 6% in volume at the half year mark, malt whisky clearances again expanded, up just over 1% in the UK.

Welcoming the figures, Gavin Hewitt, the SWA Chief Executive, said:

“Distillers continue to invest with confidence in their Scotch Whisky brands. A rise in exports in the first half of 2005 demonstrates their continuing success and the worldwide popularity of Scotch Whisky. Over £1bn of Scotch has been exported in the first six months of this year, the first time in eight years that barrier has been broken.

“On the back of strong growth in Asia, and with exports to China continuing to grow at an impressive rate, I am looking forward to visiting Beijing next month to discuss market conditions with Chinese officials and to learn first hand about how this exciting market is developing a taste for Scotch Whisky.

“Conditions in Europe have been challenging but it remains a vitally important market representing nearly 40% of Scotch Whisky shipments. It is encouraging that last year’s enlargement of the Single Market is beginning to bring benefits, with Scotch Whisky now able to compete on a level playing field with local spirits in the new EU Member States for the first time.”

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Issued by David Williamson

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**Top ten export markets by value
(January-June 2005, £million)**

	2005	2004	
USA	152.1	142.4	+7%
France	113.9	119.0	-4%
Spain	110.2	131.3	-16%
South Korea	72.5	57.5	+26%
Taiwan	43.8	35.2	+25%
Greece	32.2	43.0	-25%
Germany	28.5	42.0	-32%
Japan	27.7	29.8	-7%
Venezuela	25.1	13.9	+80%
South Africa	22.2	17.2	+29%
Total Exports	1,010.9	981.6	+3%

**Top ten export markets by volume
(January-June 2005, million bottles)**

	2005	2004	
France	63.1	71.8	-12%
USA	53.4	50.7	+5%
Spain	44.1	52.5	-16%
Thailand	23.9	14.9	+61%
South Korea	18.5	15.6	+19%
Germany	14.2	18.6	-24%
Venezuela	12.4	6.8	+82%
Australia	11.4	9.8	+16%
South Africa	11.2	9.3	+21%
Taiwan	10.6	8.2	+30%
Total Exports	428.5	419.5	+2%

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