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SCOTCH WHISKY ASSOCIATION WELCOMES GROUNDBREAKING TRADE DEAL WITH KOREA

The Free Trade Agreement (FTA) between the European Union and South Korea which comes into force today (1 July) is being heralded as a major milestone for the Scotch Whisky industry.

The FTA is the most ambitious trade deal negotiated by the EU and the first with an Asian country. Scotch Whisky is expected to be one of the biggest beneficiaries of the deal as it eliminates Korea's 20% import tariff on spirits. Scotch Whisky is the UK's largest export to Korea and it is by far the biggest imported spirits category in Korea.

The agreement also provides legal protection in Korea for products with "geographical indications", including Scotch Whisky, and it tackles a number of other barriers to trade.

Korea is currently the sixth largest export market by value and ninth by volume for Scotch Whisky worldwide, with direct shipments from the UK alone totalling £153 million last year.

Martin Bell, Scotch Whisky Association Deputy Director - Asia Pacific and WTO, said: "Scotch Whisky is the UK's single biggest export by value to Korea. Scotch is also the European Union's biggest wine and spirits export to the market. This deal will generate significant benefits for the UK and EU economies.

"Despite Korea already being a key market for Scotch, its performance over the years has been impeded by the high tariff and other trade barriers in a market where the domestic spirit, soju, has a 97% market share. The FTA gives distillers a significant boost as they seek to



market their products to Korean consumers, who already have a taste for Scotch Whisky, notably premium blends.”

While the agreement with South Korea is confirmation of progress being made on the international trade agenda, the SWA said there is still a lot of work to be done to break down barriers in other emerging markets, notably India.

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Notes to editors:

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