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FLAWS IN MINIMUM PRICE PLAN CONFIRMED BY HEALTH COMMITTEE

Scotch Whisky producers have welcomed today's Scottish Parliament Health & Sport Committee report, which highlights a number of unanswered questions on Government plans for minimum pricing of alcohol.

The Scotch Whisky Association (SWA) called on the Scottish Government to send the proposals to Brussels so that compatibility with EU law can be properly assessed. The European Commission has already advised that the Scottish minimum price proposal should 'in principle' be notified to Brussels for formal scrutiny.

The Committee report raised concerns on a number of issues in relation to the minimum price plan, including the potential economic consequences, the impact on low-income groups, and cross-border sales.

Scotch Whisky producers believe minimum pricing is likely to be illegal and ineffective. It will cause serious damage to the industry in Scotland and puts at risk £600m a year in Scotch Whisky exports due to copy-cat trade barriers. The SWA called on all parties to tackle concerns at loss-leading sales through a ban on alcohol sales below cost.

Gavin Hewitt, SWA Chief Executive, said:

"The Health Committee has rightly raised serious questions on what are flawed minimum pricing plans. Over thirty years of European case-law has consistently ruled minimum pricing to be illegal. It's time for the Scottish Government to notify the price proposal to Brussels to allow formal EU scrutiny on issues around legality.

"We believe a ban on sales below cost - with tax providing a transparent level - across the UK, in tandem with excise duty reform, offers an alternative way forward that could be supported by all parties. Taxation based on alcohol content would be equitable and more socially responsible."

Note to Editors:

1. For further information please contact Campbell Evans (0131 222 9231 and 07768 002 262) or David Williamson (0131 222 9230 and 07730 496 151) at the SWA.