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Russia's accession to the WTO should boost Scotch Whisky exports

The Scotch Whisky Association (SWA) has welcomed Russia's accession to the World Trade Organisation (WTO) as it should provide a more transparent and predictable trading environment for Scotch Whisky importers.

Russia, one of the world's largest spirits markets, had its application to join the WTO approved on 16 December after 18 years of negotiation. This agreement is expected to integrate it further into the global economy and break down trade barriers to the benefit of importers, including Scotch Whisky producers.

The accession package sets out a series of commitments and obligations designed to make Russia's trade regime more transparent and stable, committing it to respect the WTO's core principle of non-discrimination. Russia has not been an easy business environment for imported spirits and there are many significant impediments to trade, including issues with licensing, technical regulations affecting spirits and bank guarantees for duties and taxes payable.

There is significant untapped demand for Scotch Whisky in Russia. Although exports to Russia have grown rapidly to over £131 million last year from less than £1m in 2001, its share of the country's spirits market is only 0.8%.

Martin Bell, Deputy Director of International Affairs at the SWA, said:

"Russia was the last major economy outside the WTO. Its accession will bring significant gains to Russian exporters as well as to those exporting to Russia. It is one of the largest spirits markets in the world but is dominated by domestically-produced vodka. Accession



to the WTO should improve conditions for Scotch Whisky producers looking to enter the market for the first time, or expand their presence there.

“We hope that ongoing issues which have been holding back the growth of Scotch in Russia will now be addressed and that market access will improve as Russia complies with its new WTO obligations.”

ENDS

Notes to editors

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Last year Russia was the seventh largest market for Scotch Whisky by export value. While direct exports from the UK were worth £31.4m, the actual export value of the market is over £131m including re-exports from European hubs.