



Wednesday 1 July 2009

## Turkey whisky tax reform toasted by distillers

An agreement between the EU and Turkey, eliminating tax discrimination against Scotch Whisky, has given a major boost to Scotch Whisky's prospects in Turkey, an important emerging market for distillers.

News of the breakthrough on spirits tax reform, part of Turkey's EU membership talks, follows a 30 per cent reduction in the tax discrimination faced by Scotch Whisky in Turkey in April 2009. Similar cuts will now take place in 2012 and 2015. All spirits will be taxed at the same level from 2018.

Scotch Whisky has been taxed at double the rate of locally produced Raki, making excise reform in Turkey a longstanding priority for The Scotch Whisky Association (SWA).

### **Nick Soper, the SWA's European Affairs Director, said:**

"Agreement on spirits tax reform in Turkey is a major boost. Removing discrimination - Scotch has been taxed at double the rate of local Raki - is one of our top international priorities and we're delighted Scotch Whisky will have the opportunity to compete on a level tax playing field in Turkey in the future.

"The discrimination faced by Scotch has already been reduced by 30 per cent this year and we now have a clear, agreed timetable for a non-discriminatory tax rate to be introduced.

"We have been grateful to have excellent support from the British Embassy, UK Government and European Commission on this long running issue, and the accession process has again proved to be invaluable in removing trade barriers. Turkey's negotiations to join the EU have taken another welcome step forward with this commitment to spirits tax reform."

- ENDS -

/... Continued



Note to Editors:

1. Scotch Whisky exports to Turkey in 2008 were valued at £28m. Turkey was the industry's 26<sup>th</sup> largest market by export value.
2. For further information please contact David Williamson (0131 222 9230 or 07730 496 151) at the SWA.