



# A SPIRITED INDUSTRY

## Scotch Whisky Association priorities for the new UK Parliament



The Scotch Whisky industry is strategically important to the Scottish and wider UK economies. Our industry boosts jobs and growth, and supports a UK-wide supply chain. Scotch Whisky is our global drink, enjoyed in almost 200 export markets.



Supports over **40,000 jobs** across the UK



**£1.7bn in investment** across its supply chain, almost all in the UK



**£4bn in exports**; representing **20%** of all UK food & drink exports



**120 Scotch Whisky distilleries** in total, boosted by new SME producers



Scotch is the **single largest net contributor** to UK trade in goods



**Ambitious environmental strategy** targeting **80% non-fossil fuel use by 2050**

The **Scotch Whisky Association (SWA)** promotes the interests of Scotch Whisky around the world, of our 67 member companies, and of the industry as a whole.

Our priorities are to make a success of Brexit, secure a sustainable and competitive business environment, promote open markets and free-trade, safeguard Scotch against unfair competition, and encourage the responsible consumption of alcohol.

Ahead of the General Election, we asked candidates to **#SupportScotch** by signing up to six commitments to boost the Scotch Whisky industry and our UK-wide supply chain.

These commitments form the basis for the industry's priorities for the new Parliament.

The Scotch Whisky industry is a UK success story, but with the challenges of Brexit and a tax burden nearing 80%, this success cannot be taken for granted.

The SWA looks forward to working with the new UK Government and MPs from every part of the United Kingdom and from all parties to ensure that the Scotch Whisky industry can deliver jobs and growth in the years ahead.



**REDUCE THE 80% SUPER TAX ON SCOTCH WHISKY**



**DELIVER ON BREXIT PRIORITIES TO BOOST EXPORTS**



**PROMOTE COMPETITIVE BUSINESS ENVIRONMENT**



**WORK WITH PARTNERS TO REDUCE ALCOHOL MISUSE**



**SUPPORT INVESTMENT IN SUSTAINABILITY**



**BOOST INDUSTRY WITH SCOTCH WHISKY SECTOR DEAL**



## Reduce to 80% super tax on Scotch and introduce a fairer excise duty system

The UK excise duty system for alcoholic drinks is broken and ripe for reform.

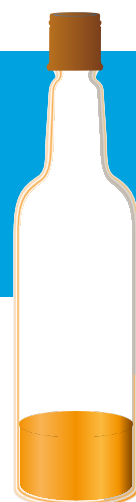
There is no good reason why a unit of alcohol served as Scotch is taxed 51% higher than the same unit of alcohol in beer and 19% higher than wine.

The tax burden on an average priced bottle of Scotch Whisky is punitive at nearly 80%. This supertax holds the industry back at a time when, during Brexit, the UK government should be supporting domestic industries, like Scotch, to flourish.

While HM Treasury can and should take action to reduce the Scotch super tax at the next Budget, it is vital that Ministers also look at long-term reform of the domestic alcohol tax system so that products, like Scotch Whisky, which are produced in the UK are better supported.

The SWA believes that taxing all alcoholic drinks on the same basis, according to alcohol content, is the fairest system for consumers and will boost domestic industry in an increasingly competitive marketplace.

Excise Duty	£8.05
VAT	£2.15
Total Tax (79%)	£10.20
Scotch Whisky (21%)	£2.70
Average Off-Trade Price	£12.90



## Support Scotch exports by delivering on the industry's Brexit priorities

With over £4bn of annual exports - more than 20% of UK food and drink exports - Scotch Whisky leads the way in overseas markets. However, government support for exporters is crucial.

The success of the Scotch Whisky industry will be a litmus test of the success of the UK's exit from the EU. Brexit creates challenges for the industry but, if our export priorities are delivered, there are also long term opportunities.

To support the industry, policy makers should pursue a 'best in class' trade deal with the EU that can adjust over time. The UK should also secure existing EU trade deal benefits with third countries, and develop an ambitious agenda of new and refreshed Free Trade Agreements, for example with India.

Care should be taken to ensure frictionless and efficient customs procedures and robust legal protection for Scotch Whisky in the UK, EU and in global markets; the Great Repeal Bill should provide consistency and certainty by transposing relevant EU laws into UK law; and opportunities to take a new approach in support of domestic industries, like Scotch Whisky, should be explored.



**39** bottles of Scotch Whisky are exported from the UK every second

## Promote a competitive business environment for distillers

The UK and Scottish Governments should work together to ensure that the industry and its supply chain can flourish. Under further powers devolved to the Scottish Parliament, Scotland will increasingly have its own policy mix and it is vital that Scotland is at least as competitive as the rest of the UK.

Scotch Whisky distilleries and its supply chain are often in rural areas where access to reliable 3G/4G connectivity is difficult and high-speed broadband is often unavailable. A 'rural first' policy should be implemented when digital infrastructure is upgraded to help address the historic infrastructure gap.



## Work with partners to reduce alcohol misuse

Moderate and responsible alcohol consumption is compatible with a healthy lifestyle. The majority of those who choose to drink do so within the Chief Medical Officers' guidelines.

Tackling alcohol misuse is a complex issue. We will only be successful in addressing alcohol-related harm through a multi-stakeholder, partnership approach. Industry is committed to such work and an important partner, for example through the Scotch Whisky Action Fund supporting local community initiatives.



SCOTCH WHISKY  
ACTION FUND

Tackling  
alcohol-related harms

We want to **support** and **develop** a range of projects and initiatives tackling alcohol misuse in Scotland

To find out more visit [bit.ly/scotchwhiskyactionfund](http://bit.ly/scotchwhiskyactionfund)



Foundation  
Scotland

**By working in partnership real progress has been made to reduce alcohol-related harm:**

- In the last decade alcohol consumption has fallen by **18%**
- Harmful drinking has fallen **23%** since 2005
- On average, **76%** of adults do not exceed low-risk drinking guidelines
- The UK drinks less than **16** other European countries
- Alcohol-related anti-social behaviour has fallen by **18%** since 2011/12

Sources: HMRC, ONS, HSCIC

## Target reform by supporting investment in sustainability

The industry is committed to protecting the natural environment. Distillers are investing in renewables, implementing energy efficiency projects, and embracing the circular economy.

To encourage sustainability, regulation needs to be balanced, consistent, and transparent. Reform is needed – for example the Climate Change Agreement scheme – to support the industry's ambitious environmental commitments, whilst also promoting competitiveness.

## Boost the industry through a Scotch Whisky Sector Deal

The proposed UK Industrial Strategy is an opportunity to create a supportive domestic business environment for the Scotch Whisky industry to grow as a flagship manufacturer and exporter.

The SWA has called for a sector deal so that action can be taken in a structured way, with collaboration and strategic thinking across government and industry, to secure Scotch Whisky's place as a world-leading sector.



You can show your support for the Scotch Whisky industry using the hashtag **#SupportScotch**

For all the latest industry news follow **@ScotchWhiskySWA** on Twitter or visit [www.scotchwhisky.org.uk](http://www.scotchwhisky.org.uk)

## Working with Us

We want to encourage a positive debate in the new Parliament, with Ministers in the UK government, with MPs in Scotland who have distilleries, bottling halls and maturation warehouses in their constituencies, and with MPs in the rest of the UK who represent our supply chain companies. The All-Party Parliamentary Group on Scotch Whisky will be reconstituted over the summer, and we would encourage you to become an active member.

**In the meantime, to learn more about the people, products and priorities of the Scotch Whisky industry, please contact the SWA's Head of External Affairs, Graeme Littlejohn ([glittlejohn@swa.org.uk](mailto:glittlejohn@swa.org.uk) and 0207 960 6981) or Head of Public Affairs, Beatrice Morrice ([bmorrice@swa.org.uk](mailto:bmorrice@swa.org.uk) and 0131 222 9247)**