



SWA MANIFESTO 2021

@ScotchWhiskySWA

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#SUPPORTSCOTCH

www.scotch-whisky.org.uk

The 2021 Scottish election is being held in uniquely challenging times. It is critical as Scotland recovers from the COVID-19 pandemic that politicians engage constructively with businesses, so we can work together on economic recovery.

The Scotch Whisky industry is working hard to recover from the impacts of the pandemic and to ensure we are in the best possible position to grow over the years ahead, and to play our full part in Scotland's economic recovery. As part of this, we are focussing on sustainability and how the industry collectively achieves net zero by 2040, how we ensure we are as diverse and inclusive as possible, and how the industry strengthens its global exports. To do this we need a strong foundation from which to build here in Scotland.

The SWA is asking political parties and candidates to **#SupportScotch** and sign up to six commitments to help businesses support jobs and thrive:

1 Ensure a competitive environment for business

2 Deliver a green recovery

3 Support tourism in Scotland

4 Work in partnership to tackle alcohol misuse

5 Invest in digital and transport infrastructure

6 Support international trade

The Scotch Whisky industry is important to Scotland's economy. We make a significant contribution to exports, employment, taxation, and tourism. We provide thousands of jobs in rural and urban areas, support local communities, and spend over £1.8bn in our supply chain.

Deliver business competitiveness

It's critical to our industry that Scotland continues to offer a competitive environment in which to grow businesses and develop commercial opportunities while promoting sustainable, inclusive growth.

Regulation must support business recovery, innovation and long-term growth. It should be properly consulted on with business – in terms of whether new regulation is necessary and, if so, on its aims and scope. It should not put businesses based in Scotland at a competitive disadvantage globally. We understand the pressures on public finances, but a balance needs to be struck between raising government revenue and allowing businesses to drive growth.

We ask you to #SupportScotch and commit to:

- Ensure regulation supports and encourages economic growth
- Postpone the introduction of the Deposit Return Scheme so companies can focus on recovery and ensure the policy does not hamper environmental ambitions
- Avoid unintended consequences from policies through effective business engagement

Deliver a green recovery

The Scotch Whisky industry is an environmental leader committed to developing innovative ways to maximise sustainability. The SWA launched a new Sustainability Strategy in 2021 with targets to achieve net zero by 2040, boost water efficiency, improve land use and for all new packaging to be recyclable or compostable by 2025.

To deliver further emission reductions, industries in Scotland need clear commitments in this election from candidates to deliver policies which will drive future investment in renewables - like hydrogen. We need clarity and certainty on longer-term policies so that industry can plan its transition to net zero energy.

We ask you to #SupportScotch and commit to:

- Introduce public funding and policy for research and pilot projects to achieve net zero
- Developing a policy framework for the transition to low carbon energy
- Support research to underpin scientific development of cereal varieties which demonstrate a reduced carbon footprint
- Support the development of the International Barley Hub in Dundee, part of the City Growth Deal

Scotch Whisky:

- › Exports 42 bottles of Scotch Whisky per second, worth nearly £5bn in 2019. In 2020, exports fell by over £1bn to £3.8bn
- › Adds £3.8bn in Gross Value Added to the Scottish economy, £5.5bn across the UK
- › Supports more than 42,000 jobs across the UK, including 10,500 people directly in Scotland, and 7,000 in rural communities
- › Annually invests over £1.8bn in our UK-wide supply chain
- › Welcomed over 2 million visits to Scotch Whisky distilleries in 2019 - with international visitors key to success
- › Is committed to reflect and celebrate diversity and attract talent in the industry



Support tourism businesses in Scotland

Scotch Whisky tourism has been a huge success over recent years. The industry has invested over £200m in the past five years alone. Our excellent visitor experiences across Scotland mean that distilleries are now collectively Scotland's third most popular visitor attraction. This has created a variety of new jobs in the industry, and a halo effect into local communities, reinvigorating local services, hotels and restaurants.

However, 2020 has been challenging. The SWA welcomes the support provided to tourism businesses to date and recognises that longer term support will be necessary until international tourism recovers. The impact of the pandemic, particularly on smaller newer Scotch Whisky producers who rely on their visitor centres as a key part of their business, has been significant.

We ask you to #SupportScotch and commit to:

- Continue to provide support for the tourism and hospitality sector
- A dedicated Scotch Whisky promotion fund to attract consumers to Scotland to boost tourism, building on the £1bn the industry spends promoting Scotch Whisky around the world each year

Work in partnership to tackle alcohol misuse

As an industry, we take our responsibility to promote the moderate consumption of alcohol very seriously. Likewise, we are committed to work in partnership with others to help tackle alcohol misuse. We do this through a strict marketing code of conduct to which all our members must adhere, and through a range of initiatives in the UK and overseas to promote responsible consumption and action to tackle misuse.

Our industry works in global coalitions to ensure, for example, that social media companies do not market alcohol to underage consumers and that anyone has the choice to opt out of marketing.

In addition to company initiatives, the SWA's Scotch Whisky Action Fund has supported nearly 50,000 people across Scotland since 2014 through funding local programmes to tackle alcohol related harm.

We ask you to #SupportScotch and commit to:

- Work in partnership with the industry to promote moderate consumption and tackle alcohol misuse

Invest in infrastructure to grow the economy

From getting Scotch Whisky from distilleries throughout Scotland, to welcoming visitors from around the globe, we rely heavily on robust and resilient transport infrastructure. We also rely on digital infrastructure to support our businesses in accessing the services they need and in communicating with supply chain partners and others across the UK and overseas. Investment in broadband, energy infrastructure and transportation is key for our businesses to grow and to lower the industry's environmental footprint.

We ask you to #SupportScotch and commit to:

- Deliver a new long awaited ferry for Islay
- Deliver 'super-fast' broadband throughout Scotland, with a 'rural first' policy
- Invest in improvements on key roads
- Invest in rail freight terminals to make rail freight commercially viable, increasing use of less carbon intensive transport
- Address acute housing shortage in rural communities, particularly on our islands

Support export growth

Growing Scotch Whisky exports is key to the industry's recovery from the COVID-19 pandemic, which caused the industry's exports to fall by one quarter in 2020. We need to work with governments to remove trade barriers around the world to support export recovery, growth and a return to investment.

The 25% tariff on Single Malt exports to the United States caused the industry to lose over half a billion pounds in exports. We welcomed the recent suspension of the tariff, but it will take time, effort and support for the industry to recover from the damage done by tariffs.

We ask you to #SupportScotch and commit to:

- Support the permanent removal of US tariffs on Scotch Whisky in the Airbus/Boeing dispute
- Invest in the promotion of Scotch Whisky in key overseas markets to boost exports and attract tourists to Scotland

To learn more about the people & priorities of the Scotch Whisky industry, contact Fraser Grieve: fgrieve@swa.org.uk

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