

# minutes

**Meeting:** Cross Party Group on Scotch Whisky  
**Location:** Committee Room 6, Scottish Parliament  
**Date Held:** Thursday 12 March 2015  
**Present:** MSPs: Gordon MacDonald (Convener), Mary Scanlon, Murdo Fraser.

**Other attendees:** Rosemary Gallagher (SWA), Derek Knox (Forth Ports), Simon Lyall (Hot Rum Cow), Lauren McArthur (SWA), Beatrice Morrice (SWA), Brian McLeish (Scottish Enterprise), Vanessa Murray (Scottish Enterprise), David Williamson (SWA).

**Apologies:** Claudia Beamish, Jackie Baillie, Bruce Crawford, Dennis Robertson, Andy Rosie (SEPA), Alistair Ross (Pinsent Masons).

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Gordon MacDonald MSP, Chair of the meeting, welcomed attendees.

## 1. Minutes

The group approved the minutes from 30 October 2014.

## 2. Internationalisation of Scottish business

David Williamson (Director of Government and Communications, SWA) and Derek Knox (Port Manager, Forth Ports, Grangemouth) gave presentations on the challenges and opportunities the Scotch Whisky industry face with regard to the *Internationalisation of Scottish Businesses*, which is an enquiry currently being considered by the Economy, Tourism and Energy Committee.

David outlined whisky's strong international performance, with Scotch Whisky exports valued at £4 billion annually, and that it takes time to build a brand in overseas markets.

He said that successful exporting requires efficient routes to market, long-term commitment, and a global mind-set. He highlighted a number of emerging markets for whisky, including in Latin America and Asia, and future growth markets in Africa, including Angola and Nigeria. He also stated that it is important to use EU trade mechanisms to resolve issues and for SDI/UKTI to collaborate. He underlined that although trade policy is reserved, Scottish Ministers have a role to ensure trade issues are raised on visits.

David also highlighted that the SWA works to assist commercial success in markets by tackling tariff trade barriers and securing a level playing field with domestic products. He also highlighted that the Association had responded to the internationalisation and freight enquiries within the Committees in the Scottish Parliament.

Derek Knox provided an overview of Forth Ports at Grangemouth, underlining that Scotch Whisky is an important industry for the port. He stated that the company is investing and has the capacity currently to increase volume going through the port. He explained that the port is located in a good central location and that a large amount of finished Scotch Whisky, as well as supply chain goods such as wood for barrels, travel through the port.

## Action

Members also enquired about fake Scotch Whisky. David stated that the Association has about 70 cases ongoing at any given time overseas and that the legal protection of the Scotch Whisky brand is essential.

### **3. Scotch Whisky exports**

David Williamson informed members that the UK market for Scotch Whisky declined by 5% in 2014 and that the export statistics were to be published shortly. Members noted that an average priced bottle of Scotch Whisky comprises of 80% of tax in the UK. The SWA had been calling for a 2% cut in duty in the 2015 budget. David highlighted that small companies rely on the domestic market to start trading and that international markets look at how the product is taxed at home.

### **4. Future work programme**

Gordon MacDonald encouraged members to highlight any suggested topics for future meetings.

### **5. AOB**

The group discussed the new Scottish Craft Distillers Association (SCDA) and that they might speak at a future event. Scottish Enterprise highlighted that they were working with the SCDA and that there is going to be a reception to launch the Association in May in the Scottish Parliament. The group agreed to write to the SCDA to invite them to join the CPG.

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