

minutes

Meeting: Cross Party Group on Scotch Whisky
Location: Committee Room 1, Scottish Parliament
Date Held: Wednesday 5 December 2012
Present: MSPs: Annabelle Ewing, Murdo Fraser, Hugh Henry, Jamie McGrigor, Nanette Milne, Mary Scanlon,

Other attendees: Martin Bell (SWA), Amanda Brown (Scotland Food and Drink), Kathleen Cairns (Scottish Enterprise), Jack Gemmell (Chivas Brothers), Tim Jackson (Campari), William Gray (SDI) Lauren McArthur (SWA), Eilidh Macdonald (Assistant to John Park), Beatrice Morrice (SWA), Ross Oxburgh (Assistant to Mary Scanlon, Siobhan Paterson (SWA), Jennifer Ross (Assistant to Liam McArthur), Devin Scobie (Caledonia Consulting), Neil Sinclair (Scottish Government), Peter Smith (Diageo), David Williamson (SWA), Aileen Weurman (Assistant to Mary Scanlon), Pete Wilkinson (SWA)

Apologies: Campbell Evans (SWA), Brian McLeish (Scottish Enterprise), Andy Rosie (SEPA), Alastair Ross (Pinsent Masons), Tavish Scott, David Stewart, Kelvin Thompson (Presentation Products)

Mary Scanlon, Chair of the meeting, welcomed attendees and thanked John Park for his work as co-convenor of the group (John Park has now stood down as an MSP).

1. Minutes

The group agreed the minutes from 12 September 2012.

2. Scotch Whisky exports and international trade

The Group heard from the Scotch Whisky Association's (SWA) International Affairs team, Pete Wilkinson, Director of International Affairs and Deputy Directors David Williamson and Martin Bell.

Pete Wilkinson highlighted that Scotch Whisky is exported extensively around the world and that the work of the SWA's international affairs team focusses on ensuring fairer market access for Scotch Whisky by working with UK Government and the European Commission. Pete explained that India is one of the SWA's priority markets and that it has significant future potential for Scotch Whisky when/if its 150% tariff is reduced.

Martin Bell followed on to discuss typical trade barriers such as labelling restrictions, tariffs and tax discriminations and how the Association works with the WTO to resolve market access issues. Martin then highlighted that Scotch Whisky exports across Asia continue to grow in double digits by value. Top markets include Taiwan and China and Korea.

David Williamson highlighted the growth opportunities for Scotch Whisky

Action

SWA presentation will be circulated to members.

exports, as well as the wide range of trade barriers faced, across Latin America. Two current market priorities were outlined in more detail: Brazil and Colombia. On the latter, Mr Williamson stressed the importance of the EU's proposed Free Trade Agreement with Colombia and Peru. This should result in tariff elimination, fairer excise tax regimes, and better protection for Scotch Whisky. CPG members were encouraged to ask their Brussels-based colleagues to support the agreement when it came before the European Parliament.

The Group then heard from Amanda Brown, Scotland Food and Drink who highlighted the Scottish Government's new food and drink export target of £7bn for 2017, currently Scotch Whisky exports stand at £4.23 bn. Amanda explained there is a Scotland Food and Drink strategy and they are working closely with SDI as a partnership approach to focus on specific markets but there is more to be done to put other food and drink products on an international platform with Scotch Whisky.

William Gray, Scottish Development International (SDI), explained that SDI operates in 23 offices around the world to assist Scottish business to export abroad. He highlighted that SDI has worked with small independent bottlers of Scotch Whisky to help them export and that SDI has a range of services including SMART exporter and Global Scots.

Further details can be found on the SDI website:

<http://www.sdi.co.uk/>The floor was then open to questions from the CPG. Among some of the items raised were as follows:

Jennifer Ross from Liam McArthur's office asked whether languages were an issue for trading internationally. SDI explained that there were offices globally and that locally engaged staff were employed.

Jamie McGrigor asked if there was potential for Scottish bottled water to be exported on the back of Scotch Whisky's success and the importance of Scottish water. Peter Smith of Diageo explained that a company in Scotland had recently begun to export Scottish bottled water.

3. Scotch Whisky: From Grain to Glass Exhibition

Siobhan Paterson (SWA) highlighted that as part of the SWA's centenary celebrations, a large scale exhibition has now opened to the public and is on display in the Scottish Parliament's main entrance. The exhibition will last until the 25 January 2013. The exhibition, entitled "Scotch Whisky: From Grain to Glass" looks at the last 100 years of Scotch Whisky and includes a range of artefacts looking at history, production, art, marketing relating to Scotch Whisky. The exhibition is free.

4. AOB

Beatrice Morrice (SWA) highlighted to the group that following the last CPG meeting in September which focussed on the environment, the issue around a lack of quality recycled glass was raised. The Scottish Government has now issued a consultation on a Recyclate Quality Action Plan.

Beatrice suggested a letter could be sent in response to the consultation, welcoming its actions particularly around glass, on behalf of the CPG. This was agreed by the group.

Mary Scanlon suggested that as it has been an educational year, the CPG could be going further and using the forum to campaign specific industry issues in the Scottish Parliament through debates for example.

5. Date of next meeting

The next meeting of the CPG on Scotch Whisky takes place at 13.00 on Thursday 14 March 2013 in Committee room 4 and the topic will be investment in the industry.