

minutes

Meeting: Cross Party Group on Scotch Whisky
Location: Committee Room 4, Scottish Parliament
Date Held: Thursday 14 March 2013
Present: MSPs: Keith Brown, Bruce Crawford, Annabelle Ewing, Gordon MacDonald, Dennis Robertson, Mary Scanlon, David Stewart.

Other attendees: Alex Bruce (Adelphi Distillery), Campbell Evans (SWA), Jack Gemmell (Chivas Brothers), Keith Falconer (Adelphi Distillery), Lauren McArthur (SWA), Brian McLeish (Scottish Enterprise), Beatrice Morrice (SWA), Suzanne Orchard (Scottish Enterprise), Ross Oxburgh (Assistant to Mary Scanlon, Haley Rondeau (Assistant to Dennis Robertson), Jennifer Ross (Assistant to Liam McArthur), Devin Scobie (Caledonia Consulting), Ian Smith (Diageo), Kelvin Thompson (Presentation Products), Aileen Weurman (Assistant to Mary Scanlon).

Apologies: Andy Rosie (SEPA), Claudia Beamish MSP, Jackie Baillie MSP

Mary Scanlon, Chair of the meeting, welcomed attendees.

1. Minutes

The group approved the minutes from 4 December (circulated 22 December 2012).

2. Scotch Whisky investment

Campbell Evans, Director of Government and Communications at the Scotch Whisky Association, introduced the topic of investment and the Scotch Whisky industry and informed the group that the growth of Scotch Whisky exports, particularly in China, India and Russia, benefits Scotland through investment in the Scotch Whisky industry. He stated that there are some 8 to 10 distilleries currently being built or in the planning stages. Mr Evans highlighted the geographical spread of investment and the benefits to communities where little or no alternative employment is often available. The generated jobs in businesses supported by the industry, for example builders, plumbers and electricians as well as the staff employed within the distillery.

Ian Smith, Head of Media and Government Affairs Diageo Scotland, highlighted that Diageo is investing £1 billion in Scotland in the Scotch Whisky industry over the next five years. This includes £1 million being spent upgrading the visitor centre at the Talisker Distillery on Skye and £1.5 million improving the company archive at Menstrie in Fife. He also informed the group that Diageo has 12 visitor centres that encourage tourists to come to Scotland and stated that £1 spent marketing and promoting Scotch Whisky around the world equates to the £1 actually being invested in Scotland. The group was also shown a DVD portraying the investment already carried out by Diageo including a new bottling hall in Leven in Fife, and a distillery at

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Roseisle in Speyside.

Alex Bruce, Adelphi Distillery, provided information on investment in Ardnamurchan, a new build distillery that places sustainability and renewable energy at the heart of the project. The investment is primarily privately funded, however some assistance from Highlands and Islands Enterprise has also been secured thanks to support from the SWA, local MSPs and Fergus Ewing, Minister for Energy, Enterprise and Tourism.

The new distillery will employ at least five people, perhaps rising to 12 by the end of the first year, and is using local suppliers where possible which will be of huge benefit to the local economy. In addition, the indirect employment, for example with regard to the wood chip and biomass fuel, is also beneficial to the vicinity. Mr Bruce also underlined that the success of quality brands of Scotch Whisky being exported abroad has far reaching benefits for Scotland.

Following the presentations, members were invited to pose questions. Keith Brown, Minister for Transport and Infrastructure, underlined the benefit of Scotch Whisky to local communities and urged Scotch Whisky companies to engage with the Scottish Government, Scottish Enterprise and Highlands and Islands Enterprise at an early stage if any issues arise with regard to establishing distilleries and with engaging local suppliers. He also underlined the importance of avoiding over regulation of the Scotch Whisky industry.

Other issues raised by members included the industry highlighting local craft skills through Diageo's Jubilee Scotch Whisky and the important work undertaken by the Scotch Whisky Association with regard to tackling counterfeit Scotch Whisky around the world.

3. Scotch Whisky industry update

Campbell Evans informed the group that the Budget takes place on 20 March and that the industry has long standing concerns regarding the fact that Scotch Whisky pays a much higher amount of tax than wine, beer and cider. He also stated that the Scotch Whisky export statistics for 2012 will be published soon.

4. AOB

Members were asked to highlight any suggestions for future meetings that they would like to be considered for discussion.

5. Date of next meeting

The next meeting of the CPG on Scotch Whisky will be the Annual General Meeting and it will be held at 1pm on Thursday 30 May 2013 in Committee Room 4. Please note that this date has been changed from the 13 June.

Members

