Alcohol (Minimum Pricing) (Scotland) Bill

Whyte and Mackay

Introduction

Whyte and Mackay Ltd is one of the world’s leading suppliers of own label and branded Scotch whisky. The company, headquartered in Glasgow, has a bottling plant in Grangemouth, owns distilleries at Invergordon, Dalmore, Isle of Jura, Fettercairn and Tamnavulin, and operates distribution facilities in Bathgate.

Despite our global aspirations, we are heavily dependent on the UK market with a disproportionate amount of our business being generated here. We are the industry’s leading supplier of own label whisky for the majority of the UK’s grocery retailers, and we account for more than an 80% share of that market. Own label products account for almost a third of whisky sold in this country. We employ 487 people, of which 88% are based in Scotland.

Alcohol in Scotland

Whyte and Mackay shares the concern of Government about the unacceptably high levels of alcohol abuse in Scotland and the impact this has on the nation’s health and society in general.

As a producer and supplier of alcohol we take our responsibilities very seriously and continue to raise the standards of our marketing, promote best practice and be socially responsible. We are an active member of Drinkaware and a signatory of the Responsibility Deal. We also participate in the Scottish Government Alcohol Industry Partnership.

Minimum Pricing

Although we understand why the Government is keen to look at hard hitting initiatives like minimum pricing, we are strongly of the view that it will not be the deterrent the Scottish Government hopes it will be.

Effectively, minimum pricing would penalise the majority of consumers who drink alcohol responsibly, and will have little or no impact on the minority who have alcohol dependency issues.

We also believe there will be a series of unintended consequences which could seriously undermine the Government’s efforts to tackle this important problem longer term.

“For Calais, Read Carlisle”

There is strong evidence to suggest that minimum pricing will fuel illicit trade in alcohol, particularly where a pricing differential exists between two
countries. A minimum price regime in Scotland would create price disparities with England and will encourage cross-border activities. There would be no control over selling practices and the alcohol could be sold on an unregulated and cheaper basis, and sold by those involved in organised crime.

Furthermore, we currently estimate that approximately 5% of all alcohol sales are through the internet and mail order routes. This is expected to grow substantially. It would not be unreasonable to expect that new internet and mail order firms may be established in England to offer advantageous prices to Scots drinkers.

**Conclusion**

Whyte and Mackay has always been and continues to be committed to playing its part in tackling the serious problem of alcohol misuse in Scotland and in the UK.

However we feel that minimum pricing is the wrong approach. It will have a disproportionate impact on our business, and will have unintended consequences which will undermine the positive work being done to date by all stakeholders.

John Beard  
Chief Executive Officer  
Whyte and Mackay  
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