



**Scottish Parliament Constitution, Europe, External Affairs and Culture Committee  
Roundtable Thursday 15 June 2023  
Scotch Whisky Association (SWA) contribution**

**Key messages**

- The SWA welcomes opportunities for productive dialogue with the Scottish Government as part of our wider international trade policy strategy.
- Scotch whisky exports were valued at £6.2 billion in 2022, with promotion via Scottish Government offices and official event abroad a key facet of our engagement efforts to minimise market access barriers and maximise export growth.
- The SWA notes that tourism, worth £84 million in distillery visits alone according to latest figures, is a crucial element of the industry's success and look forward to continued dialogue and policy development to ensure that whisky-related tourism continues to thrive.

**Background**

The SWA is the Scotch Whisky industry's representative body. Our 92 member companies together comprise around 97% of the industry's distilling and blending capacity. The SWA works to sustain Scotch Whisky's place as the world's premier whisky and consumers' spirit of choice by driving exports and global competitiveness, shaping the sustainable future for the industry and by working to enable the best conditions for the Scotch Whisky industry to thrive and grow.

The Scotch Whisky industry employs 11,000 people directly in Scotland, 7,000 of whom work in rural areas. The industry supports a further 42,000 jobs across the UK, 36,000 of which are based in Scotland. With £5.5 billion economic impact across the UK economy (£3.8 in Scotland), the sector is one of the largest net contributors to the UK/Scottish balance of trade in goods. Scotch Whisky represents 77% of all Scottish food and drink exports, 25% of all UK food and drink exports, and 1.5% of all UK exports.

As the UK's largest food and drink export and one of Scotland's global success stories we recognise the role that Scotch Whisky plays in promoting Scotland internationally.

**Successful work between Scottish Government and the Scotch Whisky Association**

The Scottish Government's National Outcomes work places a focus on soft power and promotion of trade and culture overseas. The SWA welcomes opportunities to participate in Scottish Government activity as part of a wider, coordinated effort by industry, Scottish Development International, and UK Government to ensure Scotch's international reputation is maintained.

Other indicators the SWA believes Scottish Government could find useful to incorporate into its assessment of outcomes are covered in the opportunities for development section of this submission. Events at Scottish Government offices, the use of industry information and market briefings ahead of

overseas trips by ministers, and international events are all examples of opportunities to collaborate which the SWA looks forward to continuing.

The SWA has welcomed the great support provided by the Scottish Government's Brussels office in particular. EU-engaged staff have been particularly helpful in the supporting of industry engagement on EU proposals such as the Packaging and Packaging Waste regulation, the goal of which industry support but communication of how initially conceived implementation would impact the Scotch category. Having EU wide regulations as opposed to directives greatly assists in minimising market access barriers and we thank the Scottish Government's EU operation for their continued support in this legislative space.

### **Opportunities for development**

While the SWA continues to engage with stakeholders across our legal, trade policy, and market access work, there remains a role for the Scottish Government in the expansion of the number of Scottish businesses taking part in Scotch's continued global success.

It is important that indicators such as the number of Scottish businesses exporting to key markets, how they are performing compared to other whisky producing nations, and the projected growth of Scottish businesses globally are incorporated into the committee's rubric for assessing success.

### **Skills**

The SWA has launched an industry-wide careers portal called [Spirited Careers](#). The [launch of the website](#) is just one part of the industry's long-term work to continually boost the skills of its workforce. There are many job opportunities and routes for skills development in the whisky industry which are available to all, not least to attract younger and more diverse applicants into the industry. As an important employer in communities across Scotland and wider, we are keen to support further efforts by government to promote and facilitate the development of data science, automation, leadership and, in the particular case of tourism related jobs, foreign language skills relevant to our industry. The industry provides significant and crucial investment into rural communities in particular, so training and skills development in whisky-specific jobs and skills can ensure continued economic empowerment of Scotland's rural communities.

### **Comparative exports**

Direct exports of Scotch whisky were valued at over £6.2 billion in 2022. The performance of Scottish exporters in key overseas markets such as the United States, India, China, the Philippines, and the regional re-exporting sub of Singapore is important in understanding the sector's success. Table A shows the industry's Top 10 global markets by value, while table B shows top 10 markets by volume. These tables illustrate important market dynamics, taking the example of India, it can be noted that the volume of exports is far greater than the value, indicating that Scotch exported as a component part of blended products manufactured in-country makes up a large proportion of activity. Going forward, we believe that the Committee's future assessment of the Scottish Government's international work should review the market share of Scotch companies in these markets as an indicator of sector-specific success by Scotch producers.

<b>Country</b>	<b>Value in 2022 (GBP)</b>
1. United States of America	1,053,101,227
2. France	488,262,575
3. Singapore	316,368,422
4. Taiwan	314,522,348
5. India	281,770,737
6. China	233,164,606
7. Panama	203,273,487
8. Germany	201,594,235
9. Japan	174,996,300
10. Spain	172,871,277

**Table A: Top 10 Export Markets by Value**

<b>Country</b>	<b>Volume of exports (70cl bottles)</b>
1. India	218,796,521
2. France	204,961,336
3. United States of America	136,910,904
4. Brazil	93,096,264
5. Japan	74,850,036
6. Germany	67,475,143
7. Spain	66,667,507
8. Poland	48,540,575
9. Mexico	48,437,939
10. South Africa	38,564,125

**Table B: Top 10 Export Markets by Volume (70cl bottles)**