

# minutes

**Meeting:** Cross Party Group on Scotch Whisky  
**Location:** Committee Room 1 Scottish Parliament

**Date Held:** Wednesday 26 September 2018

**Present:** **MSPs:** Jackie Baillie MSP, Bill Bowman MSP, Murdo Fraser MSP, Rhoda Grant MSP, Rachael Hamilton MSP, Tom Mason MSP, Gordon MacDonald MSP, Liam McArthur MSP, Michael Russell MSP, Colin Smyth MSP, David Stewart MSP

**Other attendees:** Peter Clark (SWA), Neil Duncan (SEPA), Karen Freel (Perspectiva Consultants), Annie Hill (Institute of Brewing and Distilling), Courtney Hyde Peyton (Crown Office), James Johnston (Malt Whisky Trail), Kenny Junner (Unite), Christopher Miles (Edinburgh Distilling), Beatrice Morrice (SWA), Ian Smith (Diageo), James Wills (Kilchoman), Alan Wolstenholme (Scottish Distillers Association).

---

Gordon MacDonald MSP chaired the meeting and welcomed attendees.

## 1. Election of office bearers

Members of the group elected office bearers to the following positions:

### Joint Conveners:

- Murdo Fraser MSP
- Gordon MacDonald MSP

### Joint Deputy Conveners:

- Liam McArthur MSP
- David Stewart MSP

### Secretary

- Beatrice Morrice, Scotch Whisky Association

## 2. Islay

Peter Clark, SWA, and James Mills, Kilchoman Distillery, led a discussion on Islay and the Scotch Whisky industry. They covered infrastructure, transport and connectivity.

James provided information on his family's company, Kilchoman, founded in 2005. He explained that they use their own locally grown barley and their site includes malting, bottling and maturing of Scotch Whisky. The distillery has increased tourist visitors from 5,000 to 30,000 visits by 2017 and a new visitor centre is currently being built. He underlined that the problems with the ferry causes issues for his business as does a lack of broadband and phone signal connectivity as well as road surface issues. As a small company, he explained that these issues can disrupt supply to customers which is a serious problem.

Michael Russell MSP set out examples of strain on the island relating to the ferry and roads. He also underlined the need for consideration of public and private investment to alleviate the issues with services on the island. He stated that discussions relating to the amount of revenue generated from the island to the UK Government and the amount of support it receives in return should take place. He also spoke of the possible Rural Deal that Argyll and Bute Council are working on.

Ian Smith, Diageo, explained investments currently being made by his company on Islay

## Action

and stressed that economic development and growth are positive. He also underlined that attracting staff and finding accommodation can be an issue.

Gordon MacDonald MSP asked for figures to show the percentage of Scotch Whisky usage of the ferry and posed the question about a company chartering a freight service.

Members were informed of a joint initiative with the SWA, Highlands and Islands Enterprise and Argyll and Bute Council for a feasibility project to identify the pinch points and future requirements of the ferry for Islay and Jura. It was underlined that this would be conducted with a wide range of stakeholders and that it would be mindful of any possible impact on the local community.

### 3. Excise

Beatrice Morrice, SWA, provided a short update on the Scotch Whisky Association's excise campaign for the UK budget. The SWA is campaigning for a freeze in excise. Independent research from the CEBR demonstrates that a freeze would result in an increase in revenue to the Treasury. The group agreed to write a joint letter with Westminster's All Party Parliamentary Group to the Chancellor

### 4. AOB

The next meetings of the group will be:

- 31 January 2019 from 1-2pm in Committee Room 4
- 29 May 2019 at 6-8pm Committee Room 5

Members were encouraged to let office bearers or Beatrice know of any issue they would like to discuss at a future meeting. Courtney Peyton, Crown Estate Scotland, underlined work currently underway relating to the environmental, economic and social value of assets across the country and will liaise with Beatrice to discuss the possibility of speaking at a future meeting.

Richard Lochhead MSP, received thanks for his support and commitment to the CPG as on becoming a Minister in September he stood down as Joint Convener.

Alan Wolstenholme, Scottish Distillers Association (SDA), explained that his organisation recently changed its name from the Scottish Craft Distillers Association. He explained that they have around 20 members and with the growth of gin are working to protect distillers across the country. Scotland Food and Drink are providing back office support for the association.

Ian Smith, Diageo, underlined that the growth of the industry is positive and that the SWA supported the SDA when it started. He added that celebrating the growth of the industry – be that big, small and all in between, is a good thing.

Alan suggested amending the name of the CPG to encompass spirits, not just Scotch Whisky. A member suggested commencing a new CPG on Gin.

Kenny Junner, Unite, talked about their campaign to bottle all Scotch Whisky in Scotland. Beatrice explained the reasons the industry was not supporting this campaign: that it would be a WTO trade barrier and could be detrimental to gaining a footing in certain markets. She also underlined that the majority of Scotch Whisky exports, around 80%, is bottled in Scotland. This may be a topic for the group to hear more about at a future meeting.

For more information please contact Beatrice Morrice [bmorrice@swa.org.uk](mailto:bmorrice@swa.org.uk) or call 0131 222 9247.

SWA to find out % of Scotch Whisky ferry usage on Islay.

Letter to be issued to Chancellor and circulated to group.