

# Press release: Whisky galore! Bid to make UK exports like Scottish tippie flow freely

The UK government has set its sights on reducing high tariffs as part of a drive to boost overseas trade in world-renowned UK products such as Scotch whisky, International Trade Secretary Dr Liam Fox said today.

Work is underway at the Department for International Trade (DIT) to make it easier for UK companies to benefit from further trading opportunities across the world post-Brexit.

The announcement comes as Scottish Secretary David Mundell meets with representatives of the Scotch Whisky Association and Diageo at the iconic Caol Ila distillery in Islay today, to discuss how the UK government is laying the groundwork to reduce export tariffs on unique Scottish produce.

Tariffs – which trading partners can impose on exports – can be particularly high in some markets, hindering businesses from making the most of the overseas demand for UK products.

Now DIT officials are looking to see where future trade agreements and stronger trade ties with key trading partners around the world could reduce export tariffs for iconic Scottish goods such as Scotch whisky, smoked salmon and gin.

For Scotch whisky, these tariffs can be over 150% of the value of the product. Tariffs on gin can reach similar levels, whilst smoked salmon tariffs average 13%.

DIT is also investigating how reductions in non-tariff barriers to trade – such as complex regulation and licensing rules – could form part of future negotiations in key markets, providing a further boost to British exports.

The UK exported over £300 billion of goods in 2016, with the majority of these sent to non-EU countries, while 7 of the UK's top 10 whisky export markets lie outside of the EU.

With whisky worth over £5 billion to the UK economy and accounting for 20% of our total food and drink exports, the UK government is ensuring that as we leave the European Union the industry is able to tackle the tariffs and boost overseas sales.

International Trade Secretary Dr Liam Fox said:

With the recent uplift in trade, we should raise a glass to our exporting success and further help UK businesses make the most of an ever-growing demand for top-selling British products such as

Scotch whisky as part of a Global Britain.

Reducing the costs for companies to sell overseas will become one way of further opening up free trade routes and boosting sales, and that's why I've tasked my international economic department to look at how we can support more businesses to build their brands abroad.

Speaking ahead of his visit, Scottish Secretary David Mundell said:

Scotch whisky is a world-class product, globally recognised for its quality and heritage, and the industry employs thousands of people in Scotland and around the rest of the UK.

We are determined to open up new markets around the world for the very best whisky our distillers have to offer – and to drive down any tariffs they face.

By strengthening ties with key partners, identifying new markets and tackling tariffs, the UK government is paving the way towards an even brighter future for Scotland's whisky industry.

Whilst the UK is still within the EU, any changes to export tariffs would require lengthy negotiations involving all EU member states, so early work is now being carried out to assess markets with the most potential for growth for UK exports once we leave the EU.

The Department for International Trade has already established 11 working groups to strengthen trade and commercial ties with key trading partners around the world, including:

- the United States
- Australia
- China
- India
- Mexico
- South Korea
- the Gulf Cooperation Council

Ministerial trade dialogues have also been established with:

- Taiwan
- Vietnam
- India
- Kazakhstan
- Brazil

## **Notes to editors**

The Scotch Whisky Association published a report at the beginning of this year on its economic impact in the UK, estimating that:

- Scotch whisky adds £3.2 billion of value to the UK economy and a further £1.7 billion through indirect and induced impacts
- 10,800 people are directly employed in the industry with a further 29,300 indirect and induced jobs

The UK exported £547.6 billion of goods and services in 2016, an increase of 5.8% on the previous year.

Exports to non-EU countries now represent 56.1% of all exports, a 34.6% increase from 2010. The UK exported £157.2 billion of goods to non-EU countries in 2016, up 25.8% from 2010.

## **Further information**

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