



Friday 8 May 2009

## Scotch exports show international resilience

- Global exports up 8% in 2008, breaking £3 billion barrier for first time
- Exports earned £97 a second for the UK balance of trade
- Industry predicts challenging 2009 but remains confident on long term prospects

Scotch Whisky exports reached a new high of over £3bn in 2008, underlining the industry's vital importance to the Scottish and wider UK economy.

In new figures published by The Scotch Whisky Association (SWA), the value of shipments increased by 8% to £3.06bn, earning £97 a second for the UK last year. For the fourth consecutive year, both bottled Malt (+9% to £497m) and bottled Blended Scotch Whisky (+9% to £2.43bn) exports increased in value. The increase in value was achieved despite a 5% reduction in export volume, reflecting the industry's investment in premiumisation in recent years. Overall, the equivalent of 1,080 million bottles of Scotch Whisky were shipped overseas, the industry's second best ever volume performance.

The annual figures showed Scotch Whisky to be recession-resilient but not recession-immune. The industry was impacted by difficult economic conditions, particularly in the last quarter. A challenging 2009 is predicted due to weaker consumer confidence and some stock adjustments in a range of markets as a result of the economic downturn.

**Paul Walsh, Chairman of The Scotch Whisky Association, said:**

"Scotch Whisky exports have proved to be resilient in the face of difficult economic conditions in a range of markets. To achieve record export value at such a time is quite an achievement and underscores just how important the industry is to the UK economy. I am convinced that the major investments made by distillers will stand us in good stead for the return to better economic times. As that happens, whisky will play a leading role in exporting the economy out of recession."

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**Gavin Hewitt, Chief Executive of the SWA, said:**

“Building on the industry’s impressive performance in 2008, the Association is optimistic about Scotch Whisky’s long term international prospects, despite difficult market conditions in the year ahead. Our prospects are also shaped by the actions taken by government. At a time of recession, we look to government to work with us and to show its support for the Scotch Whisky industry at home and overseas.”

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Note to Editors:

1. The SWA figures are derived from HM Revenue & Customs data and are based on individual company declarations of the export value and volume of shipments to each market (which may not be the final destination of the consignment). The figures do not represent sales/consumption of Scotch Whisky in those markets.
2. A summary of Scotch Whisky shipments on a regional basis and a table showing the top ten export markets by shipment value and volume are attached.
3. For further information please contact Campbell Evans (0131 222 9231 and 07768 002 262) or David Williamson (0131 222 9230 and 07730 496 151)



## Summary of Scotch Whisky shipments by value on a regional basis (2008)

### **Central & South America (-2% to £331m)**

Whilst there was promising growth in Brazil (+10% to £41m), exports to the region overall were down. This was due primarily to a decrease in shipments to Venezuela (-36% to £67m), where the economic situation was challenging and market access difficulties continued.

### **Asia (+5% to £598m)**

Direct whisky exports to China grew (+5% to £44m) in 2008. The market is larger than that figure suggests. However, onward, indirect shipments from Singapore are not captured in the data. Whilst there was encouraging progress towards the introduction of non-discriminatory tax arrangements in a number of Indian States, exports to India were down (-4% to £32m).

### **North America (-6% to £451m)**

Value growth in Canada (+11% to £46m) and Mexico (+59% to £34m) was offset by a reduction in export value to the United States (-11% to £371m), which remained the largest export market. This reflected a weakening in consumer confidence due to the economic recession, particularly in the last quarter of the year.

### **Africa (+10% to £142m)**

The key market in Africa continues to be South Africa. Exports to the market grew again in 2008, up 12% to £101m, with South Africa one of the industry's fastest growing markets for several years.

### **Europe (+17% to £1.28bn)**

There was strong growth in the value of exports to the EU, with key markets performing well. Outwith the main markets, the popularity of Scotch Whisky in Poland continued to increase (+33% to £21m). The market has grown by over 330% in value since Poland's accession to the EU in 2004.

### **Australasia (+30% to £68m)**

Exports to the region are dominated by Australia, which experienced strong growth (+32% to £61m) making it the industry's eleventh largest market by value.



**Top ten export markets by value  
(Jan-Dec 2008, £million)**

	<b>2008</b>	<b>2007</b>	<b>% change</b>
<b>USA</b>	371.4	419.2	<b>-11</b>
<b>France</b>	358.8	295.0	<b>+22</b>
<b>Spain</b>	333.3	308.4	<b>+8</b>
<b>Singapore</b>	184.5	158.1	<b>+17</b>
<b>South Korea</b>	148.4	139.3	<b>+7</b>
<b>Greece</b>	113.6	103.6	<b>+10</b>
<b>Germany</b>	111.0	97.1	<b>+14</b>
<b>South Africa</b>	101.4	91.0	<b>+12</b>
<b>Taiwan</b>	74.4	81.8	<b>-9</b>
<b>Venezuela</b>	67.0	104.2	<b>-36</b>
<b>Total Exports</b>	<b>3,058.4</b>	<b>2,824.6</b>	<b>+8</b>

**Top ten export markets by volume  
(Jan-Dec 2008, millions of 70cl  
bottles)**

	<b>2008</b>	<b>2007</b>	<b>% change</b>
<b>France</b>	159.8	173.2	<b>-8</b>
<b>USA</b>	107.1	120.7	<b>-11</b>
<b>Spain</b>	102.4	118.3	<b>-13</b>
<b>Singapore</b>	48.9	46.8	<b>+5</b>
<b>South Africa</b>	44.6	43.1	<b>+4</b>
<b>South Korea</b>	41.0	40.1	<b>+2</b>
<b>Germany</b>	39.5	38.8	<b>+2</b>
<b>Thailand</b>	32.9	39.7	<b>-17</b>
<b>Greece</b>	29.6	31.0	<b>-4</b>
<b>Australia</b>	29.6	29.6	<b>0</b>
<b>Total Exports</b>	<b>1,080.3</b>	<b>1,137.3</b>	<b>-5</b>