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Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

12 February 2021

Dear Rishi,

In advance of the UK Budget on 3 March, I am writing to urge you to take steps to support the Scotch whisky industry. The industry contributes a significant amount to the Scottish and UK economies, providing skilled and stable jobs as well as contributing a substantial amount to GVA and UK tax receipts. It is imperative, therefore, that the sector receives the recognition and assistance it needs from government to survive and thrive in these extremely challenging times.

You will be aware that the Scotch Whisky Association has provided a submission to you, prior to the UK Budget, explaining the difficulties faced by its members. These are particularly focussed on the combined impacts of the 25% tariffs applied by the United States in October 2019, which are negatively affecting Scotch whisky exports, alongside the impacts of COVID-19 and the corresponding lockdown restrictions.

I fully support the intention noted in the recent HMT consultation of alcohol duty, which is to make the alcohol duty system “simpler, less administratively burdensome and more economically rational”. It is more important than ever, that this is considered for the immediate term support required by the industry, as well as over the longer term.

The Scottish Government is limited in its ability to provide support, with most of the relevant financial powers remaining reserved to the UK Parliament. The UK Budget presents the right opportunity to recognise the value of the industry to this country.

Tha Ministearan na h-Alba, an luchd-comhairleachaidh sònraichte agus an Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot



I would welcome, therefore, using your upcoming Budget announcement to highlight the challenges for the Scotch whisky industry and outline how sectoral support will be provided. I also offer the support of my officials in pursuing any options alongside HMT officials.



KATE FORBES

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