

Scottish Affairs Committee

Oral evidence: [Promoting Scotland internationally, HC 625](#)

Monday 12 December 2022

Ordered by the House of Commons to be published on 12 December 2022.

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Members present: Pete Wishart (Chair); Deidre Brock; Wendy Chamberlain; Sally-Ann Hart; Douglas Ross.

Questions 1 - 60

Witnesses

I: John Davidson, Deputy Chief Executive and Strategy Director, Scotland Food and Drink; Graeme Littlejohn, Director of Strategy & Communication, Scotch Whisky Association; and Jimmy Buchan, Chief Executive Officer, Scottish Seafood Association.



Examination of witnesses

Witnesses: John Davidson, Graeme Littlejohn and Jimmy Buchan.

Q1 Chair: Welcome to the Scottish Affairs Committee and our first oral evidence session on Scotland and the world. We are delighted to be joined by several guests from key sectors in international exports from Scotland, who I will now let introduce themselves. I will start with you, Mr Littlejohn.

Graeme Littlejohn: Good afternoon, Chair. Good afternoon, Committee members. I am Director of Strategy for the Scotch Whisky Association.

Jimmy Buchan: Good afternoon. I represent the Scottish Seafood Association, which is primarily the Scottish processors, and we are the recognised body that speaks on behalf of members that I represent up in north-east Scotland—and all over Scotland.

John Davidson: Good afternoon, Chair and Committee. Thank you for having me. I am the Deputy Chief Executive at Scotland Food and Drink, which is a membership organisation with over 400 members. We also have a dual role of leading and developing and delivering the national food and drink strategy for Scotland.

Q2 Chair: Thank you all for those very cogent and concise initial contributions. Let's get started. I have something written here, which is, "Aim of question: To seek witnesses' views on Scotland's international brand and offerings". It is a great way to start, to look at Scotland's contribution in terms of export culture and a reach across the world. What is it that we have that we can export to the world? How are we known and what is the brand that we are trying to promote? I will start with you, Mr Littlejohn.

Graeme Littlejohn: It will not surprise you to know that Scotch whisky is one of Scotland's and the UK's largest exports. It is Scotland's largest food and drink export: 75% of all Scottish food and drink exports is Scotch whisky; 25% of all UK food and drink exports is Scotch whisky. It is known around the world, but the industry also helps to create a load of jobs and an economic contribution right across Scotland and the UK. It is a unique export of which we should be very proud.

There is also a cultural side to the Scotch whisky industry. There is the soft power of Scotch whisky that is utilised by the Scottish and UK Governments in markets around the world, not only to tell the story about the Scotch whisky industry, the product, the economic contribution and the heritage and provenance story of the industry, but also to be a window on Scotland where we are attracting investment and tourism back to our shores. Therefore it works both ways, and when it is done right we can get more of an economic contribution to our shores, but we can also attract more investment as well.

Q3 Chair: We will come to you, Mr Davidson. Obviously food and drink is a huge export success story not just for Scotland, but across the whole of



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the UK. We see how much it contributes to our balance of exports. Tell us about what you do particularly and how the brand represents Scotland.

John Davidson: Just to put this into context, I chair Scotland's export board. That is a delegation of the public sector and a range of trade bodies. We set strategy and the operational activity that we deliver in Scotland across overseas, so I have quite a unique perspective of what we do.

As Graeme says, we have a fantastic global reputation, but I think we are only just scratching the surface. I think we have so much more to offer, so much more to give, but there are a number of things we need to do to get there first. I am sure we will unpack some of that stuff today. Food and drink is already one of the biggest exporting sectors in Scotland, led of course by whisky and salmon and the rest of the fantastic produce we have.

Clearly there is a lot more we can do when you scratch behind the surface. Whisky and salmon are doing fantastically well but I think many other sectors have some way to go. There is a fantastic opportunity there, as Graeme says: our heritage, our provenance story and what Scotland stands for, our land and our waters and the images that that conjures up for our tourism sector.

Food and drink can lead the way in terms of our exporting journey, our economic success, the story that we want here in Scotland, and I think we have a lot of potential for the future and we should be excited by that.

Q4 **Chair:** What about you, Mr Buchan? Food and drink leading the way; I am sure that is something you would sign up for.

Jimmy Buchan: I agree 100% with my colleagues. I agree with John. There is so much more we could and should be doing. We are Brand Scotland for seafood. We do not speak so much on behalf of Scottish salmon, but for the white fish fishermen and communities that we support right around the Scottish coastline. We have such fantastic renowned products that are in demand across the world and we need to exploit that to the fullest. Also just touching on what John said, there is a huge tourism opportunity here as well. We need to showcase what we are good at. We are very good at producing it, but we need to do more to be the showcase of the world and increase tourism, so that people who are interested come and see our heritage.

Q5 **Chair:** Absolutely. I was at GlenAllachie Distillery on Friday, which I know will please you, Mr Littlejohn. There was a wedding, where a couple from Australia were getting married in the distillery. It was a fantastic day; it was very good. Are these the sorts of things we should be opening up, combining—as Mr Buchan says—some of the food and drink offering, the provenance of all of that, with more tourism opportunities to ensure that Scotland is effectively reported upon?

Graeme Littlejohn: Absolutely. As I said previously, it goes both ways. Products go internationally. In the case of Scotch whisky, it goes to 180



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markets around the world. We want Scotland to be a tourist destination. We want Scotland to be a tourist for investment as well, so the story goes both ways. I think there is more that can be done and we will talk about this, I am sure, in the session today. I think there is more that can be done to link those two elements.

It is not just about product going overseas. It is about attracting that inwards investment, making sure that there are policies in place to attract tourists so that they can tell the story of the industries themselves, but of course when we are exporting these world-class products overseas—Scotch whisky at the top of that tree—then we should be seeing the inward investment and the inward tourism that go with it.

Q6 Chair: We will get into the nuts and bolts and the infrastructure that is available to support Scottish exports, but do you think we are getting it right? Is there a sense right across particularly your sectors with how this has been done that your products are getting successfully promoted and that we are doing everything possible to ensure that Scottish brands are being visibly noticed right across the world in emerging markets? What do you think about that, Mr Buchan?

Jimmy Buchan: I think that there are some markets. We have Seafish, which promotes our products in some of the bigger markets, but there are markets that we have not begun to even tap into, so we need to be focused on what the new opportunities are. We know that Brexit has been difficult. We won't deny that, but we cannot be holding to people who do not want to—or who want to make life difficult for us.

Where I am taking this is that bigger companies have been able to deal with Brexit and the outfall from it, but the smaller companies have been badly penalised and they have been pushed out of that market. If they are going to be pushed out of that market, we need to find new market opportunities in markets that want to deal with us and buy into the Scottish brand. There is a lot of work that could be done and it would be good to follow up on any that the panel want to investigate.

Q7 Chair: We definitely do want to speak about these issues. It is very important: it might work for the huge industries like Scotch whisky, but it is what is happening with the smaller businesses. They might find it a little bit harder to get that international foot up. What about you, Mr Davidson, is it generally working just now in terms of being able to have that visibility on our exports? Are we reaching the markets that we need to? As you observe where we are right now, are we towards the "satisfied" level or approaching "not all that happy"? Where are we roughly in all this?

John Davidson: I believe it is a very mixed bag at the moment. There are some great examples of work being done by the UK Government, both from London and indeed as part of their wider network, which I am sure we will come on to, to promote the Scottish food and drink offer.

As I said earlier, there is potential to do a lot more. If we look at our international competitors, whether it is Ireland, New Zealand or



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Scandinavia, those countries are investing heavily in trade promotional activity and these lucrative markets abroad. I think we need to rethink what we are doing. We need to think about the investment we have there. There are some good examples. We can do a lot more in that space if we want to keep pace with the competition and get that value back into Scotland.

Chair: That's all from me just now. I will hand over to Sally-Ann Hart.

Q8 Sally-Ann Hart: Good afternoon, gentlemen. I want to look a bit at the work of the UK Government using their network throughout the world to promote Scottish interests internationally. Just looking at the UK Government's reach in terms of embassies—the British Council, the Foreign and Development Office, the Department for International Trade, BEIS, VisitBritain, all that sort of thing—how effectively do you think Scottish produce and trade has been promoted by the UK Government internationally, including through their diplomatic overseas network? Can I go to you first, Mr Littlejohn?

Graeme Littlejohn: The Scotch whisky industry has a very positive and productive relationship with the Department for International Trade, other UK Government structures and the overseas embassies and network. That would not be surprising, given the scale of the Scotch whisky industry globally. We need that in order to break down some of the barriers that we still face in international markets.

The support that we get largely centres around three different areas. One is the more headline priority of free trade agreements and reducing tariffs. The International Trade Secretary is in India this week, of course. India is the Scotch whisky industry's number one trade priority, and reducing that 150% tariff in that market would be transformational for the sector, for the UK economy and for the Indian economy. There are those headline activities in terms of tariffs, but increasingly the second area is around non-tariff barriers. A load of the issues the industry faces in markets around the world are not to do with headline tariff rates. They are to do with more regulatory matters.

Again, we get superb support from the Department for International Trade and the embassy network to break down some of these barriers. An example of that just recently is the pilot project in Vietnam, where we are looking to address tax discrimination in that market.

I was in Mexico City just a couple of weeks ago working with the British embassy there to again address some regulatory barriers in that market to Scotch whisky exports. There are more technical issues beyond tariffs that we are looking at very seriously with the UK Government.

The third area is going back to that soft power that I spoke about, telling the story of Scotch whisky and making sure that Scotch whisky can be promoted, for lack of a better word, in the overseas embassies and making sure that we are being showcased in those networks. There we can probably do better. I think there is a tendency to see Scotch whisky



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as quite an old-fashioned kind of product, and we have to be able to see Scotch whisky and use Scotch whisky in these soft power events the way the world sees the industry, so not just a traditional dram at the end of a meal, but using it throughout events in the diplomatic network. That is where we can see some improvement, where we get superb support from the Government in all of our international markets.

Q9 Sally-Ann Hart: Thank you. Mr Buchan, how about the seafood industry?

Jimmy Buchan: It is a tale of two stories. For the bigger companies I think they have been able to use their resources and their knowledge to piggyback on some of the market opportunities that have arisen, perhaps going to some of the tradeshow that the bigger companies are able to exploit in the food and drink sector. For the smaller companies, I feel that we do not get the investment to allow small companies to flourish. For that to happen we have to encourage them to go to these new markets, or even existing markets, and exploit the full opportunity that can be gained from this.

As I say, Seafood Scotland is our trade body and I feel it has always been operating with restricted funds. There is so much more it can and could be doing, but the lack of resources has held that back and of course it cannot encourage the small companies because it has limited resources. It has to target everyone, whereas I think there should be more investment going into that side of our industry to help exploit these markets that we see as potential opportunities.

Q10 Sally-Ann Hart: Do your businesses know that the Department for International Trade has a support system and can provide funding to help small businesses export?

Jimmy Buchan: It does, but it is very difficult. My own personal experience is that it is not as easy as it looks. Yes, I am very aware of that but if I was to go and speak to many of my friends and colleagues they would not be so aware of it. Therefore its visibility is not so good to industry. You are possibly right that there is a UK body there, but are we able to tap into it in such a way that we can? Are the Scottish and UK networks utilising their resources in the correct way so that everyone is a beneficiary rather than us having a body that is there, as you say, but isn't delivering? I would like to leave it open at that.

Q11 Sally-Ann Hart: Thank you. Mr Davidson, from the Scotland Food and Drink side, generally from your side.

John Davidson: I will build on what Graeme and Jimmy have talked about and cover two aspects. On the ground in many cities around the world what we find is Scottish staff who are employed by Scottish Development International will be generally co-located in embassies and missions with many of the UK Government staff. By and large, they work very closely; they work very well. They will do joint initiatives and that partnership working is great to see. It is fantastic work at an operational level across the world where these are co-located, so that is fantastic. I



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do think that plays out well on the issues that Graeme talked about and the regulatory issues, the access issues, and that is where we see good partnership working and resolution of issues.

Where I think we can do a lot more though and use the embassy network a lot more is in the promotional aspect that Graeme talked about. Again, I think it is a mixed picture. I have been to some events personally in some embassies and missions, which are fantastic showcases for Scottish produce. Typically they will centre around Burns Night, St Andrew's Day, some local events like that, but I think there is a huge opportunity to do a lot more to promote Scotland, the Scottish brand and our businesses.

That is definitely an area where we should be looking to probably ask the UK to think a lot harder, do a bit more and think about how we push the boundaries a bit more and think about that investment piece, as Jimmy says, particularly for smaller and medium-sized businesses. By and large, there is great work, but again I think there are opportunities to do more.

My final point, if that is okay, is around some tensions around the brand, whether that is under the GREAT brand, the UK brand, or whether that is under the Scottish brand. That is where we do see some tension. Depending on the markets you are in, those brands work in different ways. The GREAT brand can be very powerful in some markets and Scottish businesses will want to be under that brand. In other markets, the Scottish brand is resonating more, but there is always a bit of tension at that local level about what brand is used, what flag is there, what backdrop is there. These are operational issues, but sometimes they get in the way, probably disproportionately, but again there are opportunities to do a lot more collaboratively here going forward.

Q12 Sally-Ann Hart: Just a couple of weeks ago the Scotland Office here had an event on—it does it every year—where it had Scottish brands down, everything, which was fantastic. I went to that. Do you think that that is something that should be done more often, not just in London but around the world? For example, should the Scotland Office be using our embassies to have international ministerial visits or events where Scotland produce, whether it is food and drink or seafood or woollens or anything else, should be showcased? Is that what you are implying?

John Davidson: Yes, I am. I know that needs to be planned and co-ordinated carefully, but absolutely, the missions and the embassies are attractive propositions to attract buyers and importers to do business. I think we ought to be using those assets a bit more and working them harder to promote those products that you talked about.

Sally-Ann Hart: Mr Littlejohn, did you want to add to that?

Graeme Littlejohn: Yes, I agree. We should do more on that softer side. We should do more to showcase the products at our disposal. We have world-class products in Scotland, Scotch whisky of course, but others as well, and there is more we can do to showcase those using the embassy network. As I say, we get superb policy support, regulatory support and



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free trade deals. Where we can improve is on the storytelling and the showcasing of the products and sometimes that is down to education.

There may be some traditionalists on the Committee today who only have a single malt with a dash of water. That is not how the world sees the industry. Scotch whisky can be enjoyed in various ways, always responsibly, but in various ways. We need to work with the FCDO, the DIT and the embassy network to increase the education of ambassadors and embassy staff to make them more confident about how to showcase something like Scotch whisky.

To give you an example, the UK Government Wine Cellar puts out an annual report and last year the UK Government bought 16 bottles of Scotch whisky. That is compared to over 1,000 bottles of English sparkling wine and over 200 bottles of port. That is not because Scotch whisky isn't popular. It is one of the most popular drinks in the world and it is around 20% of UK spirit sales. It is because we do not really know how to showcase it, and I think if we educate more people in that they would be able to do a better job. That is why we are working with the FCDO at the moment about a gastro-diplomacy initiative, to make sure that ambassadors and their embassies have the tools at their disposal so they can showcase our world-class products in the right way.

Sally-Ann Hart: English sparkling wine topped off with Scotch whisky.

Graeme Littlejohn: Responsibly.

Sally-Ann Hart: Mr Buchan, anything for you to add?

Jimmy Buchan: Only my own personal experiences. In my past life when I was a fisherman, I was privileged to go and visit some of these tradeshow. There were a number of things I always took out of it. It was a learning journey, so you watched your competition. You saw what the competition was and you upped your game. Physically being there helps you focus your mind, but it also showed you the scale on which other countries were prepared to propel their industry further forward than yours. I am not saying the UK did a bad job, but I always saw that we—I have to choose my words correctly here. I saw other Scandinavian countries and world global countries doing exceedingly well at promoting their seafood.

It is how much you are prepared to invest in your own producers, but that is the competition. If you are the smallest in town you are not as visible as your competitors and it is that kind of thing that we may need to be thinking about: how do we get the best investment out of going to these shows that enthuses our producers but grows our market so that everyone is a winner?

Q13 **Sally-Ann Hart:** Scottish businesses know what they do best, and that is all of them from food and drink to woollens and so on. How can UK or Scottish businesses work with each other to ensure that the UK Government can promote Scottish businesses better internationally using



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their network? There clearly needs to be more engagement between the UK Government and Scottish businesses, not just on the regulatory or the free tariff side, but it is on a bit more of a creative side and how to promote it. Do you want to take that first, Mr Buchan?

Jimmy Buchan: Just to follow up, again from my past experiences, we should be using our best chefs to take the shopping basket of produce to our embassies, to our global markets and showcasing how well and how good it is. We have some of the best chefs in the world right across the UK and Scotland. We know we have the produce. We just need to be better at our marketing. I think that is where we could be working together to create that global shopping basket. We can tap on the back of big companies like Scotch whisky and Scottish salmon, who already have good market footfalls, but we should be piggybacking on the back of that, not just going there, but demonstrating and showcasing how good it is and the provenance and the story behind it because the heritage behind our fishing industry is second to none.

Q14 **Sally-Ann Hart:** Mr Littlejohn, how do we strengthen that into action between Scottish businesses and the UK Government to best showcase what Scotland has to offer?

Graeme Littlejohn: Jimmy makes a very valid point. If you look at the top 10 of UK food and drink exports, Scotch whisky is at the top, but you have salmon in there, you have other seafood, you have cheese and chocolates. How do you showcase these together and go in with that basket, as Jimmy put it, to showcase all of what Scotland has to offer in food and drink, which is truly world class?

I go back to the education piece as well. Gastro-diplomacy is very interesting. That is essentially the soft power of using these products to open up conversations with new Governments, officials and Ministers, which can lead to harder conversations around trade, tariffs and regulatory barriers. We find that by using that soft power of Scotch whisky, that convening power of Scotch whisky, that you have opened the door there. We should be doing that in a more considered way by giving the education to the ambassadorial network, the embassy network, because we want to work with them to do that. I think it is a great network. It is global; it is at scale. It has been doing it for a long time, but I think we just need to modernise it and put a bit more power behind it.

John Davidson: One of the challenges for producers, particularly SMEs, is that confidence to export. It can feel very daunting if you have never done it before or indeed you have been bruised because of Brexit and you have to look for different markets. Therefore thinking a bit more creatively, thinking about how we use these networks, thinking how the UK Government can start supporting SMEs to take them out to market, as Jimmy says, to understand the market, to meet people, to see the competitors, that is where we need to be.

I think that then allows you to tell the story. It brings it to life. It feels



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very real and I think building the confidence of our businesses to do that through the networks that we have there would be a very sensible way forward. That is something we ought to be thinking about going forward in terms of how we do that more, do that a bit more strategically and with a bit more planning. Some of these things do happen, but they suffer from a lack of planning. There is probably no long-term view on what we are trying to do here, so just a bit more collaboration between different bodies, the Governments, businesses and business bodies like ourselves would be enormously helpful.

Q15 Sally-Ann Hart: Has the Scotland Food and Drink organisation itself had much engagement with Government Departments and British embassies overseas?

John Davidson: No. We have attended some events as guests and they have been very good. We do have a close relationship with the new hub, which is based in Edinburgh, which we may come on and talk about. We do have a relationship there and there are some very forward-thinking staff there, which is going to hopefully be very helpful in the future. That is new, so we are only developing that more strategic relationship now going forward. Up until this point, most of the activity that we have been involved in as a trade body is through the Scottish authorities rather than the UK authorities.

Q16 Sally-Ann Hart: Do you think that hub in Edinburgh might provide the kind of platform that Scottish businesses could have discussions with in order to promote internationally using the UK Government networks? Is that the sort of hub that would facilitate what we are trying to do here, which is maximise it?

John Davidson: I think the new hub has great potential to do that. The one watch-out that we need to have though is everyone having clarity on what those respective roles are so that the businesses are not confused. If we can collaborate better—and I think we can—that will be a good thing. Therefore I think it has a lot of potential to try to deliver what we are talking about here. We need to do that in full collaboration, avoid confusion for businesses and think about that support.

Some of the support you referred to earlier, for example, that is on offer and that is potentially exciting and good applies only to English companies. These are practicalities that we need to think about going forward in terms of how we support all businesses across the United Kingdom.

Jimmy Buchan: I want to add that I can only speak for the seafood sector, but it would be helpful if we were a bit more involved where trade deals are starting to emerge. It is okay setting up trade deals, but they are only trade deals if they work for everyone. If you get involved in a trade deal that is not beneficial to the seafood industry you are never going to break that market, so there needs to be better collaboration between new policy or new vision and the industry to make sure we are both aligned and meeting our targets.



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Sally-Ann Hart: Mr Littlejohn, anything to add?

Graeme Littlejohn: On the hub in Queen Elizabeth House, for the Scotch Whisky Association and the industry it is a good addition. The Scotland Office has done a good job collaborating across different Whitehall Departments. We have had quite good links directly into the Department for International Trade since it was established a few years ago and similarly with other key Whitehall Departments, but it is a good addition to have that direct capacity within Scotland.

We were in touch with the DIT hub in Edinburgh just this morning. We are in regular communication with it regarding the India free trade agreement and other agreements around the world and other non-tariff barriers, which have been discussed previously. Having that ongoing dialogue with the team in Edinburgh, at Queen Elizabeth House, as well as the Department directly and Whitehall is a good thing for the industry.

Q17 **Sally-Ann Hart:** Does that hub have FCDO links as well in Edinburgh or is that just the Department for International Trade?

Graeme Littlejohn: It does. There are other functions to Queen Elizabeth House, the UK Government hub in Edinburgh. A lot of it is HMRC, which the Scotch whisky industry has an interest in as well. DIT is there, the FCDO is there and BEIS is there. There are other UK Government Departments that are represented in that hub and again that is a good thing. We have direct access to them in Edinburgh as well as ongoing dialogue in London.

Sally-Ann Hart: I have no further questions.

Q18 **Chair:** I have a couple of questions for you, Mr Davidson, on points that you raised and these very interesting exchanges with Sally-Ann Hart. You talked about a tension that exists between the promotion of Scottish exports, whether that be a Scottish branding or a UK branding. The last time we looked at this issue must have been about four years ago, when we looked at international trade. This was about the most passionate part of the proceedings that we had on this Committee, as you would probably expect—you would not anticipate anything else. Has that improved any? Is there clarity emerging there?

When we left it, it was a matter for businesses: if UK branding helps them, go ahead and do it; if it is Scottish branding they want, if that helps promote their businesses internationally, that is fine too. Is there a sense that there is still a tension around how this is promoted internationally? Is there any way, in your view, that this could be helped out and assisted and worked around?

John Davidson: I think a tension does exist still. From an industry perspective, we just want the brand that will hopefully sell more product. As I say, for different countries that will be different depending on that country, the affinity to Scotland or the UK and the strength of the relative brand and what that stands for.



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I do believe sometimes that tension does exist. It is perhaps overplayed. Sometimes it may be overplayed by some industry bodies, it might be overplayed by respective public sector organisations, but I do think it exists and there is certainly no clarity. I think there have been some conversations at a ministerial level around something called an export council that is trying to be established at the moment. This is one of the major things that is there for discussion, so I don't think we have clarity. We need to be pragmatic. Ultimately, as the industry, we want what will work in those markets, whether that is the Scottish brand or whether that could be on occasions a UK brand, depending on what market you might be in. We need a degree of pragmatism and flexibility here going forward, but it definitely still exists.

Q19 Chair: One other thing, we were talking about the work that the embassy network does around promoting Scotland. The two things that strike me about this is it always seems to be centred around the significant days. This is what we have heard again and again: Burns Night and St Andrew's Day. They are both winter events, so I guess everybody thinks that Scotland has everything in darkness. Is there too much of a focus perhaps on those days? I would not say we should be getting away from them, but does it serve us well that there seems to be so much attention around the significant days, as they are so described?

John Davidson: Two thoughts on that. I think we should be making more of those two significant days. For example, if we look at Ireland, the work that they do around St Patrick's Day is quite incredible around the globe. They invest heavily and they have a significant programme of events in the lead-up to St Patrick's Day, on the day itself and subsequently. Therefore I think we could do more around those two significant days.

Beyond that, there are opportunities and I think we need to be a bit more creative—both Government and industry—to just curate some particular Scottish-themed events, link it to some form of our heritage and just be creative, to create that bit of excitement and showcase what we have. I think we could do more on both aspects, both those prominent days and indeed other days throughout the year.

Q20 Chair: I want to ask Mr Littlejohn that question, because one of the things that is almost certain to happen on both of those significant days is that a bottle of Scotch is going to be opened, probably several. What do you make of using these days to help promote Scotland?

Graeme Littlejohn: I certainly would not want to see a reduction in the activity that goes on around those red letter days in the year, but Scotch whisky and other food and drink products are not just for the autumn and winter months. It is an all-year enterprise and different markets will enjoy Scotch whisky in different ways at different times of the year. Again, we are seeing that very much through a Scottish and UK prism, where we have to do something on 30 November and we have to do something in January and we have to maybe do something at another point of the year.



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It should be a year-round programme and not only Scotch whisky. This is where we come to the planning and doing it in a very systematic way. It is joining the dots, Scotch whisky with another product. Maybe you keep Scotch whisky out of it at one point—although I will not get any favours for saying that—but you are using different products at different times when it is going to be advantageous to what you are seeking to achieve.

I think John makes a good point about the Irish. The Irish Government, with Irish whiskey in particular, has done a very good job at that soft power with the embassy network, particularly in the United States, where they all have a very strong diaspora, of course. Scotland has a very strong diaspora in the United States and I think we should be making more of other red letter days, Tartan Day in New York and others. It is joining all those dots together and having a systematic plan of where we are going to engage with Scotch whisky and other Scotch whisky products over the course of the year, not just when it comes to November and January.

Q21 Wendy Chamberlain: Given, Chair, that you just had the Mòd in your patch, maybe we should be making sure that we pick up the Mòd as well going forward. Thank you very much to the witnesses for your time today.

I am conscious that we have probably touched on some of these issues but let me ask my starter question first. I will come to you, Mr Littlejohn. The Scotch Whisky Association said in written evidence, "The UK punches below its weight in showcasing its food and drink products". Indeed, you said that it was, "a consistent rather than ad hoc approach". I think we have already picked that up in evidence so far, but can you say a bit more about that? Why do you think this is and how do you think we can improve things?

Graeme Littlejohn: That is the one area where we think that there can be improvement in the year ahead and going forward. We want Scotch whisky to be showcased at every embassy around the world or it could be in key markets around the world where we have a strategic trade interest. Sometimes there are barriers to doing that and one of them is how you serve Scotch and how you utilise it. Sometimes there is a nervousness around doing it and we want to work with the FCDO and DIT to make sure that the embassy network has the tools at its disposal to showcase Scotch whisky in the right way.

We have put together a pack for the overseas network, which we are currently working through with the FCDO to make sure that that information is there. We are very happy to support that with the international network when we can in person, but we cannot always be there, neither the SWA nor our member companies can always be there in person, so it is incumbent upon the embassies to have the product, have the skills and have the knowledge to be able to do that. We want to be able to provide that. That is the one area where we can improve and that would take the UK embassy network from punching below its weight to punching above its weight. That is what we want and all Scottish food



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and drink exporters would want that as well.

Wendy Chamberlain: Mr Buchan, do you agree?

Jimmy Buchan: Absolutely, and if I was asked the same question that is exactly how I would have answered it. We have the embassies so why don't we use them to the best of our ability for all of industry? Isn't that part of the purpose? Therefore we should be exploiting that. Maybe as industry we are partly to blame and maybe we have not pushed enough. The answer is always no if you don't ask.

Wendy Chamberlain: Well, that is it. Mr Davidson, your thoughts.

John Davidson: I agree with Jimmy's last point. Maybe as industry we need to be a little bit more assertive in terms of what we are looking for and how we can help. My sense is just things feel a little bit underwhelming. There are good examples out there. There is good activity out there, but generally speaking what I observe, and whether that is looking at it, for example, through the prism of tradeshows—the tradeshows that I have been to—the UK presence feels a little bit underwhelming most of the time in comparison to some other countries.

Q22 **Wendy Chamberlain:** Can you say a bit more about what you mean by "underwhelming"?

John Davidson: There are a couple of ways to think about that. First, the physical presence at a tradeshow, so the stand that you have. I would say there are many more countries, small and large, who have much more impressive exhibition stands than the UK. The UK has one. It looks okay, it looks decent, but it is not as exciting or as creative as some other countries. Then events around that, you will often observe receptions or different types of showcasing, cooking going on or celebrations of local culture. I do feel that the UK often is not quite as creative or exciting as it could be. Again, that might be back to industry and maybe we need to be smarter. We need to feed in how we do that, but that is my impression when I work the tradeshows. It is much more—

Wendy Chamberlain: There is an opportunity for the UK to think about. It is not just about the UK embassy. It is about where that UK embassy is based, what the culture is around that and how you potentially match the products accordingly.

John Davidson: Absolutely. I will give you one example of what I mean by that, if I can. Every year the Norwegian embassy in Brussels at the time of the seafood fisheries talks hosts an annual reception where the whole great and the good of the world gets invited to go and taste its salmon. It is a fabulous event and a fabulous location. I cannot help thinking that the UK embassy along the road is probably just as impressive, but we don't do that. There will be a range of reasons for that, but I think there is a huge opportunity to do more using our assets better and smarter and creating that noise and excitement, as others have said.



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- Q23 **Wendy Chamberlain:** Absolutely, thank you. The other thing I want to ask about—and, Mr Littlejohn, I come back to you in the first instance—is GI products like Scottish salmon, but also Scotch whisky. One of the reasons it has the platform that it has is obviously the regulation behind it. You have to produce a product in Scotland for three years to call it Scotch. Is there more that you think the UK Government could be doing in that space to better protect Scotland's brand?

Graeme Littlejohn: Scotch whisky has a very high level of protection, as you know. You set it out very well. We benefit from that and we get good support from DEFRA and DIT in terms of increasing the scope of the geographical indication protection, which Scotch whisky has. It is something that is part of the New Zealand FDA and that has extended into Australia as well. Wherever there is a negotiation we will try to extend the legal protection of Scotch whisky.

That is not always to do with GIs, of course. You can have specific legal protection for Scotch whisky that does not meet a GI standard. In the United States, for example, that is not a GI system. We are protected in the US federal court, so there are different bilateral ways you can do that.

For Scotch whisky, we have that high degree of legal protection. Other products would need to think through that carefully because you need to have a specific standard to reach before you can set that legal framework in place, but certainly where that standard does exist other products should consider it because it does give you a great base on which to build your brand, protect it from counterfeit and then to grow your exports.

- Q24 **Wendy Chamberlain:** Mr Buchan, would there be opportunities in your sector?

Jimmy Buchan: There are bound to be opportunities. I am thinking of some of the guys that have the Arbroath smokies and other likeminded producers. There is definitely a need to protect that, but build on it because again it is their heritage and you don't want it to be counterfeited or copied. If there is an opportunity to keep the USP in there, we should be supporting that and promoting it. Again, back to the tourism thing. That is how you draw people in because you have something that is completely different from the rest of the world.

- Q25 **Wendy Chamberlain:** In a specific place. Mr Davidson, do you think there are essentially opportunities in that space?

John Davidson: Yes, I think there is huge potential to do more with the GI network that we have. On the last count, I think Scotland had about 17 GIs. The UK has about 70 to 80 roughly. To put that in context, I think Italy, France and Germany all hold about 200 each, therefore the GI network is probably a bit untapped around the UK generally. That said, I think we could do a huge amount with our GIs in Scotland in terms of promoting it as a basket of high-quality products. When you think of whisky, salmon, beef or cheese they all have protection. There is definitely something there about our brand around the GIs and how we



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use that again to showcase what we have as a fantastic premium offer of great quality food and drink.

- Q26 **Wendy Chamberlain:** Mr Davidson, if I could stay with you, one of the things I picked up was about that responsibility of larger producers. Mr Buchan, I will come to you as well. I am conscious, for example, that the East Neuk Salt Co in my constituency has started working with Laphroaig and obviously as a result of that partnership is going to be able to enter into new markets. Do we think our larger producers have a responsibility to bring on some of our smaller SMEs?

John Davidson: There are already some good examples of that. I think the whisky sector has been a fantastic help to the wider industry over the years. A couple of years ago we had a charter, we have a charter between the Scotch Whisky Association and the rest of the industry, so what can we learn? How can the whisky industry help us with our networks and make introductions for us and help us with tariff and protection? That already exists. We could do more, there is no doubt about it, but it does exist.

There are so many success stories around Scotland across the world. For us probably as an industry body, it is how we can do a bit more to make those connections: how can we do some mentoring, how can we think about those learning people and going out to market again and just letting people see where we learn from? It is a great question and I think we could do more in that space, building on the good work that already exists.

- Q27 **Wendy Chamberlain:** Mr Buchan, what can the Government do to help you support your SMEs?

Jimmy Buchan: Definitely by putting funding packages in place that draw people to think differently, but also I keep harping back to going to these tradeshow. It is where you learn so much about your industry, not only in your own country, but your competition and how people do things differently, how they approach it. That is the enthusiasm and that is the seed that you need for companies to go back and start thinking outside the box on how we can make this better, but also working within the network that we have. As I keep saying, although we are all individual producers, we are a great brand. If you package that all together—whether it be the chef, the producer or whether it be something else—it just makes it even better. There is huge opportunity.

- Q28 **Wendy Chamberlain:** It is that responsibility of the bigger producers to just expose those smaller producers to the marketplace. Congratulations there to whisky for what it has done. Anything else you think you could be doing?

Graeme Littlejohn: There are two things there. The Scotch Whisky Association has 92 member companies, which is about 97% of the industry by production. That ranges from very large multinational corporations to smaller producers, a couple of which are in your constituency.



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Wendy Chamberlain: Daftmill, for example.

Graeme Littlejohn: Daftmill, Eden Mill and Kingsbarns have all developed in the last decade or so. The industry already does a kind of mentoring programme with the smaller member companies and to a certain extent the smaller members within Scotch whisky recognise they are following on the coattails a bit of the larger member companies, who break down some of the trade barriers so they can enter the market.

The second thing is that, as John was saying, the whisky industry does already do some mentoring with the wider Scottish food and drink industry. We have already touched on that a little bit today. There is a kind of mental barrier sometimes to exporting, where you just don't know where to start and you think it is a bit scary. Somebody or a company that is experienced in it—and there are many in the Scotch whisky industry, with 90% of what we produce being exported overseas—who is used to it, they are not scared of it anymore and they can walk through some of the steps to start on your exporting journey. Now we are getting more Scottish food and drink produce overseas and that is something that the Scotch whisky industry already does, to mentor other parts of the sector.

Q29 **Wendy Chamberlain:** Thank you very much. One last question. I am conscious that we don't have Liz Cameron today. What are the relationships like for yourselves with your non-food producers? It sounds like the storytelling and provenance, regardless of the product, is important. Mr Davidson, can I come to you first?

John Davidson: I think there is a huge opportunity to do more with our non-food. When you think of textiles, for example, I think there is a huge opportunity there just in terms of that provenance and heritage story in how we can do that. There are probably some examples where that happens and it is probably centred again around these big national events again, whether that is Burns or St Andrew's Day, where you will often see a cross-sectoral approach.

You might see that with some big trade missions, which are quite few and far between, but where our Prime Minister, for example, has taken some delegations out there. Beyond that, they are probably less frequent in terms of those cross-sectoral pieces, I would say. There could be opportunities to do more, but for me it is about just starting with how we can probably just collaborate more across the industry, across different sectors, learning from whisky and salmon and supporting those smaller SMEs.

Q30 **Wendy Chamberlain:** Great, thank you. Mr Littlejohn, do you agree there is more we should be doing with our non-food producers?

Graeme Littlejohn: Yes, I do. The food and drink sector is well catered for with Scotland Food and Drink, the Food and Drink Federation and individual trade associations for different parts of the sector. Collaboration is one of the values of the SWA and one of the values of the Scotch whisky industry. I think we can do more in terms of collaborating



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with Chambers of Commerce with Liz, CBI and SCDI on the whole business environment around our sectors and others, and again offering help where we can in that space.

I think increasingly, as we look to our net zero objectives, there has to be much more collaboration between the Scottish food and drink industry, Scottish business in particular, and the renewables sector, because the challenge of getting to net zero—particularly for the food and drink sector and the whisky industry—is going to be that supply chain element. We can only do that by all talking together. I think there is much greater collaboration to happen in the years and decades ahead on that front, absolutely.

Wendy Chamberlain: Great. Mr Buchan, the last word to you.

Jimmy Buchan: Very similar. I think there are great opportunities to work closely together. We have a lot of challenges ahead. It is a very globalised market, but I say our strength is in our brand and by working together we can achieve great things. I would encourage more collaboration.

Q31 **Deidre Brock:** Thank you, gentlemen, for coming along this afternoon, much appreciated. Getting back to that ad hoc approach that was described from some UK embassies towards promoting Scottish products, what do you think lies behind that? Obviously those embassies are also charged with trying to promote Northern Irish and English and Welsh products. Is that a problem experienced with some embassies, simply that they are having to promote so much that Scottish products are sometimes not getting as much of a look in?

Graeme Littlejohn: I don't think it is necessarily that. There are two things there. One is thinking more creatively around how we showcase the products. John raised that earlier on in answer to a question. A good example from a couple of weeks ago: I was in Mexico City working on tax regulations in that market. We hosted an event with the British ambassador to Mexico. That was done in concert with the tequila chamber in the market, which showcased Scottish whiskies that had been finished in tequila and mescal casks, along with tequilas that had been finished in Scotch whisky casks. That really opened up that conversation with members of Congress in Mexico and Ministers in other legislatures to the policy environment that we want to discuss in that particular market. We have to think a bit more creatively about how we are showcasing the products.

The second element though is to do with simplicity. When you are looking at food and drink, and particularly drink in the instance of Scotch whisky, it is much easier to pour a glass of English sparkling wine because you do not need any education to do that, you just pour it in a glass. You need a degree of knowledge around Scotch whisky or you need a perceived degree of knowledge around Scotch whisky. It is not just about pouring it in a glass. If you want to serve it as a cocktail, you have to know what you are doing. I think we have to encourage that education piece with



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the embassies again. That is why I go back to we are at the start of this journey on gastro-diplomacy, but I think that will be the key to unlocking some of that knowledge as we go forward into these markets.

- Q32 **Deidre Brock:** The SWA obviously is well resourced and is able to create those sorts of events with ambassadors in Mexico and so on, which I understand. Mr Davidson, what do you think in terms of the smaller businesses that are perhaps less able to resource that sort of event? What are your thoughts on that in terms of trying to get the embassies on board?

John Davidson: I do sympathise with the challenge facing some of the embassies when, as you have said, Irish, Welsh, English and other sectors are all maybe looking for space and time to do stuff, so it is difficult. That is why I think we need to be much more focused on what we are trying to do here. When I think of what we are trying to do in Scotland—I am generalising here, of course—whisky is already an amazing product. On what Graeme said, about 170 or countries or something—I can't quite remember the stats but I am sure he will correct me—that is an amazing footprint.

Strategically though from a food and drink perspective, we have 15 top markets that we have identified as the key to unlocking real growth. For me, then it is about being focused. Where are those opportunities and how do we use those assets to help us sell those products? We all probably just need to get a bit better—industry, Scottish Government, UK Government—at collaborating, at planning and being a bit more strategic in terms of going forward. That just needs a bit of effort from everyone, I think. Yes, being targeted and having a proper plan is the way to go, but that does need investment and I think that is what has lacked. There has been a lack of investment around trade promotion.

There is lots of good investment in terms of that network, those attachés that are in place, those regulatory issues and resolving them, that is all great stuff, very important, but you need to invest in promotion. It is very important post-Brexit that we do that, so I think if we can join these dots and make those connections, that will be extremely helpful to us.

- Q33 **Deidre Brock:** Mr Buchan, you have already mentioned that you think there should be more promotion at trade events, for example.

Jimmy Buchan: Absolutely. I again agree 100% with John's approach there. It is the one thing that I see is holding small business back. As I keep reiterating, big business has the resources to do these things. They will do them, it is their market, but we must encourage small business. It is the only way they will grow. Exports are very important to the UK economy, so it is that initial government investment. I believe you will get back much more when these small companies become middle-sized companies and there is growth and prosperity coming from it.

- Q34 **Deidre Brock:** Absolutely, thank you. The UK and Scottish Governments remarked that Scottish international exports as a proportion of GDP have remained largely flat over the past two decades, which surprised me, I



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have to say, because when you look at the Scotland Food and Drink website, of course it mentions that over the last 10 years food exports have more than doubled. It seems Scotch whisky goes from strength to strength every year; salmon is the UK's top food export. It was surprising to me that that is the case, but of course those exports also include things like mineral fuels, lubricants and related materials, which certainly in 2020 and 2021 were the largest exports from Scotland, I think. Those had a big drop, partly as a result of the pandemic in between those years.

What is your assessment of it? Certainly from where I am standing, obviously Brexit is a complicating factor, but food and drink seems to be doing very well from Scotland. Mr Davidson, could you shed some light there?

John Davidson: I read that in a UK Government submission and it surprised me. Historically, over the past 10 years, we have not used GDP as a measure for our relative success on exports; typically we will just go by sales. That is where the story is, that we have doubled our exports over the past 10 years for food and drink. I think by that measure and that metric, it is a success story. If you look at the data now, the most recent full-year stats for 2021, our exports were back to the same level as they were pre-Covid, so that is very interesting. We have recovered. It is still very challenging, of course, but whisky and salmon, very strong. The other food products are also bouncing back, albeit it is more costly, it takes longer and it is more expensive to get your product to Europe now. In terms of the volume of sales though, it is bouncing back.

Q35 **Deidre Brock:** The depressed factor that has been created by Brexit, we are starting to see some shift over, we are getting over that hurdle, in your opinion?

John Davidson: Yes, we are. However, I would say mainly from the big companies. Graeme may want to comment on this, but we have a strong bounce-back from whisky and salmon and those typically are slightly larger companies with probably a bit more resilience. The smaller businesses are still finding it very difficult, particularly that European market. If we bear in mind that 70% of our food exports go to the EU, we are heavily reliant on the EU.

Deidre Brock: Mr Buchan, I think you would like to say something on that, wouldn't you?

Jimmy Buchan: Absolutely. It is very important that the headline here, as you say, is that everything has recovered. Well, has it? What I see in my experiences in my day work is that the bigger companies have been able to absorb the slack created by the smaller companies. Although the overall export looks good and we think that is a tick-box, we need to drill in a bit further and find out exactly who are the winners and who are the losers. Again, I cannot say enough that small companies have been displaced by Brexit and that was never supposed to be how it was. It has become too expensive, too laborious and just too cumbersome, too burdensome for small companies to be able to run a business, but also



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manage all the extra expense and the paperwork that comes with it. Therefore we have winners and losers in here, although the overall headline looks to be good.

Deidre Brock: Yes. There is that flat-line suggestion from both the UK and Scottish Governments as a proportion of GDP, but yes, I take your point about the smaller businesses perhaps being hidden by the recovery of larger businesses. Mr Littlejohn, what are your thoughts?

Graeme Littlejohn: That is not a measure that the Scotch whisky industry uses. Exports are the kind of steady state measure that we use to measure growth or otherwise in the sector. I think by the end of 2022, the Scotch whisky industry will have grown back to pre-pandemic levels. If I look at the export figures in 2022 to the end of Q3, they are £4.5 billion, which is already what it was in the total year of 2021, so we are going to grow beyond where we were last year. It is likely we will grow at least to where we were in 2019, before the pandemic, so it is about a three-year turnaround in terms of bouncing back.

There is some restocking there in terms of markets coming back post-pandemic, so there is a little bit of inflation there. There is a little bit of currency impact in terms of those numbers, but there is genuine growth as well, particularly in some developing markets, with an emerging middle class who are kind of aspiring to Scotch whisky as a premium product.

To come back to the point about the economic contribution in Scotland and across the UK, we can talk about the big numbers in terms of global exports, but the real value of the Scotch whisky industry is in communities across the Highlands and Islands, in Speyside or Islay in the Northern Isles and in different pockets of Scotland, where those exports that go around the world, as that is where Scotch whisky is produced. In the case of single malt, that is where it is bottled as well. That economic value has more value than the larger numbers, which we can talk about in terms of exports.

Q36 **Deidre Brock:** Thank you. I want to ask about the new hub. I think you have had some experience of it at least, Mr Davidson and Mr Littlejohn. I noted that in March of this year there was a US food and drink buyer brought over, I guess by the UK Government, and 13 food and drink companies from Scotland, selected by DIT, were given the opportunity to showcase their products to US buyers. Did any of your members take part in that particular opportunity or are you not aware of it? I wondered how much business perhaps was won on the back of that, how the visit came about and so on.

John Davidson: I am happy to come in on that. I have a recollection of what that was. We weren't involved in the planning of that or in any detail, but those type of things are good things, bringing buyers over here. We have talked a lot today about taking producers out to market. Bringing buyers here to immerse themselves in Scotland and understand our craft is a fantastic thing, so the type of initiative you talked about



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there is a good thing. Where we need to be getting to is thinking about how we do that more in partnership, maybe do joint planning, and what that looks like in terms of collaboration going forward. We have an opportunity to do that, which is great news, but I think we need to do more.

Bringing 13 people over here once is great, but not enough. That is where the opportunities are. If we think about our top markets around the world, the US is an enormous market. You could break it down into 10 regions. There is an opportunity to do more; we should do more. It just needs a bit more planning and co-ordination between the different bodies to make that happen.

Q37 Deidre Brock: There have obviously been high-profile international events. The Tattoo was over in Australia, for example, and I think New Zealand as well. We had COP26 last year and we have the fringe festival every year, where we get hundreds and hundreds of thousands of people coming to Edinburgh. How do you capitalise on that? I am looking at you, Mr Littlejohn, because I am pretty sure you were involved in the Tattoo over in Sydney, the promotions there. Can you tell us a little bit more about how that might be improved for future events and how we might incorporate some of the smaller and medium-sized businesses into those events and do a better job of promoting their goods?

Graeme Littlejohn: There are those collaborative visits where you are teaming up Scotch whisky or other parts of the Scottish food and drink offering with other cultural experiences. The Tattoo is a good experience. There are the other kind of soft power experiences we were involved with, the carrier strike group visit to Mumbai last year, which was a Scotland Office initiative, which the Scotch whisky industry was involved in. There was some hard trade policy involved with that in terms of getting some tax elimination in that market, which has been beneficial, but it is the softer side of Scotch whisky as well. We do that from an industry standpoint, so we are representing the whole of the industry there, but I will let other members of the panel talk to their industries.

I think COP is another good example, where again we are doing that on a kind of industry-wide basis, including the larger member companies and the smaller member companies, talking about the entire story of Scotch whisky and presenting not only Scotch whisky and Scotland, but Scotland's offering in terms of sustainability to the world. I think that was a good example of a showcase.

We prefer to do these things on an industry-wide basis, because you are collecting all the voices there and we have the opportunity to showcase smaller members and medium-sized companies as well as the larger member companies, but again, I will let other sectors speak for themselves.

Jimmy Buchan: There are a couple of things. There can sometimes be confusion for the man in the street because we have devolved issues, we have reserved issues, so whose job is it to do what? But I keep coming



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back to this. If we do not give our trade bodies the funds to do the promotions and encourage the tourism and promote the industry then we are always going to fail in our objectives. I come back to who is funding, who should we be funding and who promotes, because you are speaking about the capital city. You are right, it is a great event with thousands of people transiting through it, but again, how we get the maximum return for that for everyone?

Deidre Brock: Mr Davidson, you are nodding.

John Davidson: I am just reflecting on this question and my impression of what I have observed over the last couple of years. There are good examples when things like this happen, there is no doubt, but it all just feels a little bit unstructured and unplanned and probably a little bit of an afterthought, "Oh, there is an event. Let's quickly round people up and let's do a bit of a showcase". If we just flip that on its head and think about this a bit more systematically, a bit more strategically and invest a bit more time in the planning, I think it will do an enormous amount of good if we can do that. It is not easy and people are busy, but just a bit more thinking through in advance of what we are trying to achieve and the opportunities would go down very well.

Q38 **Douglas Ross:** Good afternoon, panel. I am sat here listening to you all saying that there are good aspects of Scotch whisky, Scottish salmon, but in other areas not enough is done. My question is just why? It is not in the Government's interest to hold back any of your sectors; it is not your interests to hold anyone back or to be held back. Scotland has been known for food and drink not just during this Government's term, but for generations, so why are we in this situation in 2022, almost at the end of it, where there is still this understandable frustration? Why has it not been sorted before now, not even just under this Government, but successive Governments?

Jimmy Buchan: I will come straight back. I do not have the answer, but I am very, very strongly minded that Governments are there to assist producers to open new markets. I am not saying that is the primary reason they are there, but if we do not invest—and budgets have been cut, budgets have been focused elsewhere, and therefore we keep coming back, because I call John regularly on this: how are we going to get small business up into exporting? What do we need to do? There is nothing out there for small business.

I can give you another classic example about the UK Infrastructure Fund. The minimum you can apply for is £150,000, so you are looking at a capital project of £300,000. How can small business do that? They are looking for £30,000, not £300,000. It is that kind of wrong structure that we have that does not encourage and pull the good people forward. What you get is slopey shoulders and a downward trend and that empathy that the Government doesn't care. I am not parking it firmly at your door. There is so much we can do, but you need to engage with industry.

Q39 **Douglas Ross:** My point, Mr Buchan, is that this is not a new event, by



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the sound of things. Were we ever so high up in these international markets and we have fallen back or is it just the fact that we have never got there, apart from with Scotch whisky and salmon? That seems to be what I am picking up. Mr Davidson, you are nodding.

John Davidson: It is a very good question. There are two aspects to this. I think from an industry perspective we probably just need to clarify what we are looking for a bit more smartly. I think the whisky sector has done that fantastically well over the years, very clear on what they wanted, whether it is market access, regulatory issues or tariff removal. I don't think the rest of the sector has done a good enough job to clarify that ask and we need to do better. That said—

Q40 **Douglas Ross:** Sorry, just on that, is that individuals? Is it that Mr Buchan and his predecessors should have done it with white fish or is it that you doing it collectively for the Scotch industry?

John Davidson: Yes, I think collectively. We probably just need to be a bit clearer on what we are asking for and what we expect. That is one aspect. I think the other flipside is Scotland has been on this export journey for 10 years now, so this collective journey of industry and Government working together to grow the value of our exports. We have clear strategy and very clear investment, funding 19 people throughout the world to work on our behalf in different cities. I don't see the UK Government having quite that same focus on food and drink in the same way as I have just described with that promotion, finding new markets and that market-facing activity quite as much as Scotland has over the 10 years.

There will be a range of reasons for that, but I think they are now catching up. The creation of the hub in Edinburgh is a very welcome addition and I think we can work smarter and better together to try to achieve that. Yes, that would be my impression, that England—let's call it the UK and England—has probably just been a little bit behind in terms of that forward thinking for growing food and drink exports and I think the Welsh would probably say very similar to that too.

Q41 **Douglas Ross:** I am not sure I would necessarily agree with that because despite you saying that you have been on this journey for the last 10 years, you have still come here today complaining or articulating a negative in that not enough has happened. Are you saying we would be even further behind as a result of that?

John Davidson: Further behind?

Q42 **Douglas Ross:** You are saying Scotland is doing so much better than the UK Government, but you have spent your evidence session saying—rightly, because this is the point you are making—that not enough has been done for sectors outwith Scotch whisky and salmon. Are you saying we would have grown even less as a result of that? How do you compare that?

John Davidson: What I said is there is much more opportunity to grow this industry if we work more collaboratively together. What I said was



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that Scotland, over the last 10 years, through a partnership with industry and the public sector, has had a bit more of a strategic approach and focus to growing food and drink exports. I don't see that in the UK.

Q43 Douglas Ross: Sorry, this is the point. I am just trying to get this right in my head, Mr Davidson. You are saying at the same time we have not really pushed forward on some of these markets, so even with that focus over the last 10 years, you still think we are not doing as well as we could globally for Scottish products?

John Davidson: Yes, I think we could do a lot more. We have grown. We have doubled our values of exports, as I described, but I think we could do a lot more. If you strip behind the figures—I think this point was made earlier on—our exports are dominated by whisky and salmon and then some seafood, but when you get behind those other products, whether it is red meat, dairy and veg, there is a lot more we could be doing, a lot more.

Q44 Douglas Ross: This is the point I wanted to come on to then. Say as a Committee we put forward recommendations to the Government, the Government accepted them and we could open up lots more markets. Are we ready now in Scotland in these sectors in particular that haven't seen growth like whisky and salmon to meet that potential? I come from an agricultural background. I can't think there is much spare capacity for liquid milk certainly in Scotland and these other areas. Are we ready to harness this potential if it were to come?

John Davidson: That is a great question about our capability. I think the answer to that is the opportunity we have is to diversify our markets, so a lot of the products that we just talked about there are sold in the UK. The UK is a great, fantastic market for us, but it is one of the most competitive markets anywhere in the world. When you look at whisky and salmon, what they do very well is they have a tremendous spread of markets and they are able therefore to withstand volatility much better than other sectors. That is where we need to be thinking for our industries more broadly: can we get a better spread of our markets to give us those premiums and give us a bit more resilience in the face of market volatility? It is a very good question about our capability and we do need to think about it.

Q45 Douglas Ross: I was maybe thinking more about capacity. Do you think there is a capacity in these sectors to grow significantly?

John Davidson: Yes, I think we can grow, but we need to think carefully about how we do that. If we think of livestock, for example, and livestock numbers and what that might look like, we need to think carefully about that, we need to think about how we produce, but it is about a better spread of our markets: 90% of all the red meat we produce in Scotland is sold in the UK and there is just something there about how we diversify and just keep building that resilience.

Q46 Douglas Ross: On that point, we have Scottish Government officials who also support reducing livestock numbers in Scotland, so there could be an



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awful lot of work done to try to open up markets and take people in, show them how great Scotch beef is and then we don't have the product to give them in five or 10 years' time.

John Davidson: Yes, it is a very good point. Our colleagues around the world will say that. Demand is high for our produce, but can we supply? That is a legitimate charge that we need to work through in terms of what that might look like in the future.

Q47 **Douglas Ross:** There are a couple of other things I want to pick up on. First of all, the UK tradeshows. I cannot understand that there is any mentality from anyone involved—and it would be officials rather than Ministers—that they want to go there and set up a substandard stand. I think, Mr Buchan, you were mentioning how even some of the demonstrations aren't good. Do they actively seek feedback and say, "What do you think?" and do you see any difference if you do feed back? But also they must be seeing the exact same as you. I think all three of you have mentioned—certainly Mr Davidson and Mr Buchan—that we are not as good as other countries, so surely the Government officials must be seeing that as well and want to change that, because they don't want to spend time and resources effectively producing poorer displays than competitors. Mr Buchan.

Jimmy Buchan: I think it is all to do with budget and how much money you are prepared to throw at it. I stand by what I said, that Seafish does a very good job in certain circumstances, but it is constrained by the money it has got to spend. When we go to these tradeshows, you look at how the UK/Scotland is being promoted and you look at other countries. I feel that we do not punch as high as we should do. We are an industry where processors pay a fee towards Seafish. It is not all for marketing. We need to determine who is going to be the marketeer and who is going to do the other administrative jobs that the industry so rightly needs.

I am not saying we get a bad service, but I just look at what my eyes tell me. I go to these tradeshows and I think, "Wow". Sometimes I am just blown away by the sheer scale of how some of these countries are approaching it. It must be their own Governments that are prepared to fund and promote their industries. I feel sometimes we have not punched as high as we could have. It is not that we have done it badly, but I just think we could do it better. There is a lot of bias there. I have been in an industry that I am very proud to serve and we have a great story to tell, so why not tell it?

Douglas Ross: Mr Davidson, did you have anything to add?

John Davidson: Sorry, yes. Listen, I would endorse what Jimmy has just said. I go back to my earlier comments. The trade stands and exhibitions that I have observed at many shows are good, they are a good standard, and they are a good showcase of United Kingdom products, including Scotland, but on many occasions some of the other stands in exhibitions exceed that. It will just come down to budget and what those countries are perhaps willing to invest in that particular show. There could be a



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range of factors that contribute to that, but that is pretty consistent when you look around.

- Q48 **Douglas Ross:** Two last things I wanted to pick on. First of all, sorry to go back to you, Mr Davidson. On the tensions, I thought tensions over labelling was people in Scotland getting very upset if strawberries had Union Jacks on them rather than Saltires. Is what you are describing a tension or is it just a choice? Because if I understood you correctly, you said for different countries there will be a different demand either for GREAT or for Scotland. That is not really a tension; that is just to suit a market, surely. When I hear “tension” I hear almost like something is being forced upon them that they don’t want rather than it is just the GREAT campaign works in X country, Scotland works in Y.

John Davidson: What I was talking about was operational tension, which does exist. If there was a showcase, for example, in a particular country, I have heard in the past of tension about what brand is used to promote that event, is it a Saltire—

- Q49 **Douglas Ross:** A tension between GREAT and Scotland, a tension between those who work within the GREAT campaign and those who work within Scotland, not from potential buyers or sellers?

John Davidson: Correct.

- Q50 **Douglas Ross:** That is useful clarification because I was not sure exactly. Okay, we have that.

Finally, Mr Littlejohn, we spoke at the beginning of this session quite a bit about tourism and how that has a positive impact. Clearly people come to Scotland, they have seen the iconic images and they want to come here for Scottish produce. There is a potential that you will not be able to advertise anything your industry does going forward. Most of us fly up and down to London, if you can get a plane and there is no snow, but we normally we do. When we go back to our airports, quite often they are dominated by advertising for our iconic national drink. Is that under threat with the Cabinet proposals from the Scottish Government to look at the alcohol advertising ban?

Graeme Littlejohn: It is a concern—2.2 million people from around the world came to visit Scotch whisky distillery visitor centres in 2019 pre-pandemic and that has increased a lot over the last decade. There is a real focus for the industry and a lot of investment has gone into that side to attract more people from overseas when they come to Scotland to visit the industry. If you take someone through the journey of when they arrive at an international airport, at the moment you see an advert for a distillery visitor centre or another visitor attraction. They might go on the tram in Edinburgh and see a similar advert. They might then want to go to that attraction and get a t-shirt or a hat or a bottle of Scotch whisky to take home with them and tell the story of the industry and tell the story of Scotland and then that attracts more people to come to our country to invest and to support the local economies and the national economy.



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The concern at this point is that that same visitor may come to Scotland and you wouldn't see that visitor attraction advertising, you wouldn't see that tram stop, you wouldn't be able to take that t-shirt or that cap or that bottle of Scotch whisky home with you and tell the story. We agree with a lot of the objectives of the alcohol marketing and sponsorship consultation in terms of protecting children from alcohol advertising, reducing alcohol misuse and increasing responsible consumption in moderation, but we also have to balance that with the huge economic impact that comes with advertising and sponsorship and attracting people from around the world. There is a concern that people would come to Scotland and effectively Scotland's national drink would not be able to be advertised in Scotland. That is a concern.

Q51 **Douglas Ross:** You think that would be harmful for the industry?

Graeme Littlejohn: In terms of attracting tourists from around the world, yes. I think in terms of telling the story of Scotch whisky, yes, and in terms of supporting some of the other kind of industries in and around the sector, be that advertising or be that cultural events, jazz festivals, the Highland Games and the like, which the industry does support. These things just sometimes wouldn't happen if it was not for the support of the Scotch whisky industry. I think the loss of those things, should this come to pass, would be a real detriment to the country.

Q52 **Chair:** Can I ask you a little bit more about the GREAT campaign and also the new Made in the UK, Sold to the World, which looks to boost UK exports to £1 trillion? My experience of the GREAT campaign was in the Economic Forum in Poland just before Covid. We went out there and the GREAT campaign was demonstrated by a big London red bus, which I thought was quite quirky and quite unusual. It was getting quite a bit of attention, but nothing at all to do with Scotland. When I went on to the bus I found a couple of products from Mr Ross's constituency in there, so I was satisfied in that, but has the GREAT campaign worked to boost Scottish exports? What is your experience of it? This is the one big promotional strategy the UK has in place just now. Tell us your experience of it. We will maybe start with you, Mr Davidson. I know Mr Littlejohn wants to come in.

John Davidson: I go back to the point I made earlier on, that I think it has worked very well in different markets, depending where you are and what that market is looking for, so it has its place. There is no doubt it has its place, just as the Scottish brand, whatever that looks like, has its place as well at appropriate points. I think they can work in harmony together, depending where we are and depending what the nature of the event is and so on. Has it worked? Yes, it has helped, it has helped grow our exports, just like the Scottish brand. There is no doubt about that, it is just about having a pragmatic approach going forward and how these things coexist and where it is appropriate to talk about the Scottish credentials and where it is appropriate to talk about the GREAT British credentials.

Q53 **Chair:** I will come to Mr Littlejohn in a minute, but now I have you, what



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about Made in the UK, Sold to the World? Is that a year old now? I think it is an 11-point plan and strategy to boost exports to reach this £1 trillion target. What do you make of it in what you have experienced of it so far?

John Davidson: I have personally not had much engagement in that in terms of what it means in practice for our members. I think the aspirations are good. We would absolutely support the objectives of growing our exports and being more outward-looking and diversifying our market, so very supportive of the principle of that and being that global trade policy. What that means in practice and the difference it will make to some of the producers, I think we await to see what that looks like, but it has had a very difficult couple of years on the back of Covid and Brexit. Maybe these things will just take a little bit of time to come through in terms of what that means in practice, but we are very supportive of the idea and the principle to grow our exports.

Q54 **Chair:** Mr Littlejohn, what have you seen of both those campaigns and what do you make of them?

Graeme Littlejohn: The GREAT campaign, I forget exactly how long it has been running for, about a decade probably. It is the main promotional arm of the UK Government and now particularly through DIT. We have had a good experience with the GREAT campaign. I think what John said is right, where they can work in harmony, about the GREAT campaign and Scotland Is Now or Visit Scotland in terms of the Scottish ask. An example from just the last week, we did the carrier strike visit to Mumbai last year, showcasing a number of Scottish cultural aspects and Scotch whisky. That was done through the auspices of the GREAT campaign. Just last week we were back in Mumbai to talk about the trade deal with the Scottish Government and the Scotland Is Now campaign.

I think the objective is the key, not the mechanism. The objective is to get more trade going into India, and in the case of Scotch whisky, reducing the tariff burden on the product. How we do that, whether it is with the GREAT campaign or with other mechanisms, that is the secondary aspect. It is the objective that we want to drive towards.

Chair: Anything to add to that, Mr Buchan?

Jimmy Buchan: I have very limited experience of late just because of pandemics and one thing and another, not going to as many shows, but I still think using the GREAT campaign, where it can help promote or it can be more noticeable in certain markets, but also let's use the Scottish brand to generate the sales. We are not too fussy how we do it, we just need to be able to access the markets and we will do the rest.

Chair: I think we will be keen in this inquiry not to go into the particular branding aspects with respect to the Scotland and the UK just now, but thanks for that. A couple of last questions and I think first it is Wendy.

Q55 **Wendy Chamberlain:** Thank you very much, Chair. I want to ask a little



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bit about trade deals, just because obviously I am conscious that the Food and Drink Federation said that Scotland accounted for 30%, the largest share of all UK food and drink exports in 2021. That shows, first, how well Scotland is doing, but also—dare I say it—shows the risks involved if we get these trade deals wrong.

Second, the NFUS has said there has been little or nothing in these trade deals for Scottish food and farming. Do you think there has been sufficient opportunity for Scottish businesses to feed into the UK Government's negotiations on free trade agreements? If I come to you first, Mr Buchan, because you have mentioned this a couple of times.

Jimmy Buchan: Yes, I think I mentioned that earlier in my evidence. I feel that there could be better involvement with industry on these trade deals. Also I am very disappointed in how things are working out even in our near neighbour in the EU. The restrictions, the resistance are all coming from the border controls and our members that I have spoken recently—knowing that I am coming here—are saying that we are just not getting that flow that we should from equality. The restriction is all one way, but there is not the same checks going on in goods inward. Until we get a balance there is never going to be a need for them to come and get equilibrium.

I think there is a lot more that could be done, but again I presume that within that there will be a lot of politics and we are far removed from the politics of this. I urge people to come together and think about the greater good of the industry and the people in the industry rather than the politics.

Q56 **Wendy Chamberlain:** Would you agree with NFUS, which also said that it was concerned about the cumulative impact of successive trade deals, particularly I suppose given that you represent a number of smaller producers, that as each trade deal is done that the squeeze on you potentially increases?

Jimmy Buchan: Yes, absolutely. It is something that everyone should be mindful of, that everyone needs to get a share of what is going out there and it can't just be for one sector. It has to be for all.

Q57 **Wendy Chamberlain:** Absolutely. Mr Davidson, obviously we do not have Scottish Chambers of Commerce here, but it is a member of the Strategic Trade Advisory Group. What connections or communications, if any, have you had with that UK Government body, the advisory group?

John Davidson: There are two aspects to this. There is a Trade and Agriculture Commission in place and there is a Scottish representative on that, the chair of Quality Meat Scotland, Kate Rowell. We work very closely with Quality Meat Scotland, so we have a link into that, which is helpful. Previous to Kate it was the president of NFUS who sat on the original group. There is a connection there. Again, I think there are probably some question marks around the role of the Trade and Agriculture Commission and how that is functioning, when it is functioning and what its role is. It has a very narrow remit. Does it have



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a proper scrutiny role for the trade deal? I think that is the question that is being asked at the moment and we would like to see it probably having a strengthened role in terms of trade agreements prior to them being signed. I think that is the key, so that is the first aspect.

Q58 Wendy Chamberlain: Yes, and you want to see things going in and then some response to those inputs that you have put in.

John Davidson: Absolutely, yes. That is the first aspect. I would endorse what NFUS was saying around the cumulative impact of trade deals. I think that is the concern. Trade deals are being negotiated in isolation. They may be good or bad, but the cumulative impact we feel is not understood that well because it is different trade teams and different negotiation teams. That is something that we are keen to see rectified going forward.

Q59 Wendy Chamberlain: So environmental scanning is very important?

John Davidson: Yes, absolutely.

Q60 Wendy Chamberlain: Great. Mr Littlejohn, I am conscious the Scotch Whisky Association is obviously representing so many producers, but you are all producing essentially the same product, and by that, I mean water, barley and yeast, but that in some respects gives you some advantages. Are you conscious of what NFUS is saying in terms of the cumulative impacts?

Graeme Littlejohn: Yes. The NFUS is better to talk about the impacts on agriculture than I am, but in the Scotch whisky industry—I think this is an advantage of the industry, in that we have been exporting for 150-odd years—we have somewhat developed a muscle memory for free trade. We are unashamedly free traders in the Scotch whisky industry. We are very happy to compete on the global market on the quality of our product. What we want to see is a level playing field, as level as we possibly can get. That is the kind of input we put into the free trade negotiations, be that reducing tariffs, and in Australia a 5% tariff was eliminated as part of the UK-Australia FTA. We would have liked to see more in that trade deal in terms of the definition of whisky and some more legal protections in there, but the 5% tariff was a good thing.

On India, we are talking about that. That is a key priority in the sixth round of the negotiations. It is happening right now and I am pretty confident that the UK negotiators are keenly aware of the kind of red lines for the Scotch whisky industry as part of that. We want to level the playing field. The trade deal negotiations are part of the picture there, but as I said at the beginning of the session, we have to sometimes look beyond tariffs and trade deals and try to get the incremental gains we can in more bilateral talks. That is something that the Scotch whisky industry is very interested at looking at and I think other sectors will be interested in looking at that as well.

Chair: Thank you all and thank you for joining us. I know you had great difficulties trying to get down here today, Mr Davidson, but we are



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grateful that you were able to join us down the line. We will hopefully catch up with the Scottish Chambers of Commerce in the course of this inquiry. We knew we would get this inquiry off to a good start with you guys. Your evidence was fantastic today, but anything you feel that you could usefully help us with as this inquiry progresses, please send anything on or let us know what these issues are.