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John Swinney urges the Treasury to cut Scotch whisky duty in the Autumn Budget

His intervention adds political weight to an industry campaign after spirits duty rose 17% in three years, with no cut announced yet.

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Scotland’s First Minister John Swinney has urged the UK government to cut excise duty on Scotch whisky in the upcoming Autumn Budget, aligning himself with a push from the Scotch Whisky Association that argues higher taxes have put sustained pressure on distillers, pubs and the wider supply chain.

Swinney’s backing followed a meeting on Sept. 11 with the trade group’s council of member companies. After that meeting, he said repeated duty increases had placed “undue pressure” on the industry and said he supported calls for the UK government to address the issue. The appeal is directed at HM Treasury and Chancellor John Healey, who will decide whether any change is included in the Budget. No cut has been announced, and the Treasury has not said it will act.

The Scotch Whisky Association, in its Budget submission, says spirits duty in the UK has risen 17% over the past three years. It also argues that spirits, including Scotch, are taxed at up to four times the rate applied to beer, cider and wine. The group says that despite those increases, Treasury revenue from spirits duty fell over the same period rather than rising.

The industry body says a lower duty rate would ease pressure on producers and on hospitality businesses that depend heavily on spirits sales. According to the association, Scotland produces around 70% of UK spirits, and spirits account for more than a third, or 38%, of total profits in hospitality venues. Mark Kent, the association’s chief executive, said a cut would give producers more room to invest in innovation, expansion and jobs.

The debate has drawn attention beyond Scotland because Scotch remains one of the UK’s most important export products and a major part of the country’s drinks industry. Any change in excise duty could affect producer margins, pricing and demand in bars, restaurants and hotels. It could also influence investment decisions across the broader beverage sector, since the current tax structure is often cited by the industry as a factor in competitiveness between spirits and other alcoholic drinks.

Swinney’s intervention adds political weight, but it does not change the legal position. Excise duty policy is set by the UK government, not the Scottish government, and the proposal remains an industry request. Trade publications including SLTN and The

Highland Times also reported Swinney’s support in the days after the meeting.

The tax issue comes at a time when the Scotch industry is also watching export conditions. In its submission, the Scotch Whisky Association pointed to improved market access in the United States and India during 2026, describing those countries as important growth markets. That has sharpened the argument from producers that domestic tax policy should not undercut export gains by squeezing margins at home.

The issue is also being followed by international buyers and investors, especially in Asia, though the immediate effect on whisky casks held in bond would be limited. Under current rules, excise duty is charged when whisky is released from bond for bottling and sale, not while it is maturing in cask. That means a duty cut would not directly change the tax status of bonded casks already held by investors. Even so, market participants often track duty policy because it can affect distillery profitability, new-make spirit pricing, future cask supply and the general financial health of producers.

That distinction matters because some of the discussion around whisky investment has extended beyond consumer prices and into the economics of distilling. A lower duty burden, if approved, could improve domestic sales conditions for producers and hospitality operators. For the drinks trade, that could support cash flow and investment at a time when costs and tax levels remain a major concern. For investors in casks or distillery-linked assets, the policy debate is being treated more as a signal about industry conditions than as a direct change in asset values.

The request is also emerging against a backdrop of wider scrutiny in the cask investment market. While that is separate from the Budget decision, it has reinforced the need to distinguish between tax policy that affects spirits sold in the UK and the risks attached to private cask ownership. Whisky cask investment remains an unregulated asset class in the UK, and a change in duty would not alter that status.

For now, the central point is that Swinney has publicly backed the industry’s call, but the decision rests with the Treasury. Until the Autumn Budget is delivered, the proposed duty cut remains a political and commercial campaign rather than a confirmed policy change.