



Irish Whiskey 2010-2020

The restoration of the Irish whiskey
industry across our Shared Island



Drinks Ireland
Irish Whiskey Association



Drinks Ireland | Irish Whiskey Association is the all-island representative body for the Irish whiskey industry.

The association's mission is to protect, promote and represent the Irish whiskey category, in Ireland and globally; in order to secure the position of Irish whiskey as one of the world's leading spirit categories.

www.DrinksIreland.ie/IrishWhiskey

Front & back cover photo: Connacht Whiskey Distillery

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Chairman's Foreword

In 2015, then Taoiseach Enda Kenny TD performed the official opening of The Connacht Whiskey distillery in Co. Mayo. The distillery I founded was one of a handful to open in the mid-part of the past decade. Looking back, and reviewing the turbulent journey of our industry over the past century, it is amazing to think that, with the exception of the establishment of the Cooley distillery, a period of almost 100 years would pass before any new Irish whiskey distillery would open. With this backdrop in mind, we have truly entered into a new era for Irish Whiskey.

I am proud, both as a distillery founder and Chairman of our Association, to have been part of the Irish whiskey story of the past decade. A decade of progress, of gathering pace, which shows little sign of abating.

I am equally proud to be one of many who have lived this story; and it is story of many. Working together. The supportive culture within our industry, from the multinationals who have led the growth of the category, to the visionary entrepreneurs developing newer distilleries, is enabling innovation and differentiation; and this remains a key driver of the heightened international interest in the Irish whiskey category.

The past decade has been referred to as a period of revival and renaissance for Irish whiskey. But, in fact, I feel it should be referred to as a period of restoration, as Irish whiskey has retaken its place once again as one of the island of Ireland's leading industries. This report is testament to that restoration.

Coming from the West of Ireland, I am particularly pleased that our industry has emerged as a very significant



David Stapleton

contributor to the rural economy, both North and South. 33 of the 38 operational distilleries are located outside of Ireland's cities, delivering jobs, commerce and visitors to communities across the island.

This report represents a chance to pause and reflect on where we've come from. But in doing so, our gaze is firmly fixed on future horizons.

2020 has been a particularly challenging year, but the Irish whiskey industry has proven itself to be resilient. After decades of decline, we have just experienced a remarkable decade of recovery. This recovery will continue. We are ready to bounce back and to march into the next decade focused on the continued growth of Irish whiskey sales in established markets and the activation of new emerging markets, particularly in Asia and Africa.

Ar aghaidh linn.

David Stapleton

*Chairman, Drinks Ireland | Irish Whiskey Association
Founder, The Connacht Whiskey Company*



Tullamore Distillery

Executive Summary

Ireland is the home of whiskey, but with a chequered history. In 2010, there were only four distilleries in operation, while sales were under five million cases. But the decade that followed has proved to be a phenomenal one for the Irish whiskey industry. We have now reached a stage where Irish whiskey has been restored as one of our leading all-island industries, making a substantial contribution to our shared economy with tangible impacts for communities across our shared island.

Redrawing the map

By November 2020, the number of operational Irish whiskey distilleries had increased to 38 and the map of the Irish whiskey landscape had been radically redrawn. From the largest investments in Midleton and Tullamore to other towns and villages throughout Ireland, we saw the restoration of distilling to areas which once had rich traditions in whiskey production. The report outlines how distillery developments have made a tangible and substantial contribution to local economic regeneration and to the social fabric of urban and rural communities throughout the island of Ireland.

Growing global sales

In 2010, sales of Irish whiskey were less than five million cases (60 million bottles). By January 2020, just before the on-set of the Covid-19 pandemic, the twelve-month rolling sales total for Irish whiskey exceeded 12 million cases (144 million bottles), delivering on the industry target and achieving heights not last seen since the early 1900's.



The report outlines how Irish whiskey was the fastest growing spirits category of the past decade, with 140% volume growth while the growth in value of Irish whiskey exports has exceeded targets set down in each of the Food Harvest 2020 and Food Wise 2025 government strategies. In total, the aggregate value of Irish whiskey exports from the island of Ireland reached €890 million in 2019.

Irish whiskey is now being sold in 140 markets globally. The United States has led the way, accounting for 51% of all Irish whiskey sales growth across the decade.

This export growth has been driven by a range of factors from the contribution of brand ambassadors, our unsung heroes; to a supportive international trade policy which sees 85% of all Irish whiskey sales being subject to zero tariffs.

Innovating new and premium products

Irish whiskey has a depth and diversity to it which sets it apart from other international whiskey categories. This depth and diversity has grown over the past decade as the number of Irish whiskey brands on the market increased from dozens to hundreds. The rapid expansion in brands and expressions is a factor of the dynamic culture of

innovation and new product development which has been one of the most exciting aspects of the recent evolution of the Irish whiskey industry. The report reflects on these innovations, particularly how Irish whiskey emerged as a world-leader in the art and craft of cask finishing.

At the premium-and-above price level categories, Irish whiskey brands recorded 83% growth over the decade. As more aged Irish whiskey comes on-stream and as the Irish whiskey industry continues to innovate and develop new premium products, Irish whiskey will be able to better compete in the higher price segments.

Attracting tourists

During the second part of the decade, Irish whiskey tourism emerged as a star performer in Ireland's tourism offering; and Irish whiskey began to be recognised as a world leader in experiential tourism. Overall visitor numbers to Irish whiskey distilleries and brand homes grew by 54%, from 653,000 in 2015 to just over one million in 2019. The number of staff directly employed in visitor centres peaked at 409 in 2019. It is estimated that visitors to distilleries and brand homes in 2019 contributed spending of €90 million in total to the broader economy.

Growing the economy

The report contains an economic assessment carried out by our association, in conjunction with Ibec, which points to the broader contribution of the Irish whiskey to our shared economy across the island of Ireland. Over the past decade, the Irish whiskey industry:

- **Invested €1.55 billion**
- **Contributed €686 million in value added to our shared economy**
- **Contributed €412,756 GVA per employee, the highest across Irish food and drink**

- **Directly employed 1,640 persons pre-Covid**
- **Delivered €770 million in excise on domestic sales to the Irish exchequer.**

For centuries, the Irish whiskey industry has been symbolic of the all-island economy. Our industry is determined not to let Brexit undermine that and we look forward to Irish whiskey being seen in the future as an embodiment of our vibrant shared economy.

Working together for the industry

The coming-together of our industry to draft the Irish Whiskey Technical File was a key moment of the past decade. Since then, our association has worked to protect and promote the Irish whiskey category, to support new entrants; and to provide a strong voice for the Irish whiskey industry on international trade matters.

Looking to the future

The report previews some future distillery developments, includes perspectives on the future from key industry leaders and assesses opportunities and challenges for the future:

Opportunities	Challenges
Market diversification	Hostility to international trade
Growth in e-commerce	Brexit
Premiumisation	Declining spring barley supply
Recovery of tourism	Lack of bottling capacity
Re-opening of on-trade	Fake products and distilleries

Introduction

Ireland is the home of whiskey. We've been making it longer than other whiskey producing nation. This longevity has influenced the craft of whiskey making in Ireland, in turn contributing to the depth and diversity of the Irish whiskey category. But this long history has been a chequered one.

The number of operational Irish whiskey distilleries peaked at about 88 in the second half of the 1800's and the general decline began before 1900 and continued into the new century. Global sales peaked in the early part of the 20th century before world wars, trade wars and prohibition all contributed to a collapse in sales. By 1980, the Irish whiskey industry was on its knees with only two distilleries and global sales of approximately only 300,000 cases. But things began to turn... slowly.

Irish Distillers joining Pernod Ricard; the establishment of Cooley Distillery as the first independent distillery of the modern era; and the sale of Tullamore D.E.W. to C&C all contributed to this turning point, with new investment, new leadership and new ambition all coming together to light the spark of Irish whiskey's revival and renaissance.

By 2010, there were still only four distilleries in operation and sales had grown to just under five million cases. These four distilleries laid the foundation for amazing growth in our industry which saw a new generation of distilleries and brands emerge. The decade that followed has proved to be a phenomenal one for the Irish whiskey industry.

We have now reached a stage where Irish whiskey has been restored as one of our leading all-island industries, making a substantial contribution to our shared economy with tangible impacts for communities across our shared island.



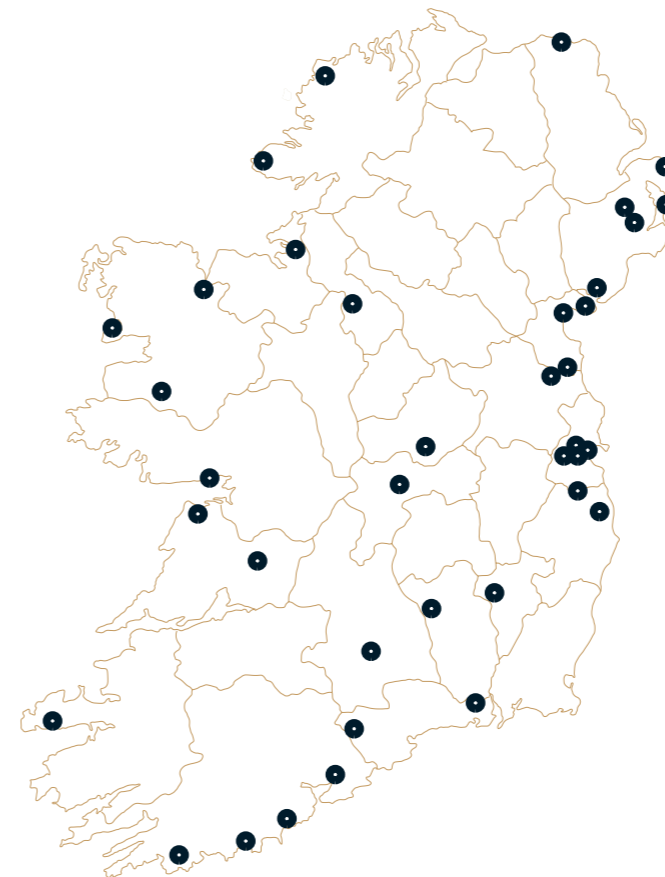
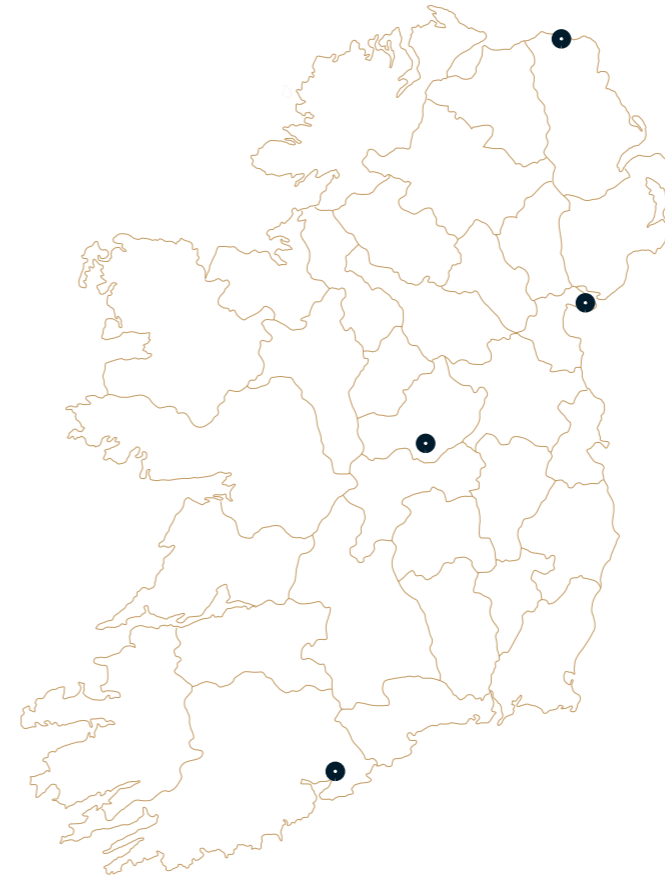
William Lavelle

This report seeks to document the remarkable progress of the Irish whiskey industry and category over the past ten year period; and to capture where the industry had reached in late 2019/early 2020 prior to the onset of the Covid-19 pandemic. This is presented through hard numbers, from key economic indicators to industry statistics; and through real-life stories and profiles of the people, places and products that make up our industry. A key element of this report is an up-to-date economic assessment of the Irish whiskey industry carried out by our association in conjunction with Ibec Chief Economist Gerard Brady. This assessment is based on data provided by member companies and on responses or publicly-available data from the small number of companies not in association membership.

This report would not have been possible without the support of all our member companies who actively provided data and contributions. The solidarity and collaborative zeal among our companies remains one of the greatest attributes of the Irish whiskey industry and I have no doubt that this has been central to our ongoing forward march. Our association is proud to support and to represent our industry. We look forward to a further decade of growth, building on the decade of success laid-out in this report.

William Lavelle

Head of Irish Whiskey, Drinks Ireland



1784	Bushmills Distillery
1757*	Kilbeggan Distillery
1975	Midleton Distillery
1987	Cooley Distillery
2013	Dingle Distillery
	Echlinville Distillery
2014	West Cork Distillers
	Tullamore Distillery
	The Shed Distillery
	Rademon Estate Distillery
2015	Teeling Whiskey Distillery
	Great Northern Distillery
	Waterford Distillery
2016	Connacht Whiskey Distillery
	Royal Oak Distillery
2017	Ballykeeffe Distillery
	Pearse Lyons Distillery
2018	Slane Distillery
	Lough Measc Distillery
	Blackwater Distillery
	Powerscourt Distillery
2019	Dublin Liberties Distillery
	Clonakilty Distillery
	Killowen Distillery
	Roe & Co Distillery
	Copeland Distillery
	Burren Distillery
	Irish American Distillery
	Boann Distillery
	Glendalough Distillery
	Lough Gill Distillery
2020	Blacks Distillery
	Sliabh Liag Distillers
	Croly Distillery
	Glendree Distillery
	Hinch Distillery
	Tipperary Distillery
	Micil Distillery

*Re-commenced distilling in 2007.

Redrawing the map

The 2015 Vision for Irish Whiskey report records that there were only four operational distilleries on the island of Ireland in 2010:

- **Bushmills Distillery**
- **Cooley Distillery**
- **Kilbeggan Distillery**
- **Midleton Distillery**

Between investment by multi-national spirits companies and the raising of finance by pioneering entrepreneurs, money began to flow into the development of new distilleries across the island of Ireland. By November 2020 the number of operational Irish whiskey distilleries had increased to 38 and the map of the Irish whiskey landscape had been radically redrawn.

2019 proved to be a landmark year as the number of operational distilleries jumped from 21 to 31 with the largest annual increase in distillery numbers since the 1820's when there had been a leap in the number of licensed distilleries as a result of the 1823 Excise Act which reformed the licensing system.

Over the course of the decade the stories of distillery development and expansion have been remarkable. Two of the largest investments took place in Midleton and Tullamore.

The existing distillery in Midleton underwent substantial expansions from development and subsequent expansion of the Garden Stillhouse to the provision of Ireland's largest column stills. In total, over €400 million has been invested by Irish Distillers in their operations this decade.



Powerscourt Distillery

In Tullamore William Grant & Sons invested over €100 in developing a new grain-to-glass production campus encompassing distilling, maturation, blending and bottling at Clonminch on the outskirts of the town. This development represented the largest green-field distillery development in Ireland in decades and generated over 100 jobs, becoming one of the largest single employers in Co. Offaly.

In bringing distilling back to Tullamore, William Grants have joined many more in bringing distilling back to towns and villages with rich traditions in whiskey production. Other provincial towns to see a return of distilling this decade were Ballina, Clonakilty, Dingle, Dundalk and Drumshanbo to name a few, all led by Irish entrepreneurs.

A number of new distilleries in provincial towns have moved into vacant industrial premises replacing the enterprises which has previously operated there, replacing lost jobs in the town, supporting the local economy and contributing greatly to the vibrancy and vitality of these towns. A bakery



Tullamore Distillery



Midleton Distillery

in Ballina, a saw mill in Dingle, a jam factory in Drumshanbo and a brewery in Dundalk are all now thriving Irish whiskey distilleries.

Another trend has been the development of new distilleries on historic Irish estates and demesnes including at Slane Castle demesne in Co. Meath, Powerscourt Estate in Co. Wicklow, Hazelwood Estate on Lough Gill in Co. Sligo and, Rademon Estate in Co. Down.

Dublin's Liberties, once the world's busiest centre for whiskey production, has also re-emerged as a 21st century hub for distilling with four distilleries, two on James Street and two at Newmarket/Mill Street, with the development of Teeling Distillery kick-starting a transformative regeneration of Newmarket.



Lough Gill Distillery



Slane Distillery



Clonakilty Distillery



Pearse Lyons Distillery



The Founding Fathers wall in Dingle Distillery

Many distilleries have also partnered with other local businesses to showcase local food, drinks and craft makers, as well as local food-service providers.

The investments in new distilleries have delivered new jobs, substantial local purchasing as well the additional jobs and spill-overs associated with the construction activity. Distillery developments have made a tangible and substantial contribution to local economic regeneration and to the social fabric of urban and rural communities throughout the island of Ireland.

Of course, it's not all about distilleries. The past decade has seen development of:

- **Company offices, including for non- distillery brands**
- **Irish whiskey bonders**
- **Maturation facilities**
- **Blending and bottling facilities**
- **Non-distillery brand homes.**

These also bring investment, jobs and spending to communities.

Many new and expanding distilleries secured state funding support for both capital developments and LEAN/process enhancements from Enterprise Ireland, Invest Northern Ireland, Údarás na Gaeltachta and Local Enterprise Offices.

Many new distilleries have also raised finance through cask investment programmes. One of the first of these was Dingle Distillery's 'Founding Fathers' cask programme which largely funded the capital outlay of the distillery raising over €3million. When launched this was a unique programme in Ireland at the time and has been replicated numerous times since.

Teeling Distillery – How it kick-started the urban regeneration of Newmarket

The Teeling Whiskey Company was founded in 2012 to revive the old Teeling family trademark of Irish whiskey and bring craft distilling back to the City of Dublin. At the core of our strategy was to return to our Dublin distilling roots where Walter Teeling had a craft distillery in Marrowbone Lane in the Liberties area of the city and to revive the art of making world class Dublin Whiskey. In the 19th century, the seal of Dublin on your bottle meant quality and craft and it was mainly from the Dublin distilleries that Irish whiskey was exported around the world during the last Golden Era for our national spirit. Now that we are enjoying a new Golden Era it was only right that Dublin and Teeling Whiskey are adding to the choice and breadth of the Irish whiskey category.

It took near three years of blood, sweat and tears to first locate a suitable site then going through all the regulatory hurdles as the first urban based distillery in Ireland to go through a modern planning process to the challenges of building a distillery in a city centre location. But as they say all good things come to those that wait and it was a very proud day in 2015 when we fired up our stills as the first new distillery in Dublin for over 125 years. We are honoured to have brought the tradition of distilling back into the heart of Dublin city centre with the opening of our distillery. Distilling is in the fabric of our city and our family — for us this is more than a beginning, this is a revival which has been proven with the opening of three other Dublin distilleries very near to us over the last few years.

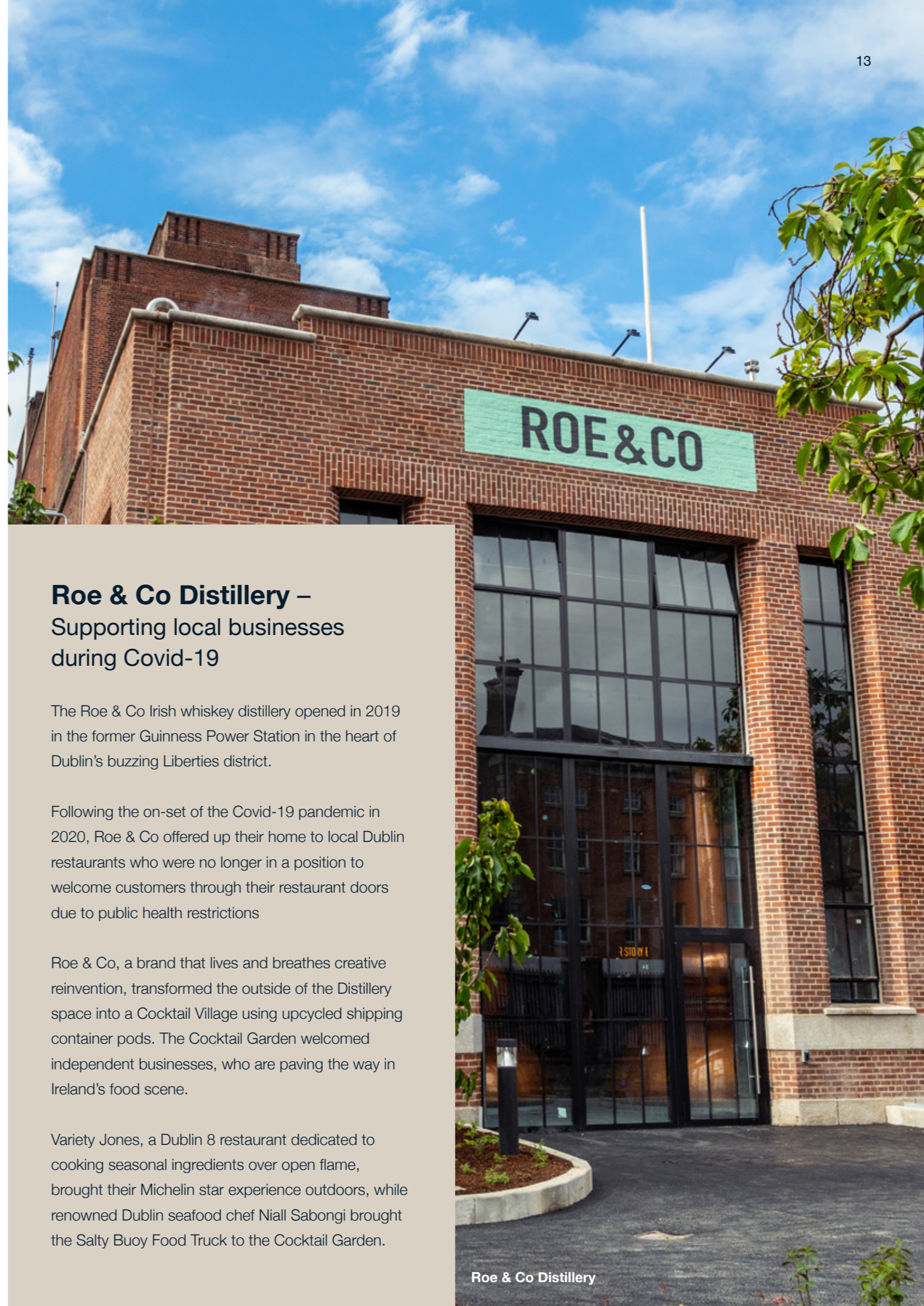
Today, the Liberties is experiencing a revival. Design studios nestled between ancient weaver's workshops, student accommodations and modern office developments are evoking a new local spirit, and – reimagining a heritage gone before - Whiskey is being distilled in Dublin once again. Through a focus on crafting unconventional Irish flavours, we are forging a new future for Teeling, Dublin, and Irish Whiskey.

Jack Teeling

Managing Director, Teeling Whiskey Company.



Teeling Whiskey Distillery



Roe & Co Distillery – Supporting local businesses during Covid-19

The Roe & Co Irish whiskey distillery opened in 2019 in the former Guinness Power Station in the heart of Dublin's buzzing Liberties district.

Following the on-set of the Covid-19 pandemic in 2020, Roe & Co offered up their home to local Dublin restaurants who were no longer in a position to welcome customers through their restaurant doors due to public health restrictions

Roe & Co, a brand that lives and breathes creative reinvention, transformed the outside of the Distillery space into a Cocktail Village using upcycled shipping container pods. The Cocktail Garden welcomed independent businesses, who are paving the way in Ireland's food scene.

Variety Jones, a Dublin 8 restaurant dedicated to cooking seasonal ingredients over open flame, brought their Michelin star experience outdoors, while renowned Dublin seafood chef Niall Sabongi brought the Salty Buoy Food Truck to the Cocktail Garden.

Roe & Co Distillery



The Shed Distillery

The Shed Distillery – How it brought jobs and renown to rural County Leitrim

The Shed Distillery released its first ever whiskey, Drumshanbo Single Pot Still Irish Whiskey in November 2019. It was an historic moment as the first whiskey from Connacht in over 105 years. The significance of unprecedented public response for the local people in Drumshanbo and Co. Leitrim was profound, illustrating the crucial impact that an authentic distillery can have across an entire community.

From just two employees on the historic day of that first distillation, employee numbers at The Shed began to rise, accelerating rapidly following the 2016 launch of its first-ever brand, Drumshanbo Gunpowder Irish Gin, now in over 60 international markets from London to New York, Sydney to Moscow. Following the release of Drumshanbo Single Pot Still Irish Whiskey in 2019 and the opening of the curious new Shed Distillery Visitor Experience in 2020, the total number of employees has now risen to over 50, many of whom were previously on the live register, some for as long as 8 years.

The local community had been instrumental in supporting The Shed Distillery from the very beginning. They shared our vision of partnership, sustainability and employment in a thriving rural community. The Shed had committed to creating much-needed local jobs in an area, which had high unemployment, having suffered a series of blows following the closure of major employers in the late 1980's and 1990's including the Lairds Jam Factory and The Arigna Mines.

The demand for Irish Whiskey remains strong now more than ever we must not lose sight of our responsibility and vision of sustainability, employment & a thriving Irish economy. We must ensure we live up to the standards of the 'Irish Whiskey' label, as its future, long-term value will be determined by the quality & authenticity of the brands, the attention to detail and a taste that rivals the world's greatest Scotches, Bourbons & whiskeys."

Pat Rigney,

Managing Director, The Shed Distillery



Jameson, Dublin

Making whiskey sustainably

The Irish whiskey industry:

- Distilled over 100 million litres of pure alcohol in 2019
- Purchased 61,000 timber pallets
- Purchased 270,000 used American oak barrels from the US whiskey industry
- Used over 200,00 tonnes of malt and grain (TBC)
- Used over 414,000 cubic metres of water
- Has over 3.1 million casks being matured on the island of Ireland

In Ireland many distilleries triple distil, some distil twice but always more than once. This tradition of multiple distillation is central to our craft. Irish whiskey stills vary from distillery to distillery, marrying the traditional, the practical and the elegant - from copper pot stills, historic and new; to columns stills, from the tall to the taller.

The use of these stills and the craft of multiple distillation is guided by the mastery of our distillers. In selecting what to distil, choosing how to run the stills or judging what type of barrels to use, our distillers craft Irish whiskeys of the highest quality and character.

The increase in distilleries and the expansion of existing distilleries has resulted in a substantially increased distilling

capacity in the Irish whiskey industry with the associated increases in supply chain inputs

Over 100 million LPA distilled in 2019

An assessment carried out by our association indicates that the production output of Irish whiskey distilleries in 2019 was over 100 million litres of pure alcohol. This remains below the actual capacity of distilleries meaning there still is plenty of headroom to increase output.

This assessment is based on data provided by member companies and on responses or publicly-available data from the small number of companies not in association membership.

Over 414,000 cubic metres of water

Distilleries with Irish Water customer accounts had an estimated total annual water usage of 414,085m³. This does not include Northern Irish distilleries.

61,000 timber pallets

In 2019 Irish whiskey producers purchased approximately 61,000 timber pallets for use both in the movement, storing and stacking of casks for maturation as well as for the shipping of finish product. The vast majority of pallets are purchased from domestic Irish suppliers.

270,000 whiskey barrels from America

In 2019, Irish whiskey producers purchased and imported approximately 270,000 used America oak barrels from the US whiskey industry, primarily from Kentucky and Tennessee.

Over 3.1 million casks currently maturing

Irish whiskey must be matured on the island of Ireland. It is estimated that there are currently over 3.1 million casks in maturation on the island.

Increasing demand for malt and grain

As sales of Irish whiskey have grown, there has been a corresponding increased demand for Irish grown barley (malted and unmalted) and for maize. Demand for other grain types such as wheats, oat and rye is also growing although at much lesser volumes. In total the Irish whiskey industry used over 200,000 tonnes of malt and grain in 2019.

Given that over 95% of Irish whiskeys are blends, the increases in demand for both barley and maize are inextricably linked – increases in demand for maize means increases in demand for barley.

However, there is a requirement to import maize which is not grown in Ireland. There is also a requirement to import peated and specialist malts which are not produced commercially in Ireland.

Proud buyers of Irish barley

The Crops2020 report from Teagasc found that the *“Irish drinks industry is supported with grain production from more than 2,000 farmers producing approximately 300,000 tonnes of grain from approximately 45,000 hectares.”* About one third of this output is taken-up by the Irish whiskey industry.

The Irish whiskey industry is proud to source its malt and unmalted barley inputs from Irish malting houses and Irish tillage farmers respectively. The increases in demand should mean good news for the Irish tillage sector. Regrettably, there has been a sharp decline in the land base under tillage production in Ireland, particularly the area under spring barley which has declined 60% since 1985. This decline must be halted and begin to be reversed. The Irish whiskey industry wants to see a viable and successful Irish barley sector which can meet future demands.



Irish Distillers – Supporting the next generation of Irish Whiskey distillers

Katherine Condon is a distiller at Midleton Distillery, Co Cork. A chemical engineer, Katherine joined Irish Distillers in 2014 as part of the Jameson Graduate Engineers Programme.

“I first became interested in the idea of a career in engineering while at secondary school where my favourite subjects were maths, chemistry and biology. This led me to pursue a degree in Process and Chemical Engineering at University College Cork. Chemical engineering gave me a fantastic start in Irish Distillers. The chemical aspect of this course helps you to understand the basis of distillation.”

Upon successful completion of her degree programme in 2014, Katherine graduated and joined the Jameson Graduate Engineering Programme, a two-year placement at either the Distillery in Midleton, or at our bottling, supply and logistics site, Fox and Geese, in Dublin.

“The graduate programme is a challenging and rewarding placement. I got the opportunity to work alongside the senior production management team who provided ongoing mentoring and practical training. I was based at the the Micro Distillery at Midleton Distillery which is Irish Distillers’ hub for innovation and experimentation. We were tasked with trialling many different mash bills and new distillate styles to push the boundaries of Irish whiskey production.

Here I was given the opportunity, and most importantly the confidence, to innovate.”

After the graduate programme Katherine took up a permanent position at Midleton Distillery as process technologist and was later promoted to production supervisor. In June 2020, Katherine was appointed to the role of Distiller.

“Maintaining the distillate quality is paramount for us and we always strive to retain the spirit of craftsmanship which existed among our founding fathers. I work very closely with Master Distiller Kevin O’Gorman to oversee the quality of all new pot and grain distillates. We ensure the correct balance of flavours are present before maturation and bottling. It is crucial in my work to maintain consistency and excellence of the spirit we produce and to ensure that new equipment has no negative effect on the quality of the spirit.

I am proud that my appointment comes at a time when there are more female faces in whiskey. Irish Distillers’ commitment to maintaining a strong pipeline of skilled female professionals within our operations is clear. Watching female colleagues who have kick-started their careers as graduates, before progressing to senior roles across our operations in Dublin and Cork, has been hugely encouraging for me. Irish Distillers have partnered with CIT to create their Certificate in Brewing & Distilling Operations and TU Dublin (previously DIT) to create their BSc in Food Innovation (Brewing & Distilling stream) to ensure that a high-quality stream of new professionals are always ready to enter the industry with the required skills.”



Katherine Condon



Midleton Distillery

Contract distilling and the revival of Irish whiskey bonding

Recent years have seen a very welcome revival of Ireland's rich and proud heritage of independent bottling and bonding. Once upon a time, pubs and wine merchants would buy distillate from distilleries and mature, finish and blend it themselves. This is how iconic brands such as Green Spot and Redbreast first emerged.

Now, a new generation of bonders and independent bottlers, are producing exciting new Irish whiskeys in this famous Irish tradition. This includes many of our newer distilleries who have built brands with sourced whiskey while waiting for the own distillate to mature. These companies have been joined by an increasing number of non-distillery and private label brands resulting in a major expansion of Irish whiskey brands on the market.

In order for this to thrive, adequate capacity is required in terms of contract distilling.

Great Northern Distillery, established in 2015 on the site of the old Harp Brewery in Dundalk, is leading the way in

contract distilling, supplying high-quality bulk whiskey to a large number of customers who are, in turn, selling to markets around the world.

As new distilleries begin to release their own matured stock, the pool of available distillates will also grow and the scope for bonders and independent bottlers to produce new expressions will be endless.

Commitment to sustainability

The past decade has seen a major shift in how business interacts with the environment. The Irish whiskey industry has embraced sustainability as a key business imperative and this is exemplified by a range of initiatives and developments across industry over recent years.

Irish whiskey distilleries have become leaders in sustainability, with many new distilleries featuring state-of-the-art and innovative developments from use of river and rain water, integrated constructed wetlands to aide water conservation, reduction of re-use of CO₂ from fermentation, zero waste landfill by implementing segregation and recycling initiatives.

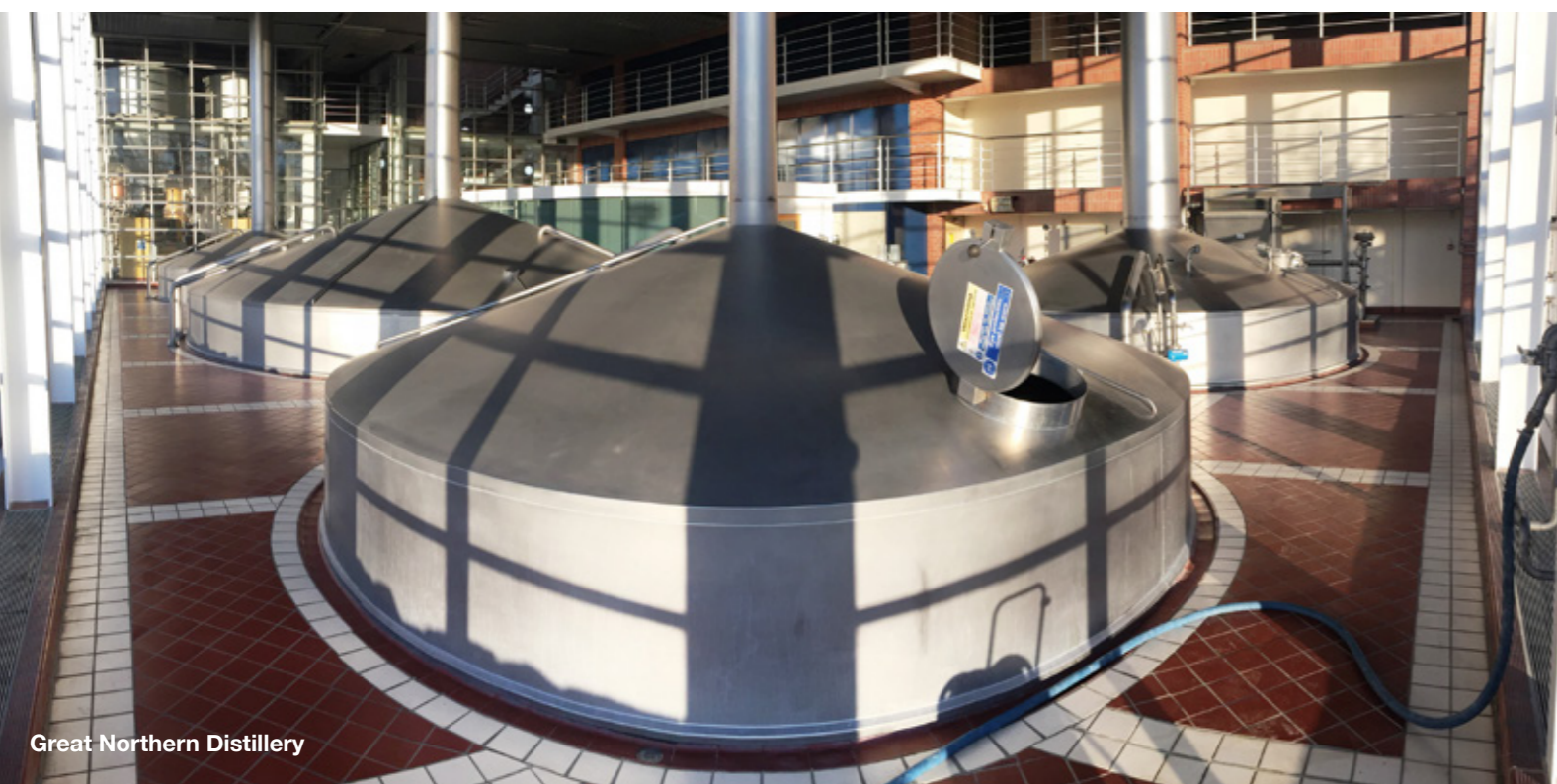
Sustainability in agriculture

As outlined already, the Irish whiskey industry are proud buyers of Irish barley and are committed to seeking a reversal in the loss of area planted under Irish spring barley and under tillage generally.

This isn't just about securing future supply, it's also about climate action. According to the Teagasc National Farm Survey 2017 Sustainability Report, in 2015-2017, greenhouse gas emissions per hectare from tillage farming (2.0 tonnes CO₂ eqv/ha) were approximately a quarter of the emissions from dairy farming (8.5 tonnes) and half of the emissions from cattle farming (4.2 tonnes). Reversing the loss in area planted under barley will help cut Ireland agricultural CO₂ emissions.

Irish Distillers - Sustainable Green Spring Barley Scheme

In March 2020, Irish Distillers launched a tailored sustainability programme for their spring barley growers with the support of the Irish Farmers Association (IFA). The Sustainable Green Spring Barley Scheme is designed to support the long-term viability of the spring barley sector in Ireland and reward farmers for delivering further environmental benefits on their farms. The programme aims to deepen partnerships with growers and specifies quality, safety and sustainability requirements for spring barley. Two key objectives of the scheme are to facilitate on-farm biodiversity initiatives and assist farmers in mapping out and ultimately reduce their carbon footprint. Ireland's tillage sector is well placed to deliver on both of these areas and make a positive impact.



Great Northern Distillery



Tullamore Distillery – A major investment in sustainability

Tullamore Distillery at Clonminch on the outskirts of the town is the new home of Tullamore D.E.W.

William Grant & Sons invested over €100 million in developing the grain-to-glass production campus which encompasses distilling, maturation, blending and bottling; and represents the largest new distillery development of the past decade.

Being a modern distilling greenfield site allowed excellent planning along with state of art equipment to be at the heart of the Tullamore Distillery, with a capability of achieving high efficiencies in terms of yield and energy usage.

Key sustainability features of the distillery and site include:

- **5,000 trees planted on their unique peat bog site**
- **Creation of a bee corridor to encourage biodiversity**
- **Use of organic condensate as pre-heater for boiler water top-up**
- **A closed loop sealing water system which save tens of millions of litres of water per year**
- **Cascade-design using gravity applied to the mill-house to reduce mechanical handling**
- **Syrup & draff provided for animal feed**
- **Reverse osmosis retentate recovered for washing duties and not disposed via water drainage system**
- **Economisers used on the flue gas outlets to pre-heat feed water to the boilers**
- **Coarse filtration of river water prior to mashing, with no chemical treatment.**

A new visitor experience is due to open at Tullamore Distillery in 2021.



Tullamore Distillery

Sustainability in timber management

The Irish whiskey industry uses hundreds of thousands of barrels every year, including 270,000 imported from the United States. Under US law, bourbon can only be matured in virgin oak casks that were not previously used for maturation and cannot be used again in bourbon maturation. By taking them and re-using them, sometimes up to three times, the Irish whiskey industry is ensuring a sustainable usage of these wooden casks

The past decade has seen a revival in interest in use of Irish timber for whiskey casks.

Glendalough Irish Whiskey have introduced the use of casks made of Wicklow Mountain Oak. To nurture the health of Wicklow's native oak forests and ensure their future, the trees are felled under a 'Continuous Cover Forest Management System. This creates pockets of clearings for planting and nurturing the next generation of oak. The company plant seven oak saplings for every tree felled. To honour the 130-year-old trees, the company have numbered each bottle back to the batch, the cask, and right back to the tree it came from. A neck tag on each bottle directs the consumer to the company website where, upon inputting the number from a bottle, the consumer will see a short, personalized film of the specific tree being felled and the actual cask being coopered.

The Midleton Very Rare Dair Ghaelach expressions offer another example of commitment to traceability and the sustainability of Irish oak. Irish Distillers work with individual forest owners who pride themselves on protecting Irish forests for future generations and each bottle of whiskey in the Dair Ghaelach series can be traced back to the specific tree from which the oak cask was made, reinforcing its provenance and standing as a true taste of Ireland.



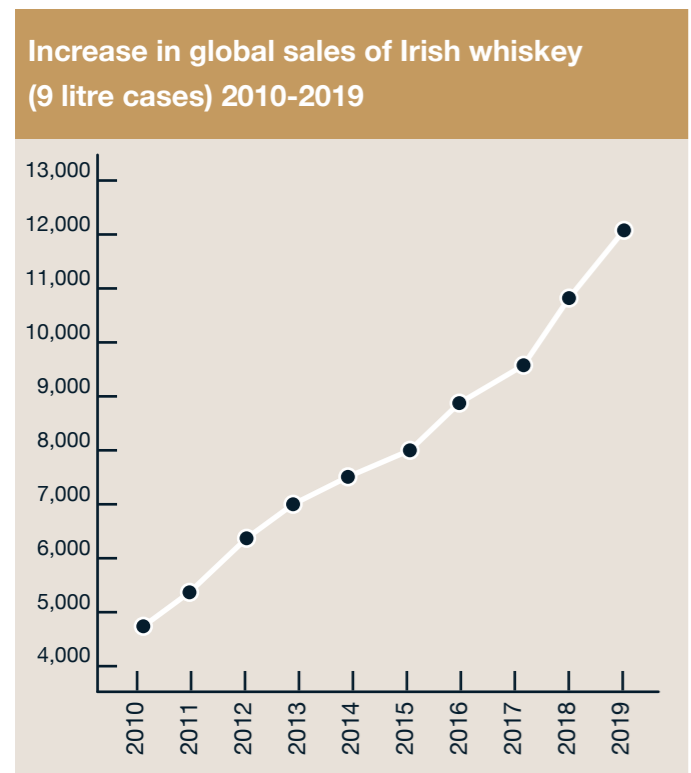
Glendalough Distillery

Growing global sales

In 2010, sales of Irish whiskey were less than five million cases (60 million bottles). The 2015 'Vision for Irish Whiskey' strategy, prepared by our association, targeted Irish whiskey achieving global sales of 12 million cases by 2020. In January 2020, just before the on-set of the Covid-19 pandemic, the twelve-month rolling sales total for Irish whiskey exceeded 12 million cases, delivering on the industry target and achieving heights not last seen since the early 1900's.

Fastest growing spirits category of the past decade

Overall, across the decade, sales volumes increased by 140% up from just under five million cases in 2010. This equated to an average compound annual growth



Source: IWSR

Key numbers

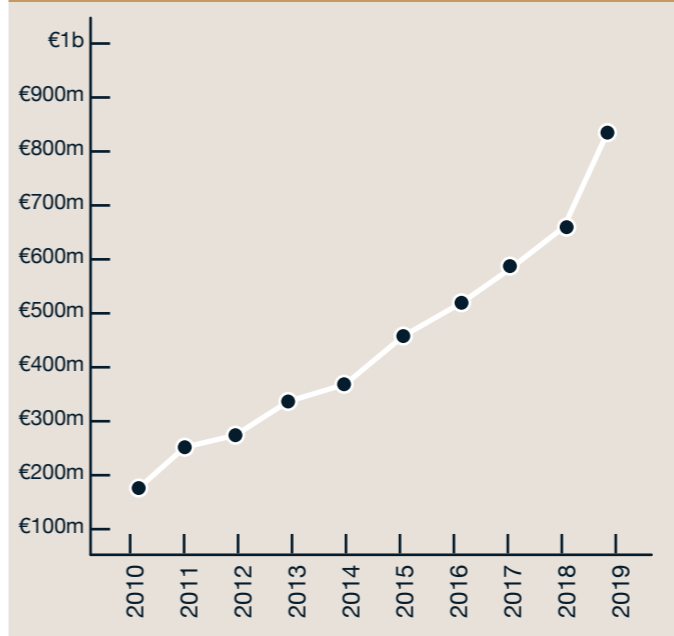
- Irish whiskey was the fastest growing spirits category of the past decade, with 140% growth.
- The industry target of 12 million case sales in 12 months was reached in January 2020.
- The value of Irish whiskey export growth has exceeded targets set down in each of the Food Harvest 2020 and Food Wise 2025 government strategies.
- The aggregate value of Irish whiskey exports from the island of Ireland reached €890 million in 2019.
- Irish whiskey now being sold in 140 markets globally.
- The United States accounted for 51% of all Irish whiskey sales growth across the decade.
- Sales of Irish whiskey in the US can overtake sales of Scotch whisky over the course of the next decade.
- 85% of all Irish whiskey sales are to markets where Irish whiskey is subject to zero tariffs.

Global sales of spirits categories (9 litre cases) 2010-2019

	2010	2019	Change	Average CAGR
All whiskey	328,325.4	463,190.4	41.1%	3.5%
Vodka	425,166.2	393,319.9	-7.5%	-0.8%
Rum	146,613.1	150,158.4	2.4%	0.2%
Scotch Whisky	89,314.7	97,232.9	8.9%	0.9%
Liqueurs	87,377.1	79,502.8	-9.0%	-0.9%
Gin	57,100.4	76,283.1	33.6%	2.9%
US Whiskey	30,956.2	55,153.2	78.2%	5.9%
Agave	23,426.7	35,594.1	51.9%	4.3%
Canadian Whisky	20,559.7	29,706.8	44.5%	3.7%
Japanese Whisky	9,038.6	18,047.5	99.7%	7.2%
Cognac / Armagnac	11,757.9	16,621.7	41.4%	3.5%
Irish Whiskey	4,983.6	11,934.7	139.5%	9.1%

Source: IWSR

Increase in value (€ millions) of exports from (Republic of) Ireland 2010-2019



Source: Central Statistics Office

rate (CAGR) of 9.1%. Irish whiskey was by far the fastest growing major spirits category in the world during this period, running well ahead of Japanese whiskey, US whiskey and agave-based spirits (i.e. Tequila and Mescal).

Exceeding Government Export Targets

The value of Irish whiskey exports from Ireland (excl. Northern Ireland) has more than quadrupled from €196 million in 2010 to €827 million in 2019. The Irish Government's Food Harvest 2020 strategy published in 2010 set a target of 42% growth in food and drinks export value by 2020. With growth of 322%, Irish whiskey smashed this target. The subsequent Food Wise 2025 strategy published in 2015, set a new target of 85% export value growth by 2025. In the first five years of the that target period, the value of Irish whiskey exports grew 86%, breaking the 10-year target in half the time.

Irish whiskey is an all-island industry and at the end of the decade the aggregate value of Irish whiskey exports from the island of Ireland reached €890 million.

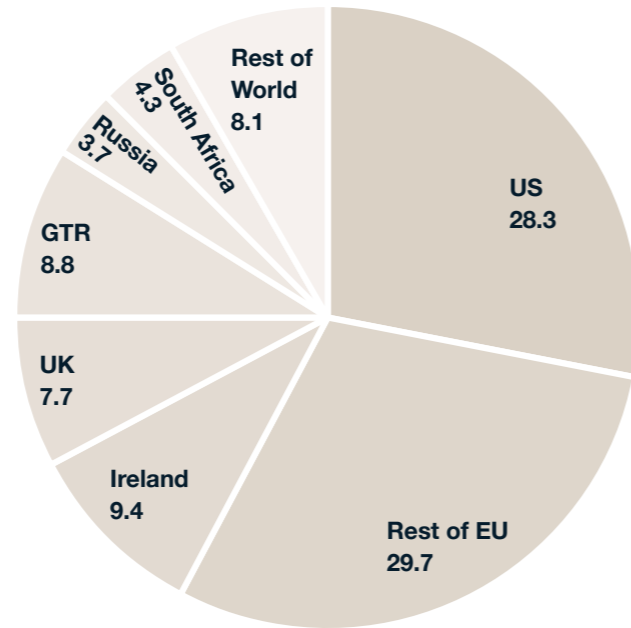
Irish whiskey now being sold in 140 markets globally

Sales of Irish whiskey globally have been driven by the three major brands of Jameson, Tullamore D.E.W. and Bushmills, who between them account for over 85% of all sales and all growth. The role of these three iconic brands in spearheading the Irish whiskey revival and renaissance should not be understated. These brands have also played a key role in opening-up new markets for Irish whiskey categories, with tangible benefits for many new-entrants following them into newer markets. Securing route-to-market has been a key enabler of export growth. State agencies including Bord Bia and Invest Northern Ireland have provided valuable support to newer companies.

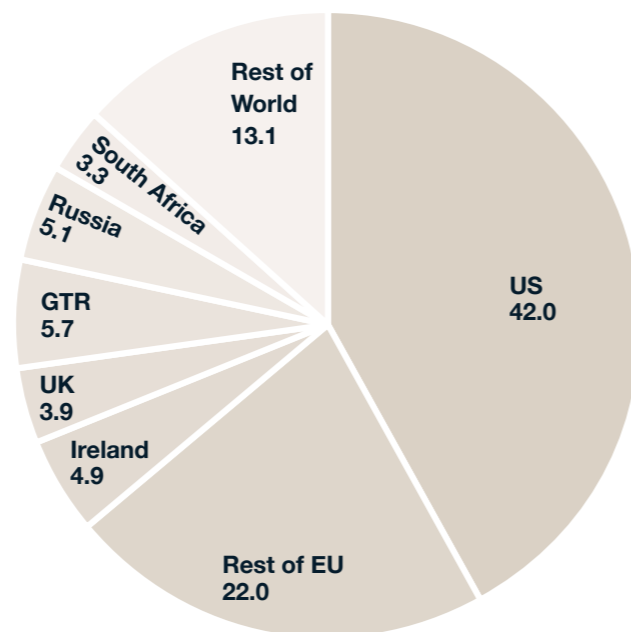
Top 30 Irish whiskey markets 2019.

	2010 (Thousand cases)	2019 (Thousand cases)	Change	C.A.G.R.
United States	1,409.0	5,011.8	255.7%	13.5%
Global Travel Retail	437.0	679.6	55.5%	4.5%
Russia	182.8	605.8	231.5%	12.7%
Ireland	469.3	590.5	25.8%	2.3%
United Kingdom	382.3	467.8	22.4%	2.0%
France	397.3	401.5	1.1%	0.1%
South Africa	216.5	399.8	84.6%	6.3%
Germany	174.5	389.0	122.9%	8.3%
Czech Republic	121.8	300.3	146.6%	9.4%
Poland	34.8	299.8	762.6%	24.0%
Canada	75.5	293.0	288.1%	14.5%
Australia	75.8	192.0	153.5%	9.7%
Bulgaria	136.8	191.4	39.9%	3.4%
Ukraine	23.8	126.3	431.6%	18.2%
Sweden	89.1	116.0	30.3%	2.7%
Portugal	93.8	110.8	18.1%	1.7%
Slovakia	13.3	102.0	669.8%	22.6%
Denmark	74.8	101.3	35.5%	3.1%
Greece	38.3	93.0	143.1%	9.3%
Latvia	34.5	73.3	112.3%	7.8%
Netherlands	73.3	71.3	-2.7%	-0.3%
Zambia	1.5	61.3	3983.3%	44.9%
Israel	30.0	59.8	99.2%	7.1%
Lithuania	7.0	59.0	742.9%	23.8%
Kazakhstan	6.3	58.9	841.6%	25.1%
India	3.8	50.3	1240.0%	29.6%
Japan	12.8	49.5	288.2%	14.5%
Spain	60.0	48.3	-19.6%	-2.2%
Nigeria	0.5	46.5	9200.0%	57.3%
Kenya	2.3	45.3	1911.1%	35.0%

2010 Global Market Percentage %



2020 Global Market Percentage %



Source: IWSR

United States

The Irish whiskey revival and renaissance has been spearheaded by the stellar growth achieved in United States where volumes increased 266% from 2010 to 2019, with the US market accounting for 51% of all Irish whiskey sales growth across the decade. Irish whiskey is the most valuable Irish food and drink export to the US, accounting for 46.8% of the value of all Irish food and drink exports in 2019.

The US remains by far the largest market for Irish whiskey accounting for 42% of all sales, up from 28% in 2010. California and New York have been the two leading individual states; each recording sales in excess of any other international market.

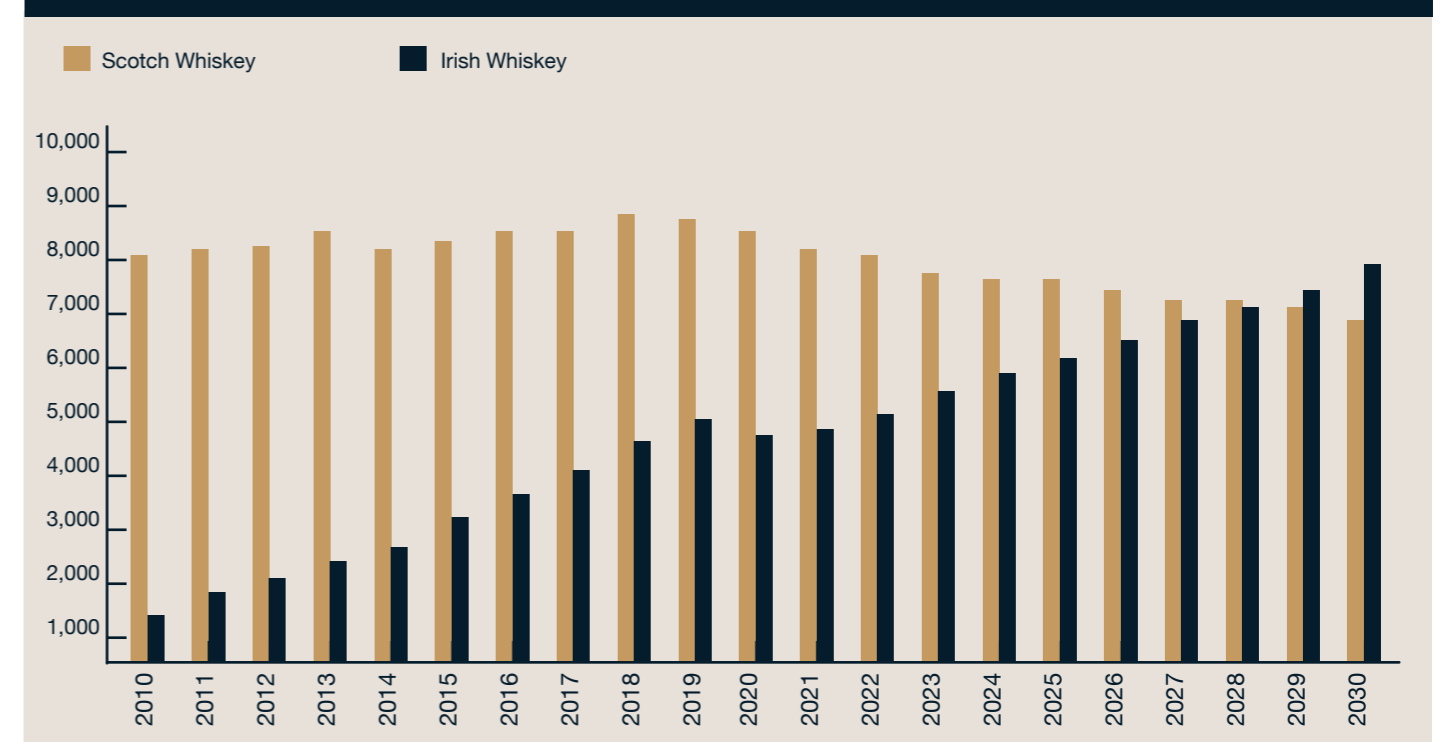
Irish whiskey consumption trends among US consumers have evolved over the course of the decade. While Irish whiskey may have been regarded by many as a 'shot drink', it is clear that Irish whiskey has developed a broad appeal including increased use in mixed drinks and increased sales

of more premium-and-above Irish whiskey expressions. Into the future the US will remain a continuing major growth market for Irish whiskey, with both premiumisation and new trends in e-commerce offering fresh growth opportunities.

However, our association has been consistent in recommending that Irish whiskey businesses should set a minimum target of 50% for sales growth outside the US. In 2019 the US accounted for only 44% of all growth.

A further positive trend recorded in the US over the past decade has been the performance of Irish whiskey versus Scotch. In 2010, sales of Scotch were running 470% ahead of Irish whiskey, whereas in 2019 the gap was down to 76%. In real terms the gap has fallen across the decade from 6.6 million cases to 3.8 million. It is the firm assessment of our association that sales of Irish whiskey in the US can overtake sales of Scotch whisky over the course next decade, for the first time since before prohibition in the 1920's.

Irish Whiskey versus Scotch Whiskey 2010-2030



Top 10 selling states for Irish Whiskey 2019.

Position	Market	2019 case sales
1	California	900,593
2	New York	717,083
3	New Jersey	267,466
4	Illinois	265,093
5	Florida	212,650
6	Texas	191,999
7	Massachusetts	186,070
8	Pennsylvania	154,893
9	Colorado	142,024
10	Ohio	127,801

Source: 2020 Liquor Handbook, Beverage Information Group

Europe

At the start of the decade, a majority (51%) of all Irish whiskey sales were accounted for by Europe, ranging from our home market in Ireland to Russia in the east. Ten years later, Europe's share of the global Irish whiskey market had fallen back to 37%. However, it was nonetheless a decade of strong growth for Irish whiskey across the continent as a whole, although with greatly differing performances across individual national markets.

In general, Ireland, the United Kingdom and many Western European markets saw only modest and, in some cases, sluggish or negligible growth. However, Central and Eastern Europe has more than made up for that.

Russia, Germany, Poland Czech and Ukraine have led the way in terms with sales growth of just over 20% across the region over the decade. In 2019, over additional 350,000 cases were sold across Central/Eastern Europe, spread across multiple brands. This accounted for 31% of all growth in 2019 confirming the region as a real

Selling Irish whiskey to the Irish

Irish whiskey's home market saw a steady 26% growth in all brands over the course of the decade. However, sales of premium-and-above priced Irish whiskey jumped a massive 353% in the same period, with 83% of the growth being recorded since 2014.

The growth in premium-and-above sales highlights the increasing premiumisation of spirits consumption in Ireland, with consumers drinking less but drinking better. It also offers Irish whiskey producers a dynamic 'testbed' in their home market, in which they can efficiently launch and test the consumer response to new and innovative expressions, in turn supporting the vibrant NPD function in the Irish whiskey industry.

counterbalance to the United States in terms of Irish whiskey sales and growth. Germany has emerged as the most-competitive major market for Irish whiskey in terms of competition between Irish whiskey brands; and it has one of the lowest market share percentages for the leading brand (33%) in the Irish whiskey category compared to competitor brands.

Across Europe sales of standard price Irish whiskey grew strongly. Future growth is expected, particularly among younger consumers, as the attractiveness and versatility of Irish whiskey in cocktails and mixed drinks is promoted and mainstreamed, in competition to US whiskey. Premium-and-above Irish whiskey should have plenty of scope for growth, particularly among older and higher-income consumers.

Global Travel Retail

Sales of Irish whiskey in travel retail recorded slow but steady growth across the decade, even if its importance in term of overall sales dropped back from 8.8% to 5.7%.

The three largest Irish whiskey brands – Jameson, Tullamore D.E.W. and Bushmills accounted for 91% of Irish whiskey sold in travel retail and all three brands featured in the Top 60 spirits brands sold in global travel retail. 70% of all Irish whiskey sold in travel retail was sold in Europe.

In light of the Covid-19 pandemic and the collapse in international travel, the future of global travel retail and Irish whiskey sales through this channel remains uncertain.

Breakthrough markets!

Five non-traditional markets where Irish whiskey sales grew from less than 10,000 cases to over 40,000 cases per annum over the course of the decade:

	2010 cases	2020 cases	Growth
Zambia	1.5	61.3	3983%
Kazakhstan	6.3	58.9	841%
India	3.8	50.3	1240%
Nigeria	0.5	46.5	9200%
Kenya	2.3	45.3	1911%

Rest of World and Emerging Markets

Canada, South Africa and Australia all saw six-digit growth in case sales over the course of the decade. The latter years of the decade saw sales begin to take-off in Asia and the rest of Africa which historically had seen negligible sales of Irish whiskey. For example, in 2019:

- **Sales of Irish whiskey in the Sub-Saharan Region (outside South Africa) increased by 26.7% from 194,800 cases to 246,800 cases, led by increases in Nigeria and Zambia.**
- **In Asia, strong sales growth was recorded in India, Japan and Kazakhstan.**

If the Irish whiskey category is to achieve its long-term potential, then our industry must begin targeting growth in more non-traditional markets, particularly in Asia and Africa and more selectively in Latin America. Increasing digitisation in Africa and the growth of e-commerce sales platforms in Asia, particularly in China, offers massive opportunities. Irish whiskey businesses should particularly seek to carve-out growth opportunities in city-regions with increasing middle classes and strong consumer spending. However, Irish whiskey businesses must be realistic. Targeting non-traditional and new markets will be challenging, requiring a long-term commitment to brand building.

Brand Ambassadors – our unsung heroes!

Since the 1980's, in-market brand ambassadors have played a pivotal and often under-appreciated role in the global revival of Irish whiskey sales. Young, graduate ambassadors have been placed by companies, large and small, in both leading and emerging markets to develop and sustain business customer relationships and to promote their brands to consumers. Brand ambassadors have been the unsung heroes of the Irish whiskey revival and renaissance. Ibec, through its Global Graduates (previously EOP) programme, has proudly facilitated and supported brand ambassador placements for a large range of Irish whiskey companies.

Brand ambassador roles offer valuable developmental opportunities to the participating graduates. For example, Tullamore D.E.W. have placed 35 ambassadors around the world over the past eight years. A substantial number of these still work for the company or the broader spirits industry, some in very senior roles, and based in a variety of markets.

The Jameson Graduate programme, run by Irish Distillers, is now in its 28th year and provides graduates with the opportunity to work with a global Irish brand in 50 countries around the world.



respects, simply building a strong relationship with as many employees within these establishments and introducing them to our spirits and brand story will create a vital push for our SKUs within the market.

Alternatively, creating a “pull” is just as important as creating said “push”. Every liquor store offers the opportunity to not only convert staff to our brand but also to improve the possibility of organic sales our spirits. The importance of having our spirits at eye level on the shelves is something that I work on in every off-premise account along with making sure all of our SKUs have detailed “shelf talkers” in place so to convert the typical Oregon consumer who is informed and conscious of their spirits purchases.

Pre-Covid, carrying out as many in-person store tastings as possible was a priority. Being an Irish brand ambassador stateside, I feel the responsibility of not only representing Clonakilty Distillery but also the Irish Whiskey category as a whole. In order to scale up in-person interactions I hired and trained two local reps to carry out tastings in stores. The response from the consumer from these face to face interaction was invaluable.

Being a new entrant into the Oregon market I am always on the look-out for new opportunities that will create brand exposure. A winning formula for this has been our brewery collaboration releases. I work directly with the local brewery in terms of logistics, marketing and promotion. Through word of mouth, and establishing US specific social media platforms of which I manage, we look to build on the exposure and reputation this compelling project has given us while simultaneously having future projects in the works.

Sean Scully

Clonakilty Distillery

Clonakilty Distillery

The story of an Irish whiskey brand ambassador in Oregon

October 2020, marked one year since Clonakilty Distillery entered Oregon, our first West Coast state.

My role as the lone brand ambassador within the state has evolved over the past year with changing market dynamics and opportunities. The role is far from predictable, ranging day-to-day from social media activity to brand awareness development to marketing opportunities.

Since the on-set of Covid-19, my current focus has been off-premise accounts as opposed to on-premise development. Daily, I engage with liquor store owners and manager to obtain new listings while also ensuring that our spirits will have the best chance of succeeding in existing stores. Converting liquor store clerks and staff to being advocates of Clonakilty Distillery is an invaluable tool. Although a tough task in many

Importance of International Trade Policy

History shows that Irish whiskey prospers when it has maximum global trading opportunities. The growth of Irish whiskey sales over the past decade has been driven by export growth and this, in turn, has been greatly facilitated by access to the benefits of both EU trade agreements and the global multilateral trading framework.

In 2019, sales of 10.2 million cases of Irish whiskey, or 85% of all Irish whiskey sales, were to markets where Irish whiskey is subject to zero tariffs, greatly helping the competitive pricing of Irish whiskey in these markets. Conversely, the imposition of new tariffs, such as the recent US tariffs on Northern Irish single malts, can adversely impact on the pricing and competitiveness of Irish whiskey. In general, trade agreements have also helped to eliminate many other market access barriers, supporting Irish whiskey exports. Into the next decade, our association will continue to work with both the EU and UK authorities to maximise the international trading opportunities for the Irish whiskey industry across the island of Ireland.

How the CETA trade agreement helped grow sales of Irish whiskey in Canada

The CETA agreement between the EU and Canada resulted in the reform of the cost-of-service-differential (COSD) imposed by provincial liquor boards in Ontario and Quebec, moving from an ad-valorem calculation to a flat volume-based fee. This move greatly benefitted higher-priced premium Irish whiskey brands in allowing them to be priced more competitively. Between 2017 and 2019, total sales of premium Irish whiskey brands in Canada increased by 25%. There is strong anecdotal evidence from Irish companies to suggest that the reform of the COSD in Ontario and Quebec (accounting for over 60% of all sales in Canada) was instrumental in supporting this strong sales growth.

There remains a number of outstanding discriminatory levies and mark-ups in place across Canadian provinces. Our association will continue to lobby for their removal in line with the ambition of the CETA agreement.



Innovative new and premium products

Ireland is the home of whiskey and, because of this, Irish whiskey has a depth and diversity to it which sets it apart from other international whiskey categories.

This depth and diversity has grown over the past decade as the number of Irish whiskey brands on the markets increased from dozens to hundreds. The rapid expansion in brands and expressions is a factor of the dynamic culture of innovation and new product development which has been one of the most exciting aspects of the recent evolution of the Irish whiskey industry.

The emergence of premiumisation

Recent years have seen the emergence of premiumisation as a major trend across global spirits categories. Irish brands have worked hard to benefit from premiumisation.

At the premium-and-above price level categories, Irish whiskey brands recorded 83% growth over the decade, contributing approximately 6.5% of all Irish whiskey sales growth over the ten years. While this was a healthy rate of growth it was notably lower than that recorded by other whiskey categories. Part of this was due to the relative limited availability of mature product. As more aged Irish whiskey comes on-stream and as the Irish whiskey industry continues to innovate and develop new premium products, Irish whiskey will be able to compete better in these price segments.

World leaders in wood and cask-finishing

The choice of barrel massively influences the final flavour profile of Irish whiskey and this is one area where Irish whiskey producers focussed their minds over the past decade.

Unlike bourbon producers who can only use virgin oak barrels, or Scotch producers who can only use oak barrels previously filled with a limited number of liquids, Irish whiskey producers, while respecting tradition, can use all sorts of wooden barrels to mature and finish our whiskey

Barrels made from American or European Oak have dominated in Ireland, but barrels made from chestnut, cherry, acacia and native Irish Oak also featured more and more in recent years. Barrels previously used for American whiskeys are most common, but barrels once used for sherry, port, other wines or fortified wines, rum and beer have also been used by producers to mature Irish whiskey in order to give it that extra finish before bottling.

Of course, the micro-climate of where the barrels are matured and finished can also have a significant effect on the finished whiskey.

The scope available to Irish whiskey producers means Irish whiskey, particularly over the past decade, has become a world-leader in the art and craft of finishing, creating more-and-more new expressions. This has greatly added to the depth and diversity of products on the markets, all with unique and complex taste profiles based on the barrels used and providing the global consumer with increasing choice.

Companies such as Bushmills have been innovating in the use of different cask and wood types for decades, evidenced by their recent launch of single malts which underwent very lengthy finishing in Muscatel and Malaga casks.



How Walsh Whiskey went about developing a super-premium brand

Having established Walsh Whiskey together with my wife Rosemary in 1999, following the launch of our first whiskey (*The Irishman*), we were looking to add a second string to our bow, something disruptive to challenge the super-premium whiskey category.

Possessed of a simply magical, and still unique, marriage of two super-premium whiskeys (Single Pot Still & Single Malt), we were in search of a strong creative accent for the brand. I was fixed on using 'Writers' as the central theme because it evoked Ireland's great literary history and had undertones of the highest quality which reflected the promise of our whiskey. Writers' known penchant for a drop of whiskey to meet their varying creative moods validated the theme. Before long we had done away with Writers' Block, and other options, in favour of Writers' Tears as the name of choice. We followed through in terms of the bottle and styling of the label by adopting the, now iconic, tall Victorian bottle and typography of the era.

Currently in over 50 markets worldwide, it is fair to say that we have executed well in that time. Well enough to invest in the future growth of Writers' Tears through a significant,

but very respectful, redesign that we have recently unveiled globally.

Key features include the application of a cork for better preservation, a slightly larger, debossed bottle featuring a whiskey (tear)drop, reframed labelling and packaging. The effect of these changes has been to create a more informative and aesthetically pleasing whiskey experience – one that sees the bottle and packaging catch-up with the super-premium quality and allure of the whiskey itself – well almost! We have also created an entirely new web-site complete with a 'Flavour Wheel' to help you find a whiskey to suit your own taste profile and a global search-engine to identify where our whiskeys are stocked (www.walshwhiskey.com).

We have always known that in Writers' Tears we have a whiskey that is worthy of a notably higher price point to reflect its quality. However, we understand that we are still challengers to the establishment, still building and still earning consumers' interest and loyalty while competing with the biggest and the 'best'. So we continue to set our prices to encourage people to join the Writers' Tears community in our quest to find the perfect drop of An Uisce Beatha [On-Ishkah-Bahah]/ The Water of Life.

Bernard Walsh
Walsh Whiskey

In 2017, Irish Distillers introduced the Jameson Caskmates Series, born out of a curiosity to understand the influence of beer-seasoned barrels on whiskey.

The company also launched METHOD AND MADNESS, a brand defined by experimentation and innovation. The METHOD AND MADNESS Single Pot Still Irish whiskey finished in Wild Cherry Wood is a world-first.

Over the last eight years Teeling Whiskey Company in Dublin have explored the realm of ex-wine, ex-beer, ex-fortified wines and other spirits as well as a wide range of wood types to produce an award-winning range of exciting whiskeys. The company still have over 70 different research and development cask projects in our warehouses meaning plenty more unique bottlings to come.

A recent reintroduction to the Irish whiskey scene has been the use of native Irish wood. Glendalough Irish Whiskey had experimented with breeds of oak from around the world which led them to look at own indigenous Irish Oak. In 2019 they released a new Pot Still Irish whiskey finished in virgin Wicklow Mountain Oak casks for a year.

In 2020, Irish Distillers also released Midleton Very Rare Dair Ghaelach Knockrath Forest, finished in barrels made from virgin Irish oak grown under the stewardship of the Brabazon family in Knockrath Forest, County Wicklow.

Lambay Irish Whiskey bring five generations of French Camus Cognac blending and maturation expertise to Irish whiskey. They use their bonded warehouse on the island of Lambay to mature their whiskeys, exposing them to the perfect maritime environment where high levels of sea salt and sea spray impart unique brine notes to the whiskey.

Innovation in grain and malt use

While barley and maize dominate Irish whiskey distilling, recent years have seen increased use of oats and rye in Pot Still Irish whiskey and the use of wheat in Irish grain whiskey, furthering the depth and diversity of Irish whiskey.

Irish whiskey benefits from the existence of the generic Irish whiskey category which allows production of Irish whiskeys which do not fall under the defined technical file categorisations of pot still, malt and grain. Distillers can use innovative mash bills, including non-traditional grains, and still call it Irish Whiskey. A prime example was the widely-regarded Kilbeggan Small Batch Rye launched in 2019 which, as the name says, was produced with high level of rye.



Kevin O'Gorman, Master Distiller, Irish Distillers



Cocktails offer an opportunity to showcase Irish whiskey in a fun and innovative way and this is proving effective in recruiting younger whiskey drinkers. Cocktails demonstrate the versatility of Irish whiskey. Its varying complex flavour and balanced spirit makes Irish Whiskey ideal for mixing drinks, where the Irish Whiskey stands up but does not overpower the cocktail. Mixologists love the variety of flavours that Irish whiskey brings as it allows them to express and build on their own creativity while some of the most iconic bars around the world are now putting Irish whiskey cocktails on their menu.

Recent years have seen Irish whiskey brands investing in and prioritising the promotion of Irish whiskey cocktails and education of bar staff and mixologists.

Cask Strength Crusades

In response to growing consumer demand, the past year has seen a particular increase in the number of Irish whiskey expressions being launched at cask strength.

Innovation in consumer outreach

Innovation has not been limited to Irish whiskey products. How Irish whiskey brands engage with consumers has also changed. Innovation in promotions and events is opening-up new opportunities for the consumer to learn about and experience Irish whiskey. Brands, starting at home in Ireland, have developed exciting and interactive events such as tutored tastings, product deconstructions, 'meet-the-maker' talks and food-pairing and cocktail events. The on-trade has played an important role in facilitating and promoting these events, led by collective initiatives such as the Killkenny Whiskey Guild. The onset of the Covid-19 pandemic has accelerated the rise of online tastings (with samples dispatched to registered participants) and this looks like a trend that's here to stay.

The past decade has also seen use of more diverse types of malt such as chocolate and crystal malt. Following the successful of the iconic Connemara brand from Cooley Distillery, peated Irish single malts are also on the rise, with strong consumer demand, including in Germany, France and the Benelux countries.

The rise of the Irish Whisky Cocktail

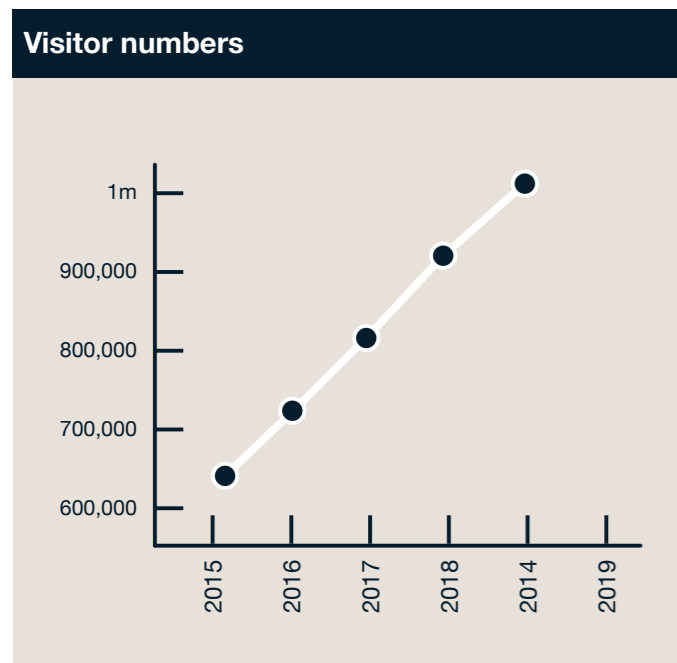
For many decades, Irish whiskey has been the essential ingredient of the world-famous 'Irish Coffee'. But now, the Irish Whiskey Cocktail is on the rise and is opening-up new growth opportunities, particularly with millennials.

Attracting visitors

By throwing open their doors and by showcasing their people, their places and their practices, Irish whiskey distilleries are putting their authenticity and uniqueness on display while providing highly-popular tourist attractions.

During the second part of the past decade, Irish whiskey tourism emerged as a star performer in Ireland's tourism offering; and Irish whiskey began to be recognised as a world leader in experiential tourism. Many distilleries and brand homes have innovated and expanded their offerings, with a marked increase in blending and cocktail classes as well as 'meet the maker', food-pairings and seasonal events.

Overall visitor numbers to Irish whiskey distilleries and brand homes began being collated in 2015 and in the four years that followed the total number of visitors grew by 54%, from 653,000 in 2015 to just over one million in 2019.



In 2019, North America proved to be the top market of origin for visitors to Irish whiskey distilleries, particularly to those in Dublin. Distilleries in Northern Ireland attracted higher numbers from Great Britain while visitor centres in rural locations attracted higher numbers from the continent.

Origin of visitors 2019	
US/Canada	34%
Ireland	13%
Great Britain	12%
Germany	10%
France	7%

The number of staff directly employed in visitor centres peaked at 409 in 2019.

Fáilte Ireland's 'Key Tourism Facts' published in September 2019 found that overseas holidaymakers spent €94 per day while domestic overnighters spend €71 per day. It is estimated that visitors to distilleries and brand homes in 2019 contributed spending of €90 million in total to the broader economy.

2020 has been a very different story. The Covid-19 pandemic has led to the collapse in international travel and tourism. While many visitor centres had a moderately busy Summer with domestic stay-cationers, the impact of Covid-19 on visitors to Irish whiskey tourism attractions in 2020 has been devastating and the outlook for 2021 remains uncertain. The association is working with members to map out a new approach to support the recovery and future viability of Irish whiskey tourism.



Kilbeggan Distillery



Jameson Distillery, Bow Street.



Minister Creed launches IrishWhiskey360°

Irish Whiskey 360°

In late 2019, IrishWhiskey360° was launched as a new promotional platform for Irish whiskey tourism with the full website going live in January 2020.

Initial activities were supported by Fáilte Ireland and Tourism Ireland, including media events in Canada and the US. The platform will play a key role as the industry plots a new roadmap for Irish whiskey tourism in a post-Covid world.

Visit: www.IrishWhiskey360.ie

Growing the economy

This report has so far discussed the contribution of Irish whiskey to communities, to exports, to agriculture and to tourism.

An assessment carried out by our association, in conjunction with Ibec, points to the broader contribution of the Irish whiskey to our shared economy across the island of Ireland. Unless otherwise stated, the economic assessment set-out in this chapter is based on data provided by member companies and on responses or publicly-available data from the small number of companies not in association membership.

€1.55 billion investment by industry

Our assessment indicates that the Irish whiskey industry invested €1.55 billion in total over the last decade, across a range of headings, led by capital investment in distillery and plant developments.

The 2015 Vision for Irish Whiskey strategy reported industry investment of €397 million from 2010-2016 and projected investment of €366 million from 2016-2020. These projections have been well exceeded in the latter years of the decade as developments in new distilleries and maturation facilities and an expansion in non-capital activities rapidly accelerated, with increased investment in particular from both multi-national spirits companies and private equity.

€686 million value added to the economy

Our assessment indicates that the Irish whiskey industry

Over the past decade, the Irish whiskey industry:

- Invested €1.55 billion
- Contributed €686 million in value added to our shared economy across the island of Ireland
- Contributed €412,756 GVA per employee, the highest across Irish food and drink
- Directly employed 1,640 persons pre-Covid
- Delivered €770 million in excise on domestic sales to the Irish exchequer.



Dublin Liberties Distillery

contributed a gross value added (GVA) of €686 million in 2019.

This represents a significant increase on the €303 million total GVA reported the 2015 Vision for Irish Whiskey strategy, however the increase is in keeping with the increased performance of the industry in the period as captured by other indicators.

The Irish Government's Food Wise 2025 strategy published in 2015, targeted a 70% increase in value added by 2025. In the first five years of that period, the gross value added of the Irish whiskey industry grew 126% on an all-island basis.

€412,756 GVA per employee is the highest across Irish food and drink

Our assessment indicates that the Irish whiskey industry contributed a gross value added of €412,756 GVA per employee in 2019. This is more or less unchanged from the €406,016 GVA per employee reported the 2015 Vision for Irish Whiskey strategy. This suggests that the Irish whiskey industry has successfully managed to protect its high levels of productivity despite significant expansion in staffing.

The GVA per employee of the Irish whiskey industry is also substantially higher than that of any sector across the Irish food and drink industry. The Irish Government's Annual Business Survey of Economic Impact (ABSEI) found that the average GVA per employee across the Irish food and drink was €64,600, growing at 3.6% per annum. This was approximately one-sixth of the relatively static GVA per employee of the Irish whiskey industry.

The GVA per employee of the Irish whiskey industry is also substantially than that of the Scotch whisky industry. The 2019 Scotch Whiskey Impact Report found "the manufacture of beverages in Scotland – dominated by Scotch – produces £210,505 (c. €233,000 GVA) per employee."

1,640 persons directly employed by the Irish whiskey industry pre-Covid

Our assessment indicates that there was a peak number of 1,640 persons directly employed by the Irish whiskey industry pre-Covid. A quarter of these were employed directly in visitor experience activities and it this cohort that have seen the most substantial job losses as a result of the Covid-19 pandemic.

In line with other indicators, the total of 1,640 runs well ahead of the findings of the 2015 Vision for Irish Whiskey strategy which reported direct employment in the Irish whiskey industry of 748 in 2014 and projected 904 direct employment by 2020.

Irish whiskey sales contributed €770 million in excise to the Irish exchequer

Based on an assessment of data from the Revenue Commissioners on overall excise returns and data on the proportion of domestic spirits sales taken up by Irish whiskey, we estimate that sales of Irish whiskey contributed €770 million to the Irish exchequer in the ten years 2010-2019. This does not include Northern Ireland.



Tullamore Distillery

Embodying our shared island

The island of Ireland is both the home of whiskey distilling and the source of its name. Irish whiskey is defined by its people and its places; and the people and places of Irish whiskey have survived and thrived as one industry across our shared island. From the heyday of the 1800's when there were distilleries scattered across all parts of the island; to the dogdays of the 1980's when there were only two distilleries left, one in the north and one in the south; Irish whiskey has always been an all-industry industry – the embodiment of our shared economy.

Irish whiskey is a protected geographic indication, equally recognised and protected on an all-island basis by both the EU and UK; and in laws of many countries around the world. This means a product can only be labelled and sold as Irish whiskey if it has been fully distilled and matured in wooden casks on the island of Ireland.

It's not just our industry and our rules that are of an all-island nature. Many Irish whiskey products are produced on an all-island/cross-border basis including:

- **Blended Irish whiskeys containing component Irish whiskeys distilled on both sides of the border;**
- **New-make spirit distilled on one side of the border but matured on the other side;**
- **Irish whiskey distilled/matured/blended on one side of the border but bottled on the other side.**

Based on an assessment of 2019 global sales figures, it is estimated that approximately 3.1 million cases of Irish whiskey, or 26% of all sales were accounted for by brands of Irish whiskey produced on an all-island or cross-border basis. This fact along with the headline all-island economic indicators set-out in this report on exports, jobs, investment, value-added and tourism all act to highlight the relevance of the all-island economy to our industry.

The impact of Brexit?

As outlined in this report, January 2020 saw the rolling 12-month total for global sales of Irish whiskey exceed 12 million cases. This was also the last month of Northern Ireland's full membership of the European Union (EU) as the United Kingdom officially withdrew from the EU on 31 January.

It is said history has a habit of repeating itself. The last time Irish whiskey reached 12 million case sales was just over a century earlier, just before the Irish Free State gained independence from the UK. What followed was two decades of steep export decline for Irish whiskey as access to the global markets of the British Empire became restricted and a trade war intensified with the UK.

Like a century ago, both parts of the island of Ireland are once again diverging from being part of one, unified trading bloc to now being part of two. We greatly hope that history does not repeat itself.

Since Ireland and the United Kingdom both joined the European Economic Community in 1973, the Irish whiskey industry across the island of Ireland has operated as part of a single customs territory and trading bloc. However, under the Withdrawal Agreement between the UK and EU, Northern Ireland will cease to be part of the EU customs territory from 1st January 2021. Under the Protocol on Ireland/Northern Ireland, which forms part of the Withdrawal



Bushmills Distillery

Agreement, goods from Northern Ireland will continue to have continued free access to the EU market, while cross-border supply chains and trade on the island of Ireland will be free from checks and tariffs. However, beyond that, Ireland and Northern Ireland operate as separate customs territories meaning trade with international markets may be subject to differing rules, arrangements and tariffs.

Two key concerns for the Irish whiskey industry post-Brexit are:

- **Ensuring Irish whiskey produced in Northern Ireland or on all-island or cross-border basis can continue to be labelled as Product of Ireland;**

- **Ensuring that all compliant Irish whiskeys, including Irish whiskeys produced on a cross-border basis, have equal and unrestricted access to relevant EU and UK trade agreements.**

These are matters which our association continues to lobby on.

For centuries, the Irish whiskey industry has been symbolic of the all-island economy. Our industry is determined not to let Brexit undermine that and we look forward to Irish whiskey being seen in the future as an embodiment of our vibrant shared economy on the island of Ireland.

Working together for the industry

dynamic, member-led organisation with over 50 meetings/ events every year.

Protecting Irish Whiskey

The Association has a global protection strategy in place to protect the authenticity, integrity and high standards of the Irish Whiskey category. This involves securing the strongest legal protection for the category in order to protect producers from unfair competition and to ensure consumer protection. Ensuring that Irish Whiskey is protected from unfair competition is not just about IP protection, it is also about protecting cultural heritage and employment in rural areas, where most of the industry's distilleries are located.

In 2019, the Association trebled its legal budget which has resulted in the significant expansion of the Association's work in securing the recognition and protection of Irish Whiskey in third countries. Irish Whiskey is currently protected in over 50 markets and the work of the Association in taking action now to secure such protection is vital as the industry expands as failure to act will cause difficulties in protection Irish Whiskey in the future. Registrations have been achieved in India, South Africa, Australia, Taiwan and Belarus with many more applications pending. These achievements greatly enhance the Association's ability to defend the industry against imitation products, which threaten the integrity of Irish Whiskey and the reputation it has built up over many. It also provides consumers with greater confidence in the quality and authenticity of Irish whiskey.

The European Union has also greatly helped to extend recognition for Irish Whiskey as a GI by seeking protection for EU GIs in bilateral treaties and other agreements with third countries. The Association has continued engagement with EU Commission, Irish & UK Governments to ensure inclusion of Irish whiskey GI protection in all agreements.

Irish Whiskey Technical File

From 2008 to 2014, the then Irish whiskey producers in Ireland worked together to define the distinctive types of Irish whiskey and their unique production methods to secure ongoing GI status for Irish whiskey and its distinctive styles: Malt Irish Whiskey, Pot Still Irish Whiskey, Grain Irish Whiskey, and Blended Irish Whiskey. This technical file/product specification was adopted by Department of Agriculture and then filed with the European Commission in 2014. The technical file/product specification remains the responsibility of the Irish, UK and EU competent authorities.

The Irish Whiskey Technical File defines the processes involved in the production of Irish whiskey, protecting the traditional practices of production which give Irish whiskey its unique character. The Technical File allows for innovation in the production of Irish whiskey once it is in accordance with traditional practice. This is leading to an exciting diversity of new products and expressions across the broader category from Irish whiskeys with rye to a multitude of different cask-finishes.

Our Association

Drinks Ireland | Irish Whiskey Association was established in 2014 as a new, all-island representative body for the Irish whiskey industry. The association represents the industry with government and state agencies as well as working to promote and defend the industry and the Irish whiskey category. The association which is funded by industry has seen its membership increase to 44 in 2020, representing over 95% of the production output of the industry and over 98% of global sales. The association has developed into a



As the category grows, so too has the number of reported product infringements requiring action by the association. The Association adopts marketing monitoring strategies in problematic markets and has taken effective enforcement action against such products in order to protect the description 'Irish Whiskey'. The US remains the market where the Association is addressing most instances of misuse with products using words or symbol commonly associated with Ireland in order to convey the false impression that the product is Irish Whiskey or has been produced in Ireland. The Association continues to engage with the US Regulators (TTB) to address these issues and to lobby for further protection of Irish Whiskey in the US. In addition, the Association is seeking to strengthen the protection for Irish Whiskey in the US by registering Irish Whiskey as a certification mark.

As part of our wider strategy for protecting Irish whiskey, the Association also carries out trademark monitoring, by way of a trademark watching service. Monitoring trademarks globally is a useful source of intelligence and acts as an early warning of the intention to use a deceptive mark. It allows us to take pre-emptive action before offending products are launched.

The Knowledge Still

Protecting the high standards of the Irish whiskey industry and promoting innovation is key to the future success of the category.

Since its establishment, our association has been recognised as a world-leader in providing industry-led mentoring and support for new entrants. In 2018, 'The Knowledge Still' programme was launched to ensure that all Irish whiskey producers have access to expert knowledge and guidance needed to protect and pass on the high-quality standards which have become a hallmark for Irish whiskey.

The 'Knowledge Still' programme offers workshops, seminars and one-to-one support from experienced distillers and industry experts. Topics covered in workshops to date range from maturation, finishing and blending, to best practice in water managements to health and safety, fire safety and ATEX.

A strong and effective voice on international trade

The Irish whiskey industry currently produces well in excess of 20 times more product than demand on the island of Ireland would justify. We do so because we know that there is an ever-increasing demand for Irish whiskey from consumers around the world. Getting that product to global consumers depends on international trade.

History teaches us that Irish whiskey prospers when it has maximum global trading opportunities. The growth of Irish whiskey sale over the past decade has been driven by export growth and this in turn has been greatly facilitated by membership of the EU single market, access to the benefits of bilateral trade agreements; as well as access to global the multilateral trading framework. Going forward, international trade faces many challenges. The Irish whiskey industry will face additional challenges when it comes to trade given that our industry now spans two different customs territories and trading blocs.

Against this backdrop, it is more vital than ever that Irish whiskey has a strong and effective voice on international trade. Our association is working to offer that voice, with increased lobbying on international trade matters in Dublin, London, Brussels, Washington and other capitals, on everything from seeking inclusion in new trade agreements to responding to trade disputes to addressing market access barriers.

Working with Control states

As a non-commercial representative body, the association has developed a key role in engaging with quasi-governmental liquor control boards in US and Canadian control states (i.e. states and provinces where a government agency holds a monopoly on alcohol distribution and/or sales.)

Since 2018, the association has hosted visits to Ireland by senior buyers from the Liquor Control Board of Ontario, British Columbia Liquor Distribution Branch and the Pennsylvania Liquor Control Board. These visits, which included meeting with members and visits to distilleries, gave the buyers an invaluable opportunity to see at first-hand the people and places behind the brands and to experience our unique ways of making whiskey. In addition, the association has partnered with liquor control boards to organise in-market education and promotion events for staff, media and consumers in Toronto, Pittsburg and Philadelphia.

Our partnerships with control states have led to more listings of Irish whiskey (e.g. a 75% increase in listings in Pennsylvania) as well as more sales overall of Irish whiskey.

US Media Partnership 2019

In 2019 our association partnered with the Distilled Spirits Council of the United States on a partnership to promote Irish whiskey via the US media. In March 2019, a pre-St. Patrick's Day 'Celebration of Irish Whiskey' for US media was held in Manhattan, officially hosted by Mr. Ciarán Madden, Irish Consul-General to New York. In June 2019, ten leading US spirits and travel writers visited Ireland for a week-long tour of distilleries. This partnership led to almost a full year of media coverage and features on Irish whiskey in top-tier US media.



Association meeting, 2018



Knowledge Still workshop, 2018



Regional launch, Tullamore, 2017



Tourism Ireland event, Canada, 2010

Looking to the Future

2010-2020 may have been a phenomenal decade for Irish whiskey, but it represents neither the peak nor the end of the Irish whiskey revival and renaissance.

Planned developments

The past decade may have redrawn the map of Irish whiskey distilleries, but there are yet more exciting developments planned around the island of Ireland. Some of those are listed here:

At **Bushmills**, work is currently underway on the development of a second distillery and of 29 new warehouses part of a £60 million investment plan to double production capacity.

As the first whiskey and gin distillery in Donegal, **Sliabh Liag Distillers** have set out to reclaim the distilling heritage of Donegal. Construction is underway on a new distillery at Ardara.

Gortinore Distillers have secured planning permission and aim to break ground in 2021 on a development to transform the Old Woollen Mill in Kilmacthomas, Co. Waterford into a new distillery and visitor centre.

Royal Oak Distillery in Co. Carlow has been in operation since 2016. A €4 million upgrade is underway to improve quality investing. In 2021 the distillery will look to reopen their visitor centre and reinvigorate the experience at Royal Oak in order to attract national and international tours to the locality.



Bushmills



Sliabh Liag Distillers



Gortinore Distillers

Lough Ree Distillery

Lough Ree Distillery currently produces gin and vodka and bottles The Bridge Irish Whiskey series. In 2021, the business will move to their permanent site, commence whiskey distillation and open their visitor centre on the shores of Lough Ree, at the core of Ireland's Hidden Heartlands. When fully operational, the business will employ 25 people and produce in excess of 50,000 cases per annum of Irish Whiskey and other spirits.

Lambay Irish Whiskey have secured €190,000 in LEADER funding for development of a micro-distillery on Lambay Island, off the coast of North County Dublin.

Skellig Six 18 in Cahersiveen, Co. Kerry plan to develop a new Irish whiskey distilling operation alongside their currently-operational gin distillery and their visitor experience which already incorporates an Irish whiskey dimension.

Matt D'Arcy & Co are bringing distilling back to the Newry, a town with a proud history of Irish whiskey making. Planning permission has been granted for a craft distillery with a Victorian bar, restaurant and visitors centre on the Old Distillery site on Monaghan Street.

Killarney Brewing & Distilling Company are currently building a new malt and grain distillery with one million LPA capacity which is planned to be up-and-running by June 2021. The state of the art facility will also house a visitor centre, gin distillery, craft brewery, 180 seat restaurant, gala dinner venue and a roof top garden to capture the stunning views of the MacGillycuddy Reeks and the lakes of Killarney.

McAllister Distillers have secured planning permission to construct a state-of-the-art craft Irish whiskey and gin distillery in Ahascragh, Co. Galway. The development includes restoration of a beautiful protected old mill complex dating back to the early 1800's and will deliver a world class whiskey experience and hospitality destination inside a working craft distillery.



Lough Ree Distillery



Skellig Six18



McAllister Distillers

Opportunities and Challenges

The immediate goal of the industry is to return to the '12 million in 12 months' case sales total recorded in January 2020. A target for sales growth over the next decade will be considered in due course once the data for 2020 becomes available and the outlook for the near future becomes

clearer. But what is clear is that the next decade offers many more opportunities for Irish whiskey, albeit with challenges.

William Lavelle, head of the association, outlines potential opportunities and challenges for the next decade:

Opportunities

Market Diversification

Irish whiskey has only skimmed the surface of what is possible in terms of sales growth in non-traditional markets, particularly in Asia, but also Sub-Saharan Africa. Market diversification offers major opportunities for the next decade. But the low-hanging fruit is gone. Breaking-through in some of these markets will require hard work and possibly a concerted category-level effort to raise awareness of Irish whiskey.

E-commerce

Forecasts have predicted that ecommerce will become the largest retail channel in the world by 2021 and account for 14% of total retail in that year. In 2018, the value of the e-commerce market for alcohol across 34 key markets was estimated at over €15 billion, more than half of which was accounted for by China. The onset of the Covid-19 pandemic and resulting restrictions has seen a major pivot by consumers to online purchasing and delivery. Irish whiskey can stand to benefit greatly from e-commerce sales channels. However, this will require fresh thinking on the regulatory environment for e-commerce in many international markets, meaning this will become an increasingly important 'ask' from our industry in future trade negotiations.

Premiumisation

As more aged Irish whiskey comes on-stream and as the Irish whiskey industry continues to innovate and develop new premium products, Irish whiskey should become increasingly competitive in the premium-and-above price over the next decade, in turn delivering increased value-added to the industry.

Tourism

While Covid-19 has decimated international travel and tourism in 2020, Irish whiskey distilleries are well-set to bounce-back to offer high-quality, premium, experiential offerings to international visitors. Opening our doors and promoting our visitor offerings also acts to showcase the provenance and authenticity of Irish whiskey, supporting category promotion.

Reopened on-trade

As the world's bars and restaurants reopen post-Covid, there may be new opportunities for premium spirits categories to position themselves in the re-imagined on-trade space. Irish whiskey can compete from cocktail and food pairing offerings to flights that showcase the depth and diversity of the category.

Challenges

Hostility to trade

Around the world there is increasing scepticism and hostility to the concept of free trade, often ill-informed. More critically, there has been a re-emergence of protectionist policies, trade disputes and threats of new tariffs. This poses real and substantial threats to an exported-orientated industry such as Irish whiskey.

Barley supply

There has been a 60% decline since 1985 in the area planted under spring barley. This decline must be halted and begin to be reversed so as to ensure a sustainable indigenous supply of Irish spring barley for the Irish whiskey industry

Brexit

Ireland and Northern Ireland are now in different customs territories and trading blocs leading to the likelihood of differentiated trading conditions

for Irish whiskey depending on where and how it is produced. We had hoped to avoid the emergence of a two-tier industry, but this now seems likely.

Bottling capacity

With the increase in producers and production of Irish whiskey there is increasing concerns regarding the levels of available bottling capacity for Irish whiskey on the island of Ireland. Left unaddressed, this could hamper growth or result in displacement of bottling to outside the island.

Fakes products and distilleries

As Irish whiskey sales increase so does the incidence of fake, non-GI 'Irish whiskeys' appearing on shelves around the world. There is also an increase in brands claiming to come from non-existent distilleries. Both of these unwelcome trends need to be clamped down on.



Middleton Distillery

Future assessments from industry leaders

Darryl McNally Master Distiller, Dublin Liberties Distillery



Whilst 2020 has brought many challenges for the industry globally, for Irish whiskey, the year has seen demand continue to grow rapidly as more and more consumers around the world discover the quality and breadth available within the category. In my opinion, global demand is just getting started – there are many countries, particularly in Asia, which are only now starting to appreciate Irish Whiskey so over the next couple of years, I envisage significant opportunity from these markets.

Conor McQuaid Chairman & CEO, Irish Distillers



As an industry, we are ambitious for the future of Irish whiskey. Irish whiskey was once the most popular spirit in the world, and we believe that it can be again. But to do this we need to accelerate growth and build an industry that is resilient, sustainable, and globally competitive.

Changing lifestyles and consumption habits of whiskey globally, increase in disposable income, rising affordability and consumer preference towards premium whiskey, coupled with a new generation defying whiskey-drinking stereotypes, are all factors in the global growth of the

whiskey market. The renaissance of the Irish whiskey category has driven growth globally over the past decade. However, we believe that we can do more to capitalise on the popularity of whiskey globally and solidify Irish whiskey's position in the market. There is strength in numbers and the vibrancy and dynamism of the Irish whiskey category will breakthrough at a global level when we all work together and invest in the future of the industry.

Distilling is an artform and one steeped in tradition but with so much competition globally, we need to continue to challenge the conventions of tradition and explore new and exciting innovations in the process. We need stay agile and creative and through innovation, shape consumer demand and defy expectations as a category.

Premium and super-premium categories of Irish whiskey have grown a staggering 1,106% and 3,385% since 2002. The surge in demand is set to continue apace but as a category, we under-index in this range. Premiumisation is characterised by the tendency to be selective, to invest in fewer, better products and experiences. By offering customers – particularly millennials – a luxe, personalised service and one-off Irish whiskey experience, we will reap the rewards. This will also have a halo effect on the category.

The Irish whiskey category has established itself with knowledgeable whiskey drinkers in key markets globally, but now is the time to grow our aspirations and expand beyond the traditional heartland markets and knowledgeable whiskey drinkers. The last decade had seen a boom in Irish whiskey exports to North America and Europe, but the next decade will see an increasing focus on Asia, India, Russia and Africa. Opening up new markets will also ensure jobs in local Irish whiskey distilleries and more custom for Irish barley and grain farmers. As a small island that is very much dependent on global trade, Ireland must continue to champion fair and open free trade.

As an industry, we can work together to shape growth for the next decade and ensure that Irish whiskey is once again the most popular spirit in the world.

John Quinn Global Brand Ambassador, Tullamore D.E.W.



Irish whiskey had come a long way in the past ten years and the category is now a serious player, not just in comparison to other whiskies but even within spirits, in so many markets.

Sometimes we wonder how much more potential is there to grow. Let's look at one region – Asia where we are still a very minor player. Consider that we sell twice as much Irish whiskey in Czech Republic as we do in the whole of Asia. Given that Scotch sales in Asia alone are close to Irish whiskey sales globally we can see there's so much headroom for us to pursue our Celtic neighbours there. In Latin America Irish whiskey sales are less than 1% of total Scotch sales – Vamos!

Noel Sweeney Master Distiller, Powerscourt Distillery



In the last ten years there has been a rapid increase in the number of new releases of interesting, high quality products.

Irish whiskey sourced from the initial three producers have been transformed by age and interesting casks finishes with each player putting their own touch on the base whiskey, giving them legitimate ownership.

With all the new distilleries there has been a growing workforce learning the trade and no doubt these will bring a new vibrance to this industry.

We have yet to taste the produce of the vast majority of new distilleries but we are a people of great resilience, ingenuity, confidence and creativity and we look forward in confidence to a bright future and interesting new product offerings.

John Teeling Executive Chairman, Great Northern Distillery



The development of the Irish whiskey industry has been spectacular. Irish whiskey is now a vibrant industry with many producing distilleries, more on the way but, at least as important, a major increase in the number of new ventures who concentrate on creating brands.

The reason for this success is simple. Irish whiskey has the taste and profile that appeals to young drinkers all over the world. Irish whiskey is smooth, mellow and easy to drink. It is this which confirms my absolute belief that the best is yet to come.

Think of it, the emerging middle class, billions of consumers, in Eastern Europe, Asia, Africa and South America want what we distil. The tasks are to let them know what we have and to get the whiskey to them. Not every consumer will want the same taste. So, innovation and flexibility is required to give consumers what they want. It is fantastic to see the innovation going in Irish, in wood, ages, blends, malts and pot still.

Are there any dangers out there? We must be careful to protect the quality and integrity of our whiskey. We must be ultra-careful not to repeat the mistakes made by Irish distilleries in the 1850's. From 60% of world whiskey sales, we fell, 100 years later, to tiny world sales – only 2% of Scotch sales. Why – because the distilleries thought they knew better than the customer. They refused to install the new column still technology. They were wrong. We simply cannot make that same mistake again. Produce what the customer wants – embrace change do not strangle it.



Our Members

Alltech Beverage Division Ireland

Beam Suntory

Blackwater Distillery

Brown Forman

Bushmills

Clonakilty Distillery

Connacht Whiskey Co.

Diageo

Dingle Distillery

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Walsh Whiskey

Wicklow Hills Whiskey

William Grant & Sons



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