For all of us working in the Irish drinks industry, 2018 was somewhat of a roller-coaster year.

On the positive side, we saw sales and exports of our products continue to grow. We saw an increase in visitors to breweries, distilleries and gin schools. We witnessed the fifth budget in a row where excise on alcohol did not increase and we saw ABFI membership continue to grow.

On the negative side, we saw the debacle of Brexit continue to sow uncertainty. We saw growing threats of protectionism in international trade; and we saw the Public Health (Alcohol) Act enter the statute books. ABFI successfully secured the removal of the proposed one-third of a label health warning and we came very close to having the proposed cancer warnings removed, but unfortunately they remain in the Act. Overall the enactment of this legislation is a major disappointment. However, the fight is far from over as the EU Commission has yet to adjudicate on the cancer warnings. ABFI won’t be giving-up the fight any time soon.

The Public Health (Alcohol) Act highlights some serious challenges facing our industry. Writing in Forbes magazine in the US, the writer Joseph Micallef highlighted the ‘schizophrenic’ approach of the Irish Government to the drinks industry. We see this ourselves as Irish politicians celebrate the contribution of our industry to exports, tourism numbers, agriculture; but then simultaneously side against us on extreme public health arguments.

To counter this, ABFI is implementing a new Roadmap with the aim of building a strong, constructive foundation, for our industry and products to thrive in an evolving social landscape. We want to make Ireland the best country in the world to start-up, innovate, scale and internationalise an alcohol drinks business. Over 2019 you will see the actions of the roadmap being rolled-out in what will be a very exciting development for our industry.

I wish to thank the board of ABFI, chaired by Ollie Loomes; along with the category association Chairs, all our members and my own team on the executive side for the support in driving the work of ABFI during 2018. It may have been a bruising year, but I firmly believe that our industry can come out of it stronger. Here’s to a successful 2019.

Patricia Callan
Director, ABFI
The Public Health (Alcohol) Act was almost three years in debate when it was ultimately signed into law on 17 October 2018. The Act remains largely the same as when it was first published, however, the structural separation provisions to reduce the display and exposure of alcohol products in retail outlets, were amended to make them more workable. In addition, the amendment that at least one-third of printed materials be allocated to health warnings was removed by Government.

When the Act reached the final stage, Minister for Health, Simon Harris TD, signalled his intent to remove the controversial cancer warning due to his fear it would not get the necessary clearance at EU level. Unfortunately, however, under the current minority government arrangement, Minister Harris was unable to secure the necessary political support to remove this amendment.

Minister Harris has already commenced 23 sections of the Act, setting out specific dates for the ban on alcohol advertising on public transport, within 200 metres of schools, crèches, playgrounds; the structural separation and other provisions, to come into effect.

The secondary legislation to introduce the health warnings, and certain aspects of the advertising provisions, must be re-notified to the European Commission for approval. ABFI has already started our engagement with the European Commission on this, and are pleased with the support we have received from Commissioner Phil Hogan and DG AGRI officials to date.

Throughout 2019 we will continue to work with our international representative organisations, Brewers of Europe, spiritsEUROPE and Comité Européen des Entreprises Vins, to ensure that we ultimately have a workable piece of legislation.

Campaigning on Excise – North and South

During 2018, ABFI, as part of the broader Drinks Industry Group of Ireland (DIGI), continued to co-fund and support the ‘Support Your Local’ campaign.

As a result of the campaign, we saw no increase in excise for 2019. This was the fifth budget in a row where excise on alcohol was not increased. However, it is expected that excise will come under pressure ahead of Budget 2020 meaning a further targeted campaign will be required.

This year ABFI also campaigned for an excise freeze in the UK. Representing our Northern Irish members, ABFI Director, Patricia Callan, made pre-budget submissions to the UK Government and to Northern Irish MP’s. ABFI received strong support from the DUP. In the end, the UK budget froze excise on all categories except wine for 2019, something which had not been expected, marking a successful outcome to our campaign.
As we enter 2019, the exact nature of the UK’s withdrawal from the EU remains as unclear as ever. During the past year, ABFI have been highly active in representing the concerns and interests of our member companies on issues ranging from geographical indications (GIs) to cross-border supply-chains to VAT, Excise and country-of-origin labelling rules. Highlights of our activity include:

• ABFI successfully lobbied the UK Government to ensure continued recognition and protection for Irish GI’s in the UK;
• ABFI published our position paper “Brexit and the Irish drinks industry – Priorities for the Future Relationship”;
• ABFI met twice with the Barnier Taskforce who are negotiating on behalf of the EU;
• ABFI attended meetings with the European Parliament, Irish Government and HMRC in the UK;
• ABFI appeared before the Joint Oireachtas Committee on Agriculture & Food during their hearings on Brexit.

The ABFI position paper highlighted the disastrous impact of a ‘No-Deal’ Brexit and outlined our priorities across four themes:

1. Ongoing domestic and international protection of the three cross-border Geographical Indications for Irish Whiskey, Irish Cream and Irish Poitín.
2. Continuation and expansion of free trade opportunities for Irish drinks exporters, both North and South, including seamless EU-UK trade and transit.
3. Avoidance of a hard border and seamless alignment between the EU and the UK (particularly between Ireland and Northern Ireland) on regulation, VAT, and Excise.
4. A supportive state-aid, regulatory and legislative environment for businesses to operate in post-Brexit.

In 2019, ABFI will be supporting companies to plan for no-deal Brexit; while if a deal is agreed ABFI will immediately commence a programme of engagement with key players in the negotiations on the future EU-UK relationship. We want to ensure that the concerns of the Irish drinks industry, particularly our members in Northern Ireland, are addressed in the next phase of Brexit discussions.

Promoting Irish Drinks Tourism

Earlier this year, ABFI published figures showing that there were over 2.6 million visitors to Irish breweries, distilleries and gin schools during 2017. Irish drinks tourism makes an important contribution to the Irish tourism industry, attracting visitors to brand homes and visitor centres right across the island of Ireland.

The value of Irish drinks tourism is being increasingly recognised by the state tourism bodies: Fáilte Ireland, Tourism Ireland and Tourism NI.

The Irish Whiskey Association has commenced work with a creative agency to develop an innovative new branding for Irish whiskey tourism. In 2017, there were 814,000 visitors to Irish whiskey distilleries and this is expected to have grown significantly during 2018.

2018 saw the enactment and commencement of the Intoxicating Liquor (Breweries and Distilleries) Act which enables craft breweries and distilleries to sell alcohol on their premises. ABFI had actively lobbied for this positive piece of legislation.
In March the IBA began its partnership with TheTaste.ie to promote beer as a beverage to pair with food. During the year various articles promoting beer and food pairing options were posted on The Taste’s website and were also promoted through various social media platforms including the IBA’s newly established Twitter Account. The hashtag for the campaign that featured on all social media posts was #BeerBites.

There were also beer profile pieces published that were relevant to the time of year. For example, an article promoting the Irish stout produced by IBA members was published in November shortly after International Stout Day. During the summer The Taste conducted a competition on its website where its visitors completed a short survey of beer preferences in order to enter a draw for a prize which featured a range of beer and brewery tour tickets provided by IBA members. Over 1,300 respondents took part in the survey and the results were then published and circulated to the media which generated positive coverage for the IBA. The Beer Bites survey showed 45 per cent of respondents saying that lager is the favourite beer type. IPA’s are the nation’s second favourite beer variant with a 22 per cent share and stout received an 11 per cent share. The survey also found that 40 per cent of people say their favourite beer drinking experience is in a pub with friends. Almost 16 percent of respondents prefer drinking at home with family and 15 per cent prefer a BBQ.

The Cellar Safety Campaign was a partnership with the Health & Safety Authority (HSA) in promoting its cellar safety campaign. The purpose of the campaign was to encourage bar managers to conduct online safety audits of their premises via the HSA’s BeSMART website. Since the campaign was launched more than 400 audits were carried out nationwide.

Keith Fagan, MD of Molson Coors Ireland was elected as chair of the IBA. In October, the IBA Council held a meeting with Minister for Agriculture, Michael Creed at the Franciscan Well Brewery in Cork.
In April, ISA published the first-ever Strategy for Irish Gin. This ambitious strategy which was officially launched by Minister of State Andrew Doyle TD, seeks to grow the global sales of Irish Gin. The strategy identifies key export markets for Irish Gin and contains objectives to develop world-leading standards for quality and authenticity for the Irish Gin category.

In line with the strategy, ISA has been working with the Food Safety Authority of Ireland to develop guidelines on the labelling and marketing of Irish Gin. ISA has also successfully lobbied liquor boards in Canada to list Irish Gin and ISA partnered with the Irish Ambassador to Belgium to promote Irish Gin in Brussels.

Protecting the Irish Cream GI

Irish Cream Liqueur remains one of the world’s most popular liqueur categories and Irish Cream is a protected geographic indication (GI). Protecting the GI has been a key priority for the ISA during 2018.

ISA was highly-active during the year in seeking to protect the GI during the consideration of a new EU Spirits Regulation by both the European Council and Parliament. Efforts to redefine the various legal liqueur categories would have severely undermined the Irish Cream GI. However, following intense lobbying by ISA, supported by spiritsEUROPE and the Irish Government, the Irish Cream GI was protected and in fact strengthened. During 2018, Canada became a market of concern due to the high number of alleged fake Irish Cream Liqueurs on sale. This became very apparent during the Government-led trade mission to Ontario in February which ISA participated in. ISA has lodged a formal complaint to the Canadian Federal Food Inspection Agency and the EU Commission has also agreed to formally raise the issues with Canada under the terms of the 2003 EU-Canada agreement on wines and spirits.

Standing-up for free trade

ABFI is continuing to oppose the 25% EU tariffs on US whiskeys. During 2018, ABFI was vocal in highlighting the risks of an EU-US trade war and actively lobbied for de-escalation of EU-US trade tensions.
International Poitín Day

On November 18th, International Poitín Day was marked at five events in five cities: Dublin, Cork, Belfast, Galway and London. ISA was proud to sponsor this programme of events and we look forward to seeing more brands participate in 2019. Irish Poitín is a protected geographic indication.

In April, ISA hosted the Poitín Roundtable bringing together producers, government and state agencies to discuss the future of the category. On foot of subsequent work carried-out with Bord Bia’s ‘Thinking House’, ISA will be supporting producers in 2019 to develop a new promotional initiative for Poitin.

Scotch Whisky Industry visit Dublin

In March, the ISA hosted the annual bilateral with the Scotch Whisky Association on Six Nations rugby weekend.

An SWA delegation, led by CEO Karen Betts, visited Dublin to discuss Brexit, trade, EU regulations and (of course) rugby!

Irish Wine Association Annual Wine Report

The Irish Wine Association also stepped up its lobbying activity on the Public Health (Alcohol) Bill in 2018. During the year the association held two briefing sessions for Dublin-based diplomats about the trade impact of the bill's labelling section for wine producers.

The briefing sessions ultimately led to formal objections raised by wine producing countries within the European Union’s TRIS Process and the bill was discussed at all three of the World Trade Organisation's TBT committee meetings.
Strategic Review – Looking to the future

During 2018, the IWA went through an extensive strategic review process aimed at setting a new course for the Association over coming years. The members agreed to prioritise and greatly enhance the Association’s role in protecting Irish whiskey globally as well as strengthening the Association’s trade policy function.

As a result, a new three-year work plan and constitution has been adopted; a new network of thematic committees has been established and increased budget and staffing have been agreed to commence in January 2019.

IWA hits the road – Council meeting in Bushmills

In May, the IWA held an ‘away’ Council meeting in Bushmills Distillery in Co. Antrim, hosted by IWA Chairman Colum Egan who is Master Distiller at Bushmills. The ‘away’ council is now set to be an annual event.

Launch of ‘The Knowledge Still’ – support & innovation programme

In September, the IWA launched a new support & innovation programme known as “The Knowledge Still”. This programme seeks to ensure that all Irish whiskey producers, particularly the fresh wave of new-entrants to the category, have access to knowledge and guidance on best practice and innovation in the production of Irish whiskey.

Two workshops have been held to date. The first took place in September in Midleton Distillery, hosted by Irish Distillers. The workshop focussed on brewing and fermentation and 14 companies participated. The second workshop took place in September in Teeling Whiskey Distillery and focussed on the Irish Whiskey technical file and innovation. 19 companies participated.

Inaugural Chairman’s Awards

In November, IWA Chairman Colum Egan hosted the Inaugural Chairman’s Awards where six legends of the Irish whiskey industry were recognised for their outstanding contribution to the industry. The six inaugural recipients were:

- Richard Burrows
- John Chamney
- Barry Crockett
- Gill Jefferson
- Willie McCarter
- John Teeling
ABFI Board:
Ollie Loomes, Diageo, Chair
Jim Bradley, Febvres - Chair of the Irish Wine Association
Aoife Clarke, Cooley Distillery (Beam Suntory) - Chair of the Irish Spirits Association
Brian Fagan, Glendalough Distillery
Keith Fagan, Molson Coors Ireland - Chair of the Irish Brewers Association
Johnny Harte, McCormicks Distilling International
Conor McQuaid, Irish Distillers – Pernod Ricard
Andy O’Hara, Edward Dillon
Martin Schuurman, Heineken Ireland
David Stapleton, Connacht Whiskey Company - Chair of the Irish Whiskey Association
Bernard Walsh, Walsh Whiskey
David Williamson, William Grant & Sons

ABFI Executive Team:

Patricia Callan
Director

Lorraine Hall
ABFI Campaigns Lead

Ann Hare
Lead Administrator

William Lavelle
Head of the Irish Whiskey Association

Carleen Madigan
Legal Advisor to the Irish Whiskey Association

Jonathan McDade
Head of the Irish Brewers Association and Head of the Irish Wine Association

Miriam Mooney
Legal Advisor to the Irish Whiskey Association

Alan Sherlock
ABFI Roadmap Campaign Manager

Head of the Irish Spirits Association: To be appointed shortly.

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ABFI, through its category associations, is a member of spiritsEUROPE & Brewers of Europe