



The Shed Distillery in Drumshanbo, County Leitrim is at the leading edge of the new wave of Irish drinks companies which have established a growing presence in international markets in recent years.

The Shed Distillery Case Study

“We opened the distillery on December 21, 2014,” says Managing Director and Founder Pat Rigney. “It was the first distillery in Connacht to distil in 101 years. Since then, we have built a significant business which is now selling to 60 countries around the world. We have 75 employees and are hiring at the moment.”

The business has its genesis in Rigney’s long career in the drinks industry. “I am 30 years in the business,” he recalls. “I worked with Baileys and then set up Boru Vodka. It’s been a lifetime’s work. I had been thinking about setting up a distillery for quite some time. I wanted to fully integrate a brand with the production process. We wanted to create a brand in rural Ireland that could compete with the best in the world.”

That global focus is very important. “We want to create international brands. We don’t see our brands as competing with local artisanal products. Drumshanbo Gunpowder Irish Gin is an international brand which competes locally as well.”

The local aspect also matters. “We are based in a rural enterprise centre which is owned by the local community. Being part of that community is important to us.”

The goal is simple. “Our ambition is to be the best we can be and to compete with the best in the world at what we do. Also, we want to be successful. It’s a very competitive industry, very dynamic and exciting. It’s a fantastic industry to be in.”

Rigney emphasises the importance of the brand. “It’s all about the brand and the brand experience. People are looking for brands with a story to tell, that come from a place. They are looking for authenticity and excitement. We are able to deliver that to people around the world from a location in rural Leitrim. We are in a growth phase and the brand is performing well. We are well positioned in niche markets in the US. It is a dynamic business with lots of challenges, but I am very optimistic.”

The business has come through the pandemic remarkably well. “At the beginning we were deeply concerned,” Rigney recalls. “Travel retail essentially closed, bars and retail closed. But our brand had sufficient momentum in the off-trade that it actually grew in all markets during Covid. That comes down to the strength of the brand and the work we had done before Covid. It comes down to our partners around the world as well.”

The importance of local community was brought home during the pandemic. “We often take them for granted but we will value them even more in future. The same goes for the team in Drumshanbo and the people around the world who we work with. The team has been phenomenal and has done quite extraordinary things during the pandemic and before. We are very focused on looking after people, being aware of the people around us, and we have become a lot more sensitive to their needs. We are now more aware of everything including mental health and other challenges that people face. Maybe we were not as tuned into these things in the past.”

The company also supported efforts to tackle the pandemic during its initial phase when it was involved in producing hand sanitiser.

Remote working was another learning. “We learned about new ways of working, new ways of interacting, new ways of communicating. That will change the way we work into the future. It will be more flexible. Some meetings can actually be more effective without people in the room. Sometimes it can allow things to move along faster.”

He believes there are government actions which could assist the Irish drinks industry both in recovering from the impact of the pandemic as well as in competing internationally. Retaining the reduced VAT rate for the hospitality industry is top of his list. “The pandemic has been very tough on the industry and keeping the low rate is extremely important to support the whole sector as it recovers from the pandemic.”

Next comes excise duty. “We are close to having the second highest excise duty rates in Europe and we have 23% VAT on top of them,” he points out. “I’d like to see that harmonised with the rest of Europe; particularly when it comes to business and drinks makers who want to establish in Ireland and sell overseas. Reductions in the excise and VAT rates would help the industry quite significantly. Our international competitors have significantly lower rates in their home markets than we have and that puts us at a disadvantage. Generally speaking, a fair and proportionate tax system is important”





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He also sees regulatory challenges which need to be addressed. “Harmonising regulations across the EU and beyond as much as possible is important to us. We would also like to see the process around geographic origin strengthened. Anything that supports open and fair trade is important to us as an industry on an island of 5 million people. We have to export to survive.”

Looking to the future he says he is very optimistic about the future of the drinks industry in Ireland. “We are growing the international reputation of our brands. New distillers and brewers are starting up all the time. We do face some challenges around climate change and the industry is going to have to adapt to that and engage with it in a much more proactive way. We need to move faster and be more ambitious in that space.”

Overall, the long term future is bright. “Ireland is the perfect launchpad for authentic and exciting drinks brands. Our natural and responsible production systems will be a competitive advantage for the Irish industry in the future.”