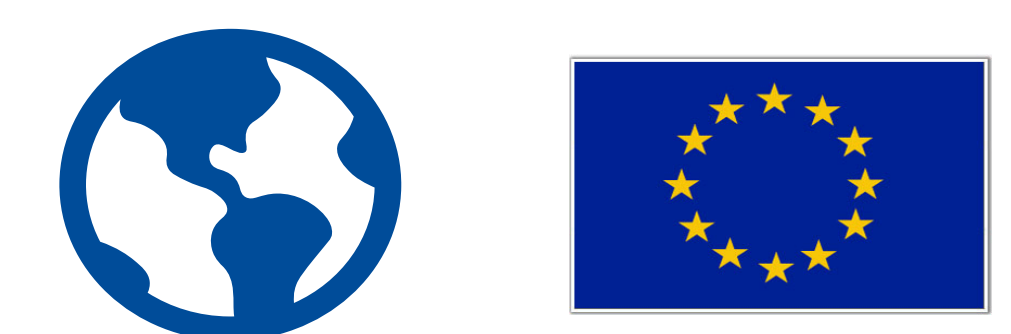
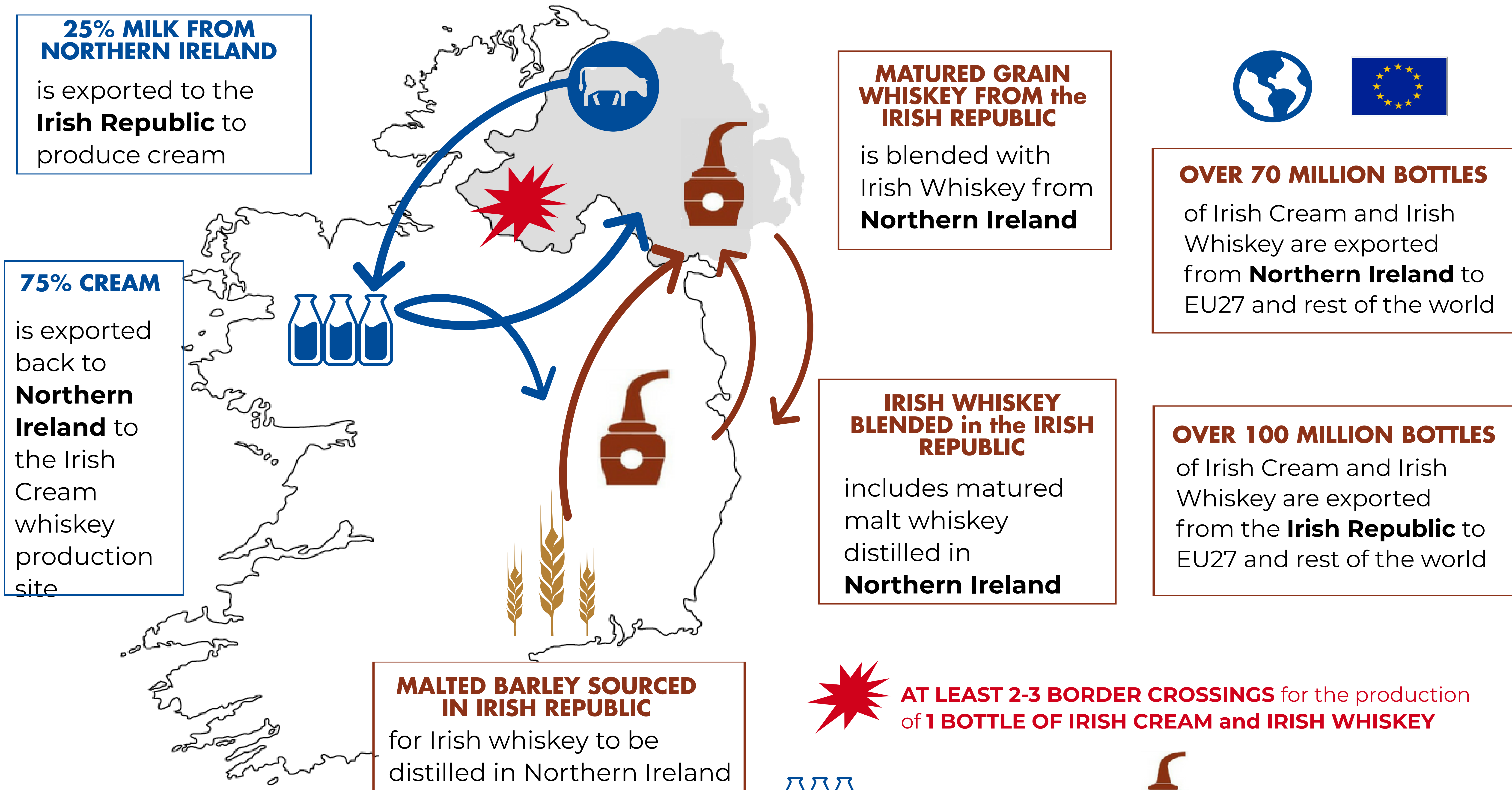


# PRODUCT JOURNEY CASE STUDY

## SPIRITS SECTOR - IRISH CREAM & IRISH WHISKEY



**IRISH CREAM PRODUCTION PROCESS**  
**IRISH WHISKEY PRODUCTION PROCESS**

 **Cream production site**       **Whiskey production sites**

The data provided in this infographic is indicative of a typical product journey, which may vary for different producers.


# PRODUCT JOURNEY CASE STUDY

## SPIRITS SECTOR - IRISH CREAM & IRISH WHISKEY

The success of the Irish Cream & Irish Whiskey sector is largely dependent on an open border between Northern Ireland and the Republic of Ireland. spiritsEUROPE welcomes the Phase 1 agreement to avoid a hard border or regulatory divergence on the island of Ireland. It is critically important that that commitment is honoured in order to avoid the following impacts.



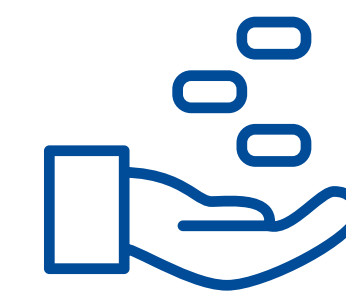
### IMPACT



Currently goods can be transported between the UK and the EU under the **Excise Movement and Control System (EMCS)**, which is a computerised system for monitoring the movement of excise goods under duty suspension in the EU. The imposition of a hard border could see the UK leaving the EMCS, thereby necessitating **export declarations** for each crossing, an increase in documentation, and **potential delays** in production if documents are not cleared or if there are restrictions at the border.



There is currently an all-Ireland **Geographical Indication (GI)** – meaning that Irish Whiskey and Irish Cream must be produced in line with a single technical file. The products can then be marketed as Irish, irrespective of which side of the border production takes place on. **Post-Brexit**, it is possible that the GI may not be legally-recognised or enforced equally on both side of the border. **Rules of origin** could present a challenge, as producers may be required to define and label their product as Irish (and therefore an EU product) or British or both.

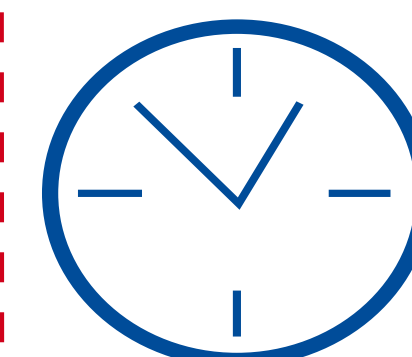


There will also be an increase in costs due to possible **tariff increases** on both Irish Cream & Irish Whiskey and potential **import VAT**.

Both products currently have a large EU market, so when the UK leaves the Single Market and the Customs Union there will be an **increase in tariffs and administration** for exports to the **EU-27** from Northern Ireland, as well as the need to check that goods are correctly declared.



If the UK diverges away from **the EU tariff classification system**, this could create problems for company's **IT systems and stock control** generally if UK Stock Keeping Units (SKU) have different CN codes than identical EU SKUs.



**Delays** in exporting will impact the operation of bottling facilities as storage space is limited, and although whiskey is itself non-perishable, cereal raw materials, such as barley, are more time sensitive in terms of **perishability**.