

FTA to improve access to premium alcobev brands

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The alcoholic beverages industry has welcomed the free trade agreement (FTA) between India and the European Union, saying that it is set to positively impact the alcobev sector.

"The India-EU FTA marks another significant milestone for the alcobev sector. This agreement not only deepens trade ties between India and the EU, but also fosters stronger collaboration and strategic partnership in the industry. It underscores the shared commitment to fair, balanced, and mutually beneficial trade that drives sustainable growth for both regions," said Sanjit Padhi, chief executive officer, International Spirits & Wines Association of India (ISWAI).

While detailed provisions of the agreement are awaited, the initially released agreement indicates that import tariffs will be reduced to 75 per cent from the current 150 per cent across all EU spirits and wines categories. The agreement further outlines that the tariffs will then be lowered to 40 per cent for spirits and as low as 20 per cent on wines in a phased approach.

"Taken together, these measures under the India-EU FTA offer significant strategic benefits for both markets. India's increasingly aspirational and discerning consumers will gain improved access to premium international brands at more accessible price points," Padhi added.

The pact looks promising for cognac, brandy, and wine players, said industry executives, who did not wish to be named. While whisky continues to be the largest selling spirit in the country, the move will help brands making brandy have a good opening in the country as more options become available to the public.

"The India-EU trade agreement is a structural shift for the Indian spirits industry rather than a short-term trade win. Lower and more predictable tariffs create clearer market access for Indian single malts and premium spirits in Europe, allowing products to compete on quality, maturation, and provenance instead of pricing barriers," said Rajesh Chopra, director general of Indian malt whisky association.

Chopra pointed out that the agreement is likely to accelerate standardisation, investment in quality, and clearer category definitions for



A sobering thought

Beverages

(As on Jan 27, 2026)	Price (₹)	Change 1D%
Allied Blenders & Distillers	454.2	1.21
United Spirits	1,311.5	-1.17
United Breweries	1,423.6	-1.24

Source: Bloomberg; Compiled by BS Research Bureau

the domestic industry, particularly for Indian single malts.

"As international products enter India under a more balanced tariff framework, Indian producers will face stronger competition, which typically leads to improved transparency, innovation, and alignment with global best practices," he further said.

Meanwhile, from an export perspective, the pact helps position Indian spirits as legitimate global offerings rather than niche or experimental products. "European markets are highly regulated and quality-driven; sustained access will require consistency, traceability, and long-term brand building across the category," he added.

While lauding the much-awaited trade pact, the Confederation of Indian Alcoholic Beverage Companies (CIABC) also pointed out some areas of concern. "While we wait for further details and the fine print, we hope that the government addresses our concerns relating to dumping of cheaper products by eliminating the possibility of undervalued import prices and check under-invoicing and strictly adhere to 'Rules of Origin' clause so that they are not misused," said Anant S Iyer, director general, CIABC.

"We also seek reciprocity and removal of non-tariff barriers on Indian spirits by the EU," he added.