



## **PRESS STATEMENT**

**Statement by Mr Anant S. Iyer, Director General, Confederation of Indian Alcoholic Beverage Companies (CIABC), on the implementation of the India-UK CETA from 15 July 2026**

### **CIABC welcomes India-UK CETA; urges State Governments to ensure competitive neutrality between Indian-made products and BIO imports**

**New Delhi, June 18, 2026:** The Confederation of Indian Alcoholic Beverage Companies (CIABC) welcomes the announcement that the India-UK Comprehensive Economic and Trade Agreement (CETA) will come into force from **15 July 2026**. The agreement marks an important milestone in India-UK economic relations and is expected to strengthen bilateral trade, investment and market access across sectors.

Alcoholic beverages have been an important part of the India-UK trade discussions. CIABC appreciates that the tariff reduction on imported spirits will be phased over a period of 10 years, allowing the domestic industry time to adjust. Lower import duty on Scotch whisky will also help Indian producers using Scotch as an input for bottled-in-India products.

However, with customs duty on imported spirits now set to reduce under CETA, it becomes essential to address the State-level policy distortions that currently favour Bottled-in-Origin imported products over comparable Indian-made products in several markets.

In a number of States, including Delhi, Haryana, Maharashtra, Madhya Pradesh, Odisha, Assam and Kerala, BIO products already benefit from lower duties, lower brand registration fees, lower VAT/sales tax, corporation margins or greater market-access flexibility. Once customs duty reduction takes effect, these State-level concessions could create a double advantage for imported products: first through reduced import duty and second through favourable local excise treatment.

For example, in Haryana, IMFL is subjected to up to **30x** higher brand registration fees and **4x** higher VAT compared to BIO, with lower VAT on BIO estimated to cause a potential annual revenue loss of **₹200–250 crore**. In Assam, comparable Indian premium and luxury categories are subjected to around **3x to 5.2x higher** local excise duty/levy incidence than comparable OFL/BIO products, while CETA-linked customs duty reduction may reduce OFL/BIO prices further by **9–15%**. In Odisha, comparative cost cards indicate that every case shifting from IMFL to FMFL/BIO may reduce State revenue by around **₹4,500 per case**, while customs duty reduction may lower FMFL/BIO prices by **around 13–15%**. In Kerala, IMFL spirits are subjected to **251% sales tax** and **20% retail margin**, compared to **115% sales tax and 6% retail margin** for FMFL/BIO.

Luxury Indian brands such as Indian single malts, gins, blended whiskies and bottled-in-India Scotch whisky continue to face a higher overall levy incidence across certain price points, even

after considering the effective customs duty and local levy applicable on imported liquor in such States.

CIABC believes that State Governments should now review and withdraw preferential treatment extended to BIO products wherever such treatment creates a structural disadvantage for Indian-made products. The objective is not to restrict consumer choice, but to ensure competitive neutrality between domestically produced IMFL, bottled-in-India products and BIO imports operating in the same premium segments.

Within the premium and above category, BIO products account for around **25% of the segment** and continue to grow, making policy neutrality in this space critical for the future of Indian premium brands.

Any policy structure that makes imported products structurally more attractive than Indian-made products weakens the domestic value chain and runs contrary to the spirit of Make in India, Vocal for Local and Atmanirbhar Bharat. CIABC therefore urges State Governments to move towards parity-based excise design in the premium and above segments, where Indian brands are now gaining recognition in India and globally.

CIABC remains committed to working with the Central and State Governments to support a balanced, revenue-positive and investment-led policy framework for the alcoholic beverage sector.