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Liquor industry on the rocks as sales dip - The Times Of India - Kolkata, 7/19/2020

Industry seeks cut in liquor duty

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A study conducted among 8,600 respondents by Local Circles India, a community social media platform, revealed that almost 50% of the respondents who consume alcohol have shifted to a lower price category in response to the recent price hike.

The CIABC, which is the apex body of the alcoholic beverage industry, has already written to the Bengal government during Unk1. Only 2.7 lakh cases of beer were sold this June against 13.7 lakh cases in the same month last year. As for IMFL, 7.6 lakh cases were sold this June against 13.7 lakh cases in the same month last year. The apex body has urged that the additional sales tax be not more than 5-10%.

In its letter to the state excise department, the CIABC and vodka, and 80 lakh cases of beer. The March-July period is the peak season for beer sales. The need to generate additional tax revenue in light of Covid impact, and hence are

The reason for the sharp slump, say industry insiders, is the 30% tax imposed on liquor by the state in April. There is sufficient empirical evidence that steep price increase lead to drastic fall in sales and hence in government tax collection, thus defeating the very purpose of tax increase.

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Liquor industry on the rocks as sales dip

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Kolkata: The beer and India Made Foreign Liquor industry in the state is starting at a major crisis with sales hitting rock-bottom following the Covid-induced lockdown and the steep increase in sales tax by the Bengal government this April. The beer market has seen an average degrowth of over 85% in the first three months of this financial year while for IMFL, the average fall in sales is around 30% during the same period.

The figures for IMFL, compiled by the Confederation of Indian Alcoholic Beverage Companies, show that sales fell 84% in April over the same month last year, 37% in May and 27% in June. For be-

TIPPLERS SHIFTING TO CHEAPER BOOZE

Month	2019 cases sold	2020 cases sold	growth %
Beer			
April	10.6L	2.875	-100
May	16L	1.1L	-93
June	13.7L	2.7L	-80
IMFL			
April	10.6L	1.7L	-84
May	11.1L	7.2L	-37
June	10.5L	7.6L	-27



► 1.4cr cases of IMFL, 80 lakh cases of beer sold in state per year
► Duty on liquor was hiked by 30% in April
► A study in state found almost 50% of respondents shifting to lower price category

er, the numbers are more dismal. Retail sales fell 100% in April over last year, 93% in May and 80% in June, a senior industry executive said.

While the April slump can be attributed to the blanket

ban on liquor sale during lockdown, stores were allowed to open in non-containment zones from the first week of May. But the initial surge in offtake petered out and did not pick up even in June