

# Liquor Industry Urges State Govts to Allow Increase in Prices

Manufacturers' body CIABC cites inflationary pressure on input costs in letter to authorities

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**New Delhi:** Confederation of Indian Alcoholic Beverage Companies (CIABC), which represents leading Indian alcohol beverage makers including Radico Khaitan, Globus Spirits, Allied Blenders & Distillers and Jagatjit Industries, has written to various state governments to allow companies to increase prices.

Alcohol prices are controlled by individual states.

"Unprecedented inflationary trends in raw material and services and transportation for alcoholic beverages in the past three to four months is seriously impacting commercial viability of the manufacturers," CIABC director general Vinod Giri said in the letter.

Cost of glass bottles, extra neutral alcohol – a principal ingredient of liquor, caps, cartons, PET bottles and labels have increased 5-17% on average, it said.

ET has seen a copy of the letter.

The association has either sent or is in the process of sending it to the governments of Delhi, Uttar Pradesh, Haryana, Punjab, Telangana, Andhra Pradesh, Kerala, Rajasthan, Madhya Pradesh, Odisha, and Chhattisgarh among others.

Increase in prices is "being so-



ught to cover up for costs only and not for other commercial gains", it said.

Last year, which was fraught with nationwide lockdowns on account of the Covid-19 pandemic, impacted sales of IMFL (Indian made foreign liquor) products with overall sales declining 12% year on year to 305 million cases in 2020-21, according to data compiled by CIABC and released a few months back.

However, in the September quarter of this year, sales across spirits and beer increased to pre-pandemic numbers on the back of reopening of bars and restaurants.

During the complete lockdown months last year, even though the central government had permitted opening of shops to sell essentials, sale of alcoholic beverages had not been permitted, which led some states such as West Bengal and Chhattisgarh to allow online delivery of alcohol, which did not take off on account of steep delivery fee charged by aggregators and lack of clear guidelines.