

CIABC seeks excise duty cut withdrawal on imported alcoholic beverage products

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Liquor manufacturers under the aegis of the Confederation of Indian Alcoholic Beverage Companies (CIABC) have written to Maharashtra Deputy Chief Minister and Finance Minister Ajit Pawar seeking immediate withdrawal of the excise duty reduction on imported products or its extension to all the Indian Made Foreign Liquor (IMFL) sector.

“Excise Duty reduction of such scale on imported products is disastrous for the Indian industry. It so distorts the playing field against the Indian industry, that consequences may be far reaching leading to disinvestment, job losses and farmer discomfort...the (Maharashtra) Government should encourage products made in India which historically has been the main contributor to state’s revenues and economic

prosperity,” said the letter of the apex body of the Indian alcoholic beverage industry.

The CIABC letter to Pawar also highlighted that the reduction in excise duty for imported products will make Indian malt whiskies such as Amrut and Paul John and other premium products unsaleable in Mumbai.

“You may be aware that in the last decade a number of Indian malt whiskies and premium products have started making a mark on the world space. Products like Amrut, Paul John, Rampur, Solan Gold etc are now considered among the best in the world and are exported to over 60 countries. However, as a result of this excise duty reduction the prices of such Indian super premium products will become so high compared to similar BIO products that selling them in Maharashtra, the most important market for such products,

will become nearly impossible,” the letter added.

According to CIABC Director General Vinod Giri: “The prices of these Indian made super premium products used to be 80-90% of comparable imported products earlier thus allowing them some competitive space. After this change, the prices of Indian made products will become 30-40% higher than similar imported products. It is evident that with that kind of price difference, Indian super premium products will find it difficult to sell. Its ironic that the Government is supporting imports at the cost of Indian products.”

The letter further states that the reason for Excise duty reduction cannot be prevention of smuggling from neighbouring states as the prices in neighbouring Karnataka for imported products were higher than in Maharashtra.