

# Cut import duty gradually on alcoholic beverages under India-UK FTA; not unfairly: CIABC to Govt

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The apex body for liquor firms Confederation of Indian Alcoholic Beverage Companies (CIABC) has urged the government not reduce customs duties on British alcoholic beverages under the proposed India-UK free trade agreement to support domestic players unless Indian liquor manufacturers get a fair deal.

CIABC has also suggested the government to ensure that the UK allows the selling of domestic whiskies as 'Indian Whisky', irrespective of whether they are made from malt, grain spirits or molasses-based spirits.

India and the UK have formally launched negotiations for an FTA, under which duties would be reduced or eliminated on several goods traded between the two countries.

They should also remove the condition of a minimum three years maturation period for whisky and rum, the body said in a letter to the commerce ministry.

"The domestic alcoholic beverages industry only seeks just and fair level playing field for Indian producers and help them achieve global scale and success...It is therefore vital that the interests of the domestic industry are not compromised, and opportunities are created for Indian products to

reach out and conquer the world," CIABC Director-General Vinod Giri said.

He added that the alcoholic beverages industry contributes Rs 2.5 lakh crore annually in taxes to the states, employs 20 lakh people and supports 50 lakh farmers.

"We urge our government to ensure (in the FTA) that Indian alcoholic beverage industry is permitted a truly level playing field by way of an effective customs duty that is reflective of the higher cost of production driven by the regulatory restrictions and capital cost in India; equal opportunities are created for export of Indian products to the UK, and measures are put in to prevent dumping or predatory price exports to India," Giri added.

Giri also informed that the UK has imposed non-tariff barriers, related to product recipe and ageing, on Indian alcoholic beverages, which prevents most domestic products from accessing the British market. "These must be removed to ensure genuine quid pro quo," he said in the letter.

On January 13 this year, India and the UK formally launched negotiations for the proposed free trade agreement (FTA), which is expected to help double bilateral trade to over \$100 billion by 2030 and boost economic ties between the two countries.