

Logistics bottlenecks, shortages choke Delhi's liquor supplies

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Chances are Delhi residents looking for liquor of their choice will not be able to find it, with the city experiencing an alcohol shortage across categories. Among the main reasons are supply chain issues especially for imported brands, shortage of beer as companies did not ramp up capacity during two covid years, fewer operational liquor stores and delays in revised excise policy.

A senior business manager at one of India's largest alcohol distributors said there is a major backlog in receipts of imported gins, single malts and vodkas. "Imported alcohol across categories is in short supply right now. Part of the

reason is that Ukraine is the largest producer of glass bottles. This has disrupted the entire supply for alcohol producers in Europe," the manager said on the condition of anonymity, adding this has resulted in backlogs with city vendors waiting for stocks for imported brands.

Categories like beer are experiencing a shortage because several brands were unable to produce additional stock in advance in February and March, and due to oppressive heat conditions, a lot of the stock got consumed quite early. Usually, 40% of India's annual beer sales happen in April-June. "Companies keep building the stock till March but this time, many businesses did not have the time to build the stocks. Additionally, Delhi



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doesn't have its own breweries and several neighbouring state governments directed breweries to cater to their domestic markets first," said Vinod Giri, director general of the Confed-

eration of Indian Alcoholic Beverage Companies (CIABC).

Prem Dewan, managing director of DeVANS Modern Breweries that makes Godfather and Six Fields beers said Uttar Pradesh recently banned the export of liquor, which may have affected the liquor availability in Delhi. Many states have similarly also banned export of beer, which has led to an acute shortage in Delhi.

Giri said Delhi is one of the top 7-8 markets for most alcohol manufacturing and distribution companies in India. Qualitatively, it takes up a much larger pie, with imported products accounting for about 30% of all-India volume, making it a 'showcase market' for most brands.

Rahul Singh, founder of The Beer Cafe, also pointed to the

delay in Delhi's updated excise policy, which was supposed to be out in April. It is now expected either in July or August, and that has also caused a backlog in new labelling of bottles.

The original idea of the new excise policy was for the government to exit the business, and it auctioned vends to private entities. Delhi had about 850 stores, but now around 460

vends have become operational. Of these, many have now decided against renewing their licences, claiming the business was unviable. "That itself is the root cause of the shortage. A lot of stores have decided to not

renew licences," said Giri.

Some retail shop owners were unable to sustain the business because the market resorted to deep discounting. Earlier, liquor in Delhi was sold on maximum retail price,

before the new excise policy was introduced last year.

"A lot of people don't know till when those discounts are going to continue, and that is also causing people to

stock up," the business manager cited earlier said. This shortage has also disrupted larger events like weddings in the capital because the alcohol of choice is not available, the person added.

Many states have also banned the export of beer, which has led to an acute shortage in the national capital