

# CIABC seeks removal of non-tariff measures by UK on Indian products

## Writes to Union commerce & Industry Min

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With the trade negotiations between the India and UK gaining pace, the Confederation of Indian Alcoholic Beverage Companies (CIABC), a body of the Indian alcoholic beverage manufacturers, has written to the Union Minister for Commerce & Industry and the team negotiating FTA to ensure that United Kingdom (UK) removes Non-Tariff Measures (NTM) used by it to prevent Indian products from entering their market.

According to Vinod Giri, Director General, CIABC: "An FTA must ensure equal opportunities and level playing field for both sides, and no misuse by either side.

Unless UK agrees to remove minimum maturation requirement for Indian whisky which is used to block whisky

from India, the largest producer of whisky in the world, the FTA will be a one-way affair with no benefit to India."

CIABC maintains that the UK uses the condition of minimum 3 years maturity for whisky to unfairly protect its own industry.

"India is a major whisky producing country and yet out of the 70 lakh cases of whisky exported from India every year, not even 10,000 make it to the UK. It is so because the condition of minimum 3 years maturity means 30% loss of the spirit due to evaporation which in turn makes Indian products just uncompetitive.

There is sufficient technical evidence in public domain which establishes that whisky matures 3-5 times faster in Indian climate and the effect of 3 years maturation in the UK can be achieved in just 6-9 months in India," Giri noted.

Giri further said it costs 50-75% more to produce a product in India compared to Scotland. "Capital costs 8-10% in India compared to just 2-3% in Scotland. Evaporation loss-

es are 10% every year in India compared to 1-2% in Scotland due to difference in climate conditions.

If the cost difference is fundamental and beyond the control of industry then a level playing field must reflect that in tariff. We believe that the tariff should not go below 100% now and below 50% in foreseeable future," he added.

The CIABC has also strongly argued against any preferential duty to scotch imported in bulk. It said that out of the total 2.7 crore litres of bulk scotch imported in during 2019-20, only 25% was used for blending with Indian products and rest was used for just repacking it in India as finished product.

"Any special concessions for scotch whisky imported in bulk on grounds it is used for blending with domestic products is an eyewash and cover for packing the same product in India," Giri said.

CIABC has also demanded that products under \$5 per bottle of 750 ml should not be given duty concessions.