

Spirits Up as Alcohol Sales Hit 4-year High

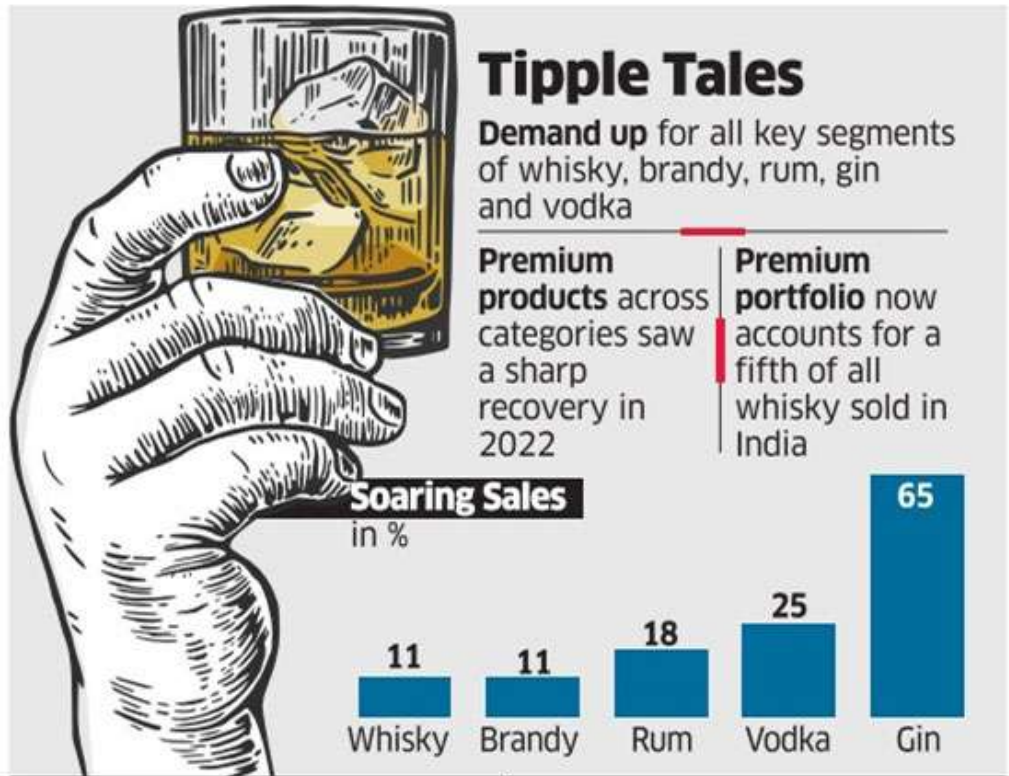
Robust demand witnessed for all key segments in 2022

Sagar.Malviya
@timesgroup.com

Mumbai: Sales volumes of spirits increased 12% to 388 million cases in 2022 to reach the highest level in the past four years, with demand increasing for all key segments of whisky, brandy, rum, gin and vodka, industry executives said citing latest excise department data.

The market, especially for premium products across categories, saw a sharp recovery in 2022 after a slump during the Covid-19 pandemic. The premium portfolio now accounts for a fifth of all whisky sold in the country, gaining 500 basis points since 2018 as consumers steadily shifted to the higher priced tippie. The growth last year, however, was slower than in 2021, which saw a 15% expansion on a low base.

"In India, there has never been an issue from a demand point of view but it has suffered in the past due to either supply issues, change in taxation or route-to-market models. In 2022, we did not see any major supply side disruptions which helped sales momentum," said Vinod Giri, president, Confederation of Indian Alcoholic Beverage Companies.



However, for most companies, reversal in Delhi's liquor excise policy impacted sales. For instance, the market accounted for nearly 4% of Diageo's overall sales and the company said it has to now recover the loss from other states.

"Consumers are experimenting and even white spirits are growing strong. We see the premiumisation story and growth quite robust and are confident that the fundamental growth trend will continue. Even in pessimistic markets like the UK, we are not seeing slowdown in

alcohol sales and premiumisation," Hina Nagarajan, managing director at United Spirits, told investors.

As a result, companies, even home-grown players, have launched products in the pricier segments. For instance, Allied Blenders launched a slew of brands, including Iconiq White Whisky, Srishti Premium Whisky and X&O Premium World grain whisky, while Tilaknagar Industries launched premium flavoured brandy Mansion House Reserve.