

Industry Flags Rise in Whisky Imports in Apr-Nov Amid FTA Talks with UK

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New Delhi: India's alcohol industry has flagged a 40% increase in whisky imports in the first eight months of this financial year against the full fiscal 2021-22, amid the ongoing India-UK negotiations on a free trade agreement (FTA).

The Confederation of Indian Alcoholic Beverage Companies (CIABC) has raised the issue with the commerce and industry ministry, fearing that duty concessions in the trade pact would further increase imports and hurt domestic players. Companies including Radico Khaitan, Amrut Distilleries and Sula Vineyards are members of the association.

It said an increase in imports disproves the UK's claims that Scotch whisky is not being given enough opportunities in India.

India's whisky imports in April-November 2022-23 were worth \$278.47 million as against \$199.02 million in full FY22. Of this, imports from the UK were almost \$200 million in the first eight

Low Spirits

\$278.5 m: Whisky imports in Apr-Nov FY23

\$199 m: Imports in FY22

\$200 m Imports from UK in Apr-Nov

\$148 m: Imports in FY22



Scotch whisky levied 150% duty

Duty cuts to harm local products, fears industry

Duty cuts part of India-UK FTA talks

months of this fiscal year, compared with \$148 million in the full fiscal year ended March 2022.

"The domestic alcoholic beverages industry is deeply concerned over this development that is happening even without the FTA with the UK. This puts a big question mark on the need for any concessions for Scotch whisky under the FTA," CIABC director-general Vinod Giri said, adding that sales of Scotch whisky were growing 6-7 times faster than the domestic products.

As part of the trade pact, the UK is keen on tariff reduction on Scotch whisky which is currently 150%. There were talks to reduce the customs duty to 50% in phases, besides importing barrels of whiskey from the UK instead of bottles so that bottling and packaging can happen in India.

New Delhi has already offered duty cuts to Australian wines under a bilateral trade agreement.

"Scotch whisky in India is sold by the parent company in the UK to its Indian subsidiary for just Rs 175 per bottle landed in Delhi. The price for the same in Dubai is approximately ₹450-460 per bottle. This under-pricing is another area of concern," Giri said. He added states like Maharashtra had given special reduction to imported Scotch whiskies in an attempt to offset the customs duty, which is making foreign liquor more attractive.