

FOLLOWING EXCISE RELIEF ON IMPORTS IN MAHA, DELHI

Desi Brands on the Rocks as Indians Toast to Scotch

Prices of imported brands are down up to 30% in key markets, leading to 108% jump in inbound shipments

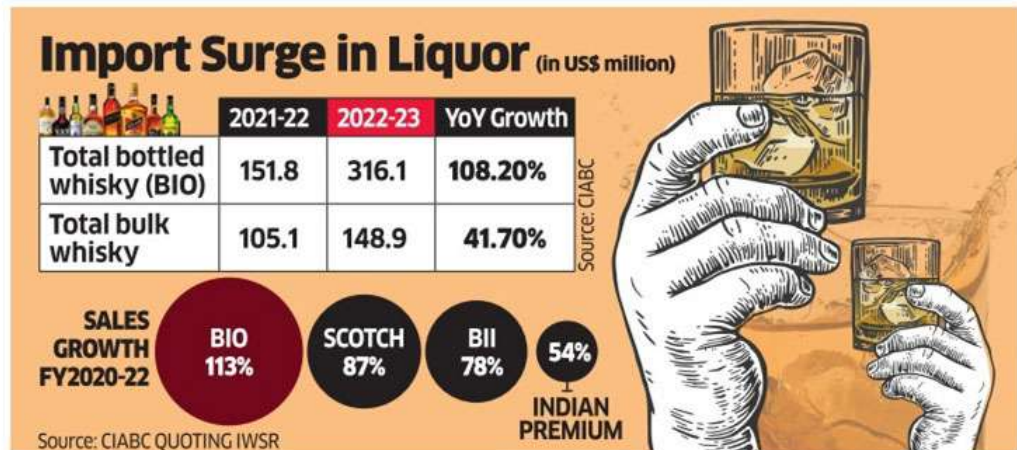
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Mumbai: Indian whisky lovers are increasingly taking to imported bottled-in-origin Scotch such as Johnnie Walker and Glenlivet at the cost of premium Indian-made brands as excise policy changes have slashed price tags of imported brands by up to 30% in some key markets.

This has slowed the growth of premium Indian brands such as Paul John Bold and Amrut Fusion as well as bottled in India (BII) brands such as Black & White and 100 Pipers, industry insiders said.

Reduced excise duty on bottled in origin (BIO) imported alcoholic products has created “an unequal and unfair playing field that’s impacting the Indian premium liquor segment adversely”, said Vijay Kauthekar, national head of sales at John Distilleries Ltd, maker of Paul John single malt whisky and Original Choice whisky.

“In addition, the ease of doing business



for BIO brands is more favourable than for Indian made premium brands in terms of brand or label registration, excise duty, etc.,” he said.

Import data shows that BIO whisky shipment into the country increased 108% year on year in 2022-23 against 42% rise in imports of bulk whisky.

Similarly, sales of BIO whisky grew 113% between 2020 and 2022 when Indian premium whisky sales increased 54%, Confederation of Indian Alcoholic Beverage Companies (CIABC) said, quoting data from global alcohol market research firm IWSR.

Industry insiders attribute this trend primarily to excise policy changes in

markets such as Maharashtra and Delhi.

Maharashtra, for example, halved excise duty on imported BIO Scotch to 150% from 300% in November 2021 while keeping it 300% for Indian products, while Delhi excise policy from November 2021 until August 2022 allowed for up to 50% discount on prices of BIO Scotch.

This resulted in a big price disadvantage for premium Indian brands, said Vinod Giri, director general at CIABC. “Indian single malt whiskies, which earlier were 8-10% below competing imported products, became 35-40% more expensive,” he said.

These two states together account for two thirds of the Scotch whisky sold in India.