

Post-Pandemic Binge: Alcohol Imports Jump 54% in Apr-Jan

RISING PREMIUMISATION Overall imports of exotic foods also rose 33% during the period

Ishaan.Gera@timesgroup.com

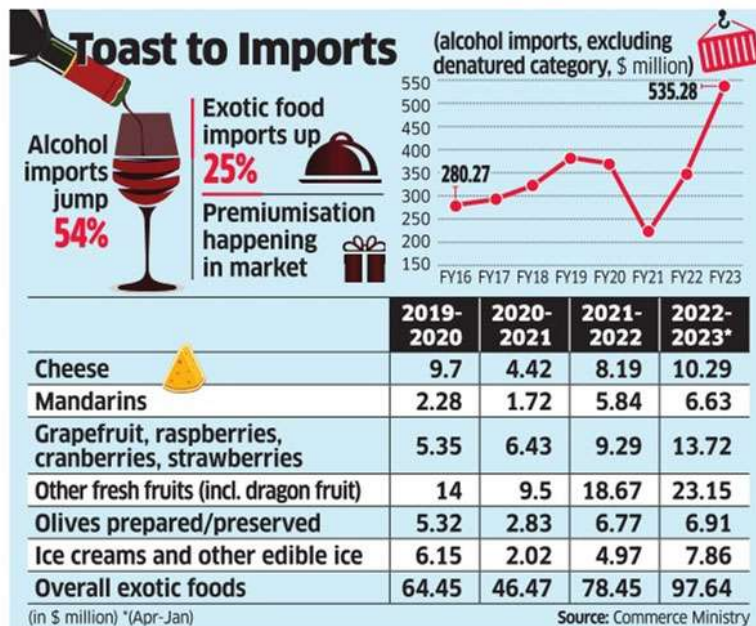
New Delhi: Call it the post-pandemic binge. India's alcohol imports jumped 54% in FY23 (April-January). Not just alcohol, different kinds of cheese, fruits like tangerines, raspberries, blueberries and other fruit categories like dragon fruits were up 26% compared to the previous year.

An ET analysis found that overall imports of exotic foods increased 33% in FY23 (April-January) compared to the previous fiscal.

Imports of mandarins (including tangerines and satsumas) increased 13.5% to \$6.63 billion in FY23 (April-January) compared with the previous year. The imports were up 2.9-times compared to the pre-pandemic period (FY20).

Similarly, in the case of other fresh fruits, which includes categories like dragon fruits, imports increased 24% to \$23.15 million from \$18.67 million in FY22. The import of other fruits was just \$14 million in FY20.

Caviar and substitutes, although negligible, almost doubled to \$0.14 million in FY23. Preserved olive imports at \$6.77 million were 30% higher from FY20.



Experts attributed the trend to growing affluence and easing of constraints. "People who have a lot of money are adding to consumption. This premiumisation is visible across all goods and services from a house to rudimentary goods like alcohol and liquor," Madan Sabnavis, chief economist, Bank of Baroda told ET.

Sabnavis illustrated with the example of the airline industry, where he said that the first and business class tickets are always sold, but economy class seats are available.

Arpita Mukherjee, professor, ICRIER, a research organisation, attributes the phenomenon to the younger population.

"When the economy is doing well, people tend to spend more, especially the young population, who have a taste for such things," Mukherjee said.

In the case of alcohol, the growth witnessed in FY23 was the highest witnessed in a decade.

The average rate of increase was 11% before the pandemic, but since FY20, the compounded annual growth has been 14% per annum.

"Excise duty was halved in Maharashtra, as a result imported whiskey became cheaper than Indian whiskey. Delhi's new liquor policy also helped increase demand for imported liquor" said Vinod Giri, Confederation of Indian Alcoholic Beverage Companies. Delhi-NCR and Maharashtra are the two biggest markets in the country, he added.

Whiskey imports increased by 55% from the pre-pandemic period to \$337 million compared to \$218 million in 2019-20. Over the last eight years, whiskey imports have tripled. The share of the drink went up from 44.3% of India's total consumable alcohol imports in 2015-16 to 63% in 2022-23 (April-January). The share of gin during this period went up from 0.5% to 2.5%, as imports multiplied 12-times.