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Indian spirits makers seek better market access in EU

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New Delhi: Amid demands from European spirits and wine manufacturers to lower tariffs in India under the proposed free trade agreement (FTA), the Confederation of India Alcoholic Beverage Companies (CIABC) has sought better market access for the Indian products into the European Union.

The lobby group has pointed to "non-tariff barriers" such as its definition of whisky and brandy to argue for their dismantling. For a product to be classified as "whisky" in the EU, it has to have a maturity period of three years or more, and one year to be categorised as "brandy".

"It has been highlighted several times, along with scientific substantiations, that such long maturation is not applicable under warm Indian climate. We believe that it is effectively a non-tariff barrier since long maturation increases the cost of Indian products by 30-40% as spirit evaporates 10-15% every year under Indian climate (compared to 1-2% in Europe) and the cost of capital deployed during maturation (8-10% per annum in India compared to 2-3% for Europe). We firmly believe that if the EU does not repeal the law pertaining to the maturation, any trade agreement will be one sided favouring only the EU and will do nothing for the Indian industry," said CIABC director general Vinod Giri.

Last week, **TOI** had reported that EU lobby groups were demanding zero duty imports under the proposed FTA. CIABC argued that the trade deal between India and EU should be on the lines of the one with the UK, which is under negotiation as any difference in terms could result in routing through the more favourable route.