

India, EFTA trade pact to help push growth of wine industry

PNS ■ NEW DELHI

Alcoholic beverages makers' body CIABC on Monday said the free trade agreement between India and four European nation bloc EFTA will help push the growth of the domestic wine industry.

The European Free Trade Association (EFTA) members are Iceland, Liechtenstein, Norway and Switzerland.

The Confederation of Indian Alcoholic Beverage Companies (CIABC) Director General Vinod Giri said that time-bound reduction of customs duties on an equitable and sustainable level will support the domestic industry.

As per the documents of the agreement, duty concessions on wine are similar to those given to Australia, with no concessions for wines costing less than USD 5.



Wines priced between USD 5 and less than USD 15 will see a duty reduction from 150 per cent to 100 per cent in the first year, then decreasing gradually to 50 per cent over 10 years.

For wines costing USD 15 or more, he said, the initial duty cut is from 150 per cent to 75 per cent, eventually reducing to 25 per cent after 10 years.

"The India-EFTA trade deal will help in providing easier access to high-quality wines from EFTA countries without affecting the domestic wine

industry adversely by ensuring that the concessions cut-off remains above the lower price segments where most of the domestic industry operates," Giri said.

He said that the deal will also help the domestic industry further lift its quality by exposure to quality wines and possible investments.

"The deal will spur growth of the Indian wine industry," Giri noted.

He further said the time horizon of 10 years for the staggered reduction of customs duties is long enough to help the domestic industry raise its competitiveness and product quality to match the best.

"The deal is similar to India's trade deal with Australia which ensures no cross effects. The domestic wine industry supports over 6,000 grape-growing farmers," he added.