

SENSEX: 82,184.17 ▼ 542.47 (0.66%) NIFTY: 25,062.10 ▼ 157.80 (0.63%) NIKKEI: 41,826.34 ▲ 655.02 HANG SENG: 25,667.18

## INDIA-UK COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT

## Scotch imports into India set to get cheaper with tariffs halved to 75%

AGGAM WALIA  
NEW DELHI, JULY 24

AFTER THE India-UK Comprehensive Economic and Trade Agreement (CETA) signed on Thursday, scotch whisky imports from the UK are set to get cheaper for Indian consumers, with tariffs slashed from 150 per cent to 75 per cent. The landmark agreement does not impose minimum import price (MIP) rules on scotch imports, which had been a key demand of India's domestic industry. British scotch brands including Chivas Regal, Ballantine's, Glenlivet, Glenfiddich, and Johnnie Walker could benefit from the tariff reduction.

Under the agreement, India will immediately cut tariffs by half to 75 per cent, and then to 40 per cent over ten years, once the deal is ratified domestically by the two countries.

Scotch distillers in the UK have welcomed the reduction in tariffs, which will give them greater access to the world's biggest whisky market by volume. Whisky was the UK's fifth-largest export product to India in 2024-25, valued at roughly \$260 million.

"The deal will support long term investment and jobs in our distilleries in Speyside and our bottling plant at Kilmalid and help deliver growth in both Scotland and India over the next decade,"



Prime Minister Narendra Modi and UK Prime Minister Keir Starmer with Indian industry delegation at the UK-India Reception on the occasion of the signing of the India-UK CETA at Chequers, UK.

Source: CII

said Jean-Etienne Gourgues, chairman and CEO of Chivas Brothers, the firm behind popular whisky brands such as Chivas Regal and Ballantine's.

India's domestic alcoholic beverage industry, however, has flagged potential dumping concerns with the reduction in tariffs.

"Though lowering of import duty on Scotch will help the domestic industry — as Scotch used to produce blended products will also get cheaper — we hope that the government will ensure that Scotch whisky and other spirits (BIO-bottled in origin) are not dumped at low import prices

or routed through any other country at cheaper rates, which would hurt the YOY growth of premium and luxury Indian brands," said Anant S Iyer, director-general of the Confederation of Indian Alcoholic Beverage Companies (CIABC), hours before the full text of the agreement was made public.

To counter dumping, Iyer said the industry had recommended to the government to introduce MIP rules for scotch. However, the agreement does not impose any such requirements on scotch imports.

"With the import duty being

cut drastically, it is high time that a number of state governments end all concessions — such as lower brand registration fees, reduced excise duties, etc. — currently extended to BIO brands," Iyer said.

"This has created a situation where importing Alcobev products is becoming cheaper than producing it in India. With lower import duties, it will now become even more economical for MNC's to import their products. State governments should end all discrimination against India-made alcoholic beverages," he added in a media note.

**EXPLAINED**  
**E** Tariffs to be cut to 75% now & to 40% over ten years

INDIA WILL immediately cut tariffs by half to 75%, and then to 40% over ten years. The reduction will benefit British scotch brands including Chivas Regal, Ballantine's, Glenlivet, Glenfiddich, and Johnnie Walker. The deal does not include minimum import price rules for scotch earlier recommended by India's alcoholic beverage industry, which has flagged concerns over potential dumping.

Iyer also flagged lack of market access for Indian-made foreign liquor in the UK and EU due to non-tariff barriers related to maturation and ingredients. "Though Indian whiskies, rum, gins, wines, etc., have been winning accolades globally, the lack of removal of non-tariff barriers and absence of reciprocal market access will make this export target hard to achieve," he said. While tariffs on Indian exports of beverages, spirits, and vinegar have been eliminated entirely, non-tariff barriers are likely to remain.

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