

Pioneer, Delhi

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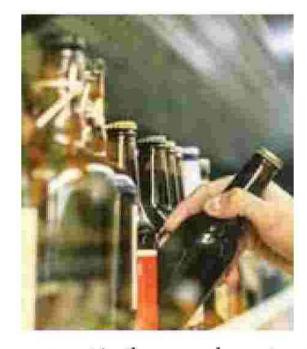
Lockdown spirits away tipplers

RAJESH KUMAR | NEW DELHI

The liquor industry has reported a decline of 12 per cent in the sale of the Indianmade foreign liquor (IMFL) segment amid Covid pandemic and lockdown despite 6 per cent growth in the January-March quarter in 2020-21.

The total sale of IMFL was 305 million cases (9 litres each) products in 2020-21 — nearly 12 per cent below the previous year. Though the sales picked up in the second half of 2020-21 in most parts, the States which imposed high corona cess and other taxes after the first wave of Covid-19 showed poor recovery.

According to a data compiled by the Confederation of Indian Alcoholic Beverage Companies (CIABC), the liquor sales fell by a whopping 42 per cent in first quarter of the last fiscal, it declined by 9



per cent in the second quarter and 1 per cent in the third quarter, before showing a recovery of 6 per cent in the fourth quarter.

The top five States in terms of recovery in sales were Maharashtra, Goa, Haryana, Himachal Pradesh and Uttarakhand, while West Bengal, Rajasthan and Chhattisgarh were among the big States which witnessed

largest declines over the previous fiscal.

As per the data, Uttarakhand, Himachal Pradesh and Harvana reported over 40 per cent growth in IMFL sales during the fourth quarter of 2020-21, while Maharashtra and Goa reported 23 and 22 per cent growth, respectively. However, during the January-March quarter, sales of IMFL in States such as Chhattisgarh reported a 31 per cent decline, 28 per cent in West Bengal and a 20 per cent in Rajasthan. The highest decline of 52 per cent was in Meghalaya and 43 per cent in the Union Territory of Daman, Diu and Silvassa.

In Delhi, the sale of IMFL fell by 67 per cent in the first quarters, 8 per cent in the second quarters, 3 per cent in the 3rd quarter and in the fourth quarter, it showed recovery of 2 per cent. Andhra Pradesh's

sales fell by 70 per cent in the first quarter, 51 per cent in the second quarter, 19 per cent in the third quarter and two per cent in the fourth quarter. Chandigarh recorded 65 per cent decline in the sale of IMFL in the first quarter, 13 percent in the second quarter, 21 per cent in the third quarter. In the fourth quarter the growth rate was only 4 per cent.

Some States including, Delhi, Assam, Odisha, Chandigarh, and Madhya Pradesh, have shown

positive trend in sales, but the recoveries were not strong enough, or were inconsistent through quarters, reflecting inherent fragility in the market.

According to CIABC

Director General Vinod Giri: "Many states showed positive trend through the quarters, and even though most States were unable to fully recover volume lost in first and second quarters, strong performance in third and fourth quarters reflects fundamental strength in the market. It also confirms that there is no lasting shift against alcoholic beverages in consumption baskets."

"Incidentally, the majority of these States are ones that imposed high cess / tax during the first wave of Covid, and unlike other states did not withdraw or reduce it.

West Bengal and Chhattisgarh also made changes in the route-to-market which may have suppressed the market's natural uplift", he said. Continued on Page 2



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According to CIABC, for instance, in Chhattisgarh introduction of super distributor has led to suppression of sales, and in West Bengal mid-year changes in excise policy have led to further decline in sales. "We are also concerned regarding Meghalaya, where proposed introduction of super distributor where there is no need for it, may lead to collapse of sales," Giri noted.

The Uttar Pradesh administration has allowed opening of liquor shops from 7 am to 1 pm in the State while Haryana has also allowed opening of liquor shops with some restriction. But, Delhi has not allowed opening of liquor shops due to higher cases of COVID-19.