

# ‘Call us Indian whiskey, not spirit drink’

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NEW DELHI

Indian breweries are making a spirited bid for the UK market, home of the revered Scotch whisky.

With the UK unlikely to relax its maturation rules, Indian whiskey makers say they should be allowed to sell in the UK market under the label of “Indian whiskey” and not continue to be categorized as “spirits”.

Under UK rules, alcoholic beverages matured for less than three years can only be sold as “spirits”, which, Indian breweries argue, acts as a non-tariff barrier for whisky exports from India.

Indian makers say alcohol matures much faster in India than in the UK due to its warmer climate, which makes comparisons unfair. The Indian industry has also proposed that Indian whiskey may carry a label saying “matured for less than three years.”

“We believe the UK must remove its condition that spirit must be matured for a minimum of three years to be called a whiskey because that effec-



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tively rules out the bulk of exports from India and is neither supported by Indian laws nor suitable for Indian climate conditions...In Indian laws there is no such condition of maturation. We call it whiskey as per the Indian (regulatory) norms. We would be happy if it could be called ‘Indian whiskey’. We have even suggested in our

meetings that we can call it ‘matured for less than three years’,” said Vinod Giri, director general, Confederation of Indian Alcoholic Bever-

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age Companies (CIABC).

“We have offered to use the labs in Scotland to demonstrate at what point of time the effect of maturation of whis-

key in India is comparable with the three-year maturation in Scotland,” he added.

The UK is of the view that three-year maturation is a long-standing definition that can’t be altered. It is of view that Indian made foreign liquor (IMFL) that isn’t matured for three years can still be sold in the UK at 0% tar-

iff—it just can’t be described as whiskey. Rather, it should be sold as ‘Indian spirit drink’.

The British proposal, Giri argued, will not find buyers in the UK. “The consumer sees what’s written on the label. Spirit is a very broad term. You cannot sell a drink calling it a spirit. Would they be willing to call the drink ‘Scotch spirit’ instead of ‘Scotch whiskey’? Their argument is fallacious,” said Giri.

The two sides have had six rounds of free trade negotiations so far with the latest concluding last week. For whiskey, the UK is learnt to be seeking a tariff reduction to 30% over a three-year period from the current 150% in the proposed interim deal and 75% when the pact comes into effect.

New Delhi is learnt to have proposed a cut in tariff to 100% in the first year, down to 50% in 10 years. A person on condition of anonymity said that the UK seeks a deal that slashes tariffs and red tape, giving Indian consumers and businesses easier access to the UK goods they already enjoy.

Queries emailed to the ministry of commerce and industry remained unanswered.

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