

Indian-made foreign liquor volumes up 14% in FY23

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NEW DELHI: Whisky continued to dominate the alcoholic beverage sector with estimated sales of 243 million cases, accounting for 63% of the total market. However, after witnessing a prolonged fall in sales, gin has had a reversal in fortunes and is poised for growth in the Indian-made foreign liquor (IMFL) segment.

In 2022-23, sales of IMFL products in India gained significant momentum, reaching 385 million cases, up nearly 14% from a year ago, and about 12% over the pre-covid period of 2019-20.

According to a report by the Confederation of Indian Alcoholic Beverage Companies (CIABC), the IMFL industry has fully recovered from the adverse effects of the pandemic with fairly consistent sales across



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most states.

While the western region witnessed a stellar 32% growth, the eastern region clocked 22% growth. Sales in the North and South were lower at 16% and 9% respectively. However, the South remained the largest contributor to sales volumes with a 58% share followed by the West and

East at 22% each, while northern states contributed 16%.

CIABC, representing the interests of firms such as Radico Khaitan Ltd, Allied Blender and Distillers Pvt. Ltd, and Jagatjit Industries Ltd, compiles data from the excise sales records of states and contributions from private players.

CIABC expects the sector's growth momentum to slow down this financial year with sales of 412-415 million cases (each case contains 9 litres), or a modest growth of 7-8%.

Despite facing disruptions following the changes in excise policies, and unavailability of many brands, Delhi maintained a healthy annual growth rate of 36%. This was primarily on the back of a strong first quarter of FY23, when various schemes and promotions were launched to clear the existing stock in anticipation of the impending changes to the excise policy.

In the first quarter, the city saw 250% sales growth, but the subsequent three quarters witnessed neutral or negative sales trends.

"Sales growth (in Delhi) is trending downwards, reaching a negative range. There is a need for urgent policy interventions in

the absence of which, sales may start dipping this fiscal year," said Vinod Giri, director general, CIABC.

While most states saw an increase in sales, Uttar Pradesh, Uttarakhand and Telangana's sales declined 6%, 1% and 3%, respectively. In fact, sales of the two northern states fell in all four quarters. "In Uttar Pradesh, traditionally country liquor sells more, and the slowdown in IMFL this time has got masked by that category," added Giri.

Telangana has also been a consistent poor performer. It has either had flat or negative growth in the last seven quarters since the second quarter of FY22. CIABC said it could be due to high consumer prices, and possible infiltration from neighbouring states. The state has taken steps to reduce prices, which may have a positive impact on liquor sales.