

Whiskey makers protest imports from third countries

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NEW DELHI/BENGALURU: Indian whiskey makers said an unusual rise in imports from the UK via trans-shipment hubs such as the UAE and Singapore could force local units to shut shop, and have flagged it to the government. Their concerns come at a time when India is engaged in talks with the UK for a free trade agreement (FTA) that could see Scotch whisky prices plunge after the planned duty cuts.

As per the Scotch Whisky Association (SWA), India overtook France to become the UK's largest market for Scotch in terms of volumes with a 60% increase in imports in 2022 over the previous year. India imported 219 million 70cl bottles of Scotch last year.

The Confederation of Indian Alcoholic Beverage Co. (CIABC), however, said actual imports from the UK would be far higher if transshipment hubs such as the



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UAE and Singapore — countries that produce no alcohol — are taken into account.

It wants the government to tighten the rules of origin.

“Almost 95% of whisky imported into India is Scotch whisky and, as the data shows, nearly one-third of it comes not from the UK but from global shipment hubs such as Singa-

pore and Dubai. Even though Scotch whisky has a specific harmonized structure (HS) code allotted to it, we see over 85% of the consignments come using other HS codes,” Vinod Giri, director general of CIABC said.

“Let's keep UK aside for a moment. Tomorrow if India does a FTA with Singapore or UAE (already has) where no alcohol is produced but shipped through. Unless Rules of Origin (ROO) are clearly defined, the product of any other country can slip through claiming concessions. Customs will see only at the source port and the HS code. Even GI products such as Bourbon, Irish whiskey etc do not separate HS code but come under standard whisky codes. So Bourbon coming through the UAE or Singapore can claim FTA rates unless the ROO is clearly defined. In case of UK, there is need to force discipline of using only UK ports and/or using only specific HS code assigned to scotch. Else, concessions can be misused,” Giri added.