

Surge of foreign liquor brands challenges local premium labels in Uttar Pradesh

Synopsis

The retail sector of Uttar Pradesh is witnessing an influx of international liquor labels that pose formidable competition to local premium brands. The state, known for its strict alcohol regulations, has registered a surge in liquor brands' total number, from 3,106 to 3,854.



As foreign brands make waves in Uttar Pradesh's liquor scene, the dynamic interplay between local and international labels is shaping the industry landscape in new and unexpected ways.

Uttar Pradesh's [liquor](#) landscape is undergoing a transformation as an influx of foreign brands seeks to attract patrons of alcoholic beverages. The state has witnessed a significant surge in the total number of registered liquor brands, soaring to 3,854 during the fiscal year 2023-23 – marking a considerable increase from the previous year's count of 3,106.

This trend is poised to introduce formidable competition for local premium brands, as international liquor labels continue to penetrate the retail sector. The availability of imported [foreign liquor](#) brands such as whisky, vodka, rum, and gin in Uttar Pradesh (UP) has surged from 199 in the previous financial year to an impressive 573.

Similarly, non-Indian wine producers are expanding their product portfolios, while foreign beer manufacturers are also enhancing their offerings for beer enthusiasts. The count of imported wine and beer products has climbed from 305 to 445 and 34 to 41, respectively, within a single year.

Officials attribute this improved scenario, characterized by an array of choices for end consumers, to the state's robust and flexible annual excise policy. Senthil C Pandian, the excise commissioner, emphasized the strong support of the state government in creating a conducive environment for businesses. The increased brand registrations have translated into higher revenues for the excise department, with year-over-year revenue rising from Rs 18.12 crore to Rs 20.92 crore.

In an effort to attract more foreign companies, the department abolished the requirement for foreign brand registrants to submit an authority letter from the principal importer. This shift, effective until March 31, 2023, streamlined the registration process, enabling entities with an "imported liquor – bottled in origin license" to register foreign brands. This change has led to a sudden

The growing presence of hard liquor brands appears to have impacted the demand for beer, presenting challenges for beer manufacturers. A spokesperson from AB InBev India, which owns popular beer brands like Budweiser and Corona, noted that while industry-friendly rationalization of excise tax slabs had previously fueled beer industry growth, recent trends have been less aligned with the expansion of country liquor and hard spirits in UP. Factors such as duty increases and technical issues on the excise portal have nudged consumers toward high-alcohol strength beverages.

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