

Excise: With ₹4,320 cr investment, UP to turn into manufacturing hub

142 proposals for alcohol-based industries via Invest UP

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THE UTTAR Pradesh Excise Department's first-ever investor summit dedicated solely to the alcohol industry yielded business proposals worth Rs 4,320 crore, officials said on Wednesday.

According to officials, the one-day summit was aimed at "encouraging investment in alcohol production, distribution, marketing based industries and various related sectors in the state; providing a smooth policy environment to the related industries and also for giving policy-related information to the investors".

State Excise Minister Nitin Agarwal noted that while the state has long been known for its service sector, it is now emerging as a manufacturing hub.

"Over the recent years, 142 investment proposals for alcohol-based industries have come through the Invest UP portal, leading to signing of 135 memorandums of understanding (MoUs) worth Rs 39,479 crores that will generate 73,524 jobs," the minister said.

Agarwal said that of these, 46 projects have completed land ac-

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quisition and are ready to break ground, representing Rs 7,888 crores in committed investment.

Nineteen units are already operational and an investment of Rs 2,339 crore has already been made by these units, he said, adding that these units have provided employment opportunities to 2,316 persons.

Officials said that during the investor summit, the government shared the new excise policy and informed them about the "industry-friendly" rules, incentive schemes, technological initiatives for e-governance, transparency, single window clearance system and online licensing system.

"Various investment proposals, including investment in alcohol production, brewery, winery and other related sectors were discussed and about Rs 3600 crore investment proposals were made during the summit," said the officials.

What the sector contributes to state's revenue and GDP

An economic report on UP's alcoholic beverages industry, released by the International Spirits and Wines Association of India, showed that the sector generated Rs 56,000 crore in market revenue in FY 2023-24 and contributed 2.4 per cent to the state's GDP.

According to the report, alcohol sales account for 25 percent of the state's tax collections, and the Indian Made Foreign Liquor segment has grown 10 percent annually in volume, driven by rising demand for premium brands.

The report also found that grain and sugarcane for beverages come from over 3.4 lakh farmers in the state, while licensed food and beverage establishments drive about 19 percent of their revenues from alcohol sales and employ 50,000 people.

It also pointed out that the state supports 27,308 liquor retail outlets, which together provide livelihoods for 1.3 lakh workers. Notably, "80 per cent of the city's container glass output is consumed in the beverage sector."

