

## Indian market fast opening up to wine

The Indian market is fast opening up to wine, both domestic and imported, with changing social norms, a middle class with disposable incomes and prospects of the government reducing taxes, an Indian wine expert said here Wednesday.

Subhash Arora, president of the Delhi Wine Club, asked delegates at the Spanish Wine Fair 2007 (Fenavin) to be 'price sensitive' while seeking Indian market, which did not necessarily mean selling cheapest wine.

India already has a well-developed domestic industry that also exported the commodity, he cautioned them. But there was good scope for good brands of wine in the niche market.

The best way to come to India was enter into partnerships in trade and production. French, Italians, Australians, Germans and others were already marking their presence, Arora said.

While India regularly participates in Vinexpo, at Bordeaux, France, Vinitaly at Verona, Italy, Prowein, Dusseldorf, Germany and the London Wine Fair in the UK, the participation in Fenavin is the first one with a dozen importers here.

Arora drew a contrasting picture of the Indian situation, calling it 'The Indian Paradox', where millions drank despite religious and social taboos. There was more consumption of 'hard' liquor - 120 million cases of whisky, vodka and other hard liquor and 105 mill cases of beer every year.

'Add 200 million cases of country liquor and a sizable number that is unaccounted for, 500 million cases of liquor are annually consumed. This is the Indian paradox,' Arora said.

At the same time, wine, treated as part of food in the West, was shunned because of its alcohol content. Even so, 170,000 cases of wine were consumed every year and the market had grown by 40 per cent last year.

'You can vote at the age of 18. The girls can even get married at the age of 18. Yet the legal drinking age is 25. This is the Indian Paradox,' he said.

'Our finance minister (P. Chidambaram) and the commerce minister (Kamal Nath) are both connoisseurs of fine wine and do not mind breaking bread and sharing a glass of wine. The minister of agriculture (Sharad Pawar) is a big grape farmer and has gone on record saying that wine should be treated as food item, like in Italy and Spain. But he had to backtrack due to anti-alcohol lobby and the wine continues to be subject to VAT at 20 percent,' Arora said.

However, he said that with a nine per cent-plus growth rate, of taxes being reduced and a rapid expansion of organised retail, India offered bright prospects.

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