

## **A REVIEW ON ALCOHOL AND ITS POLICIES IN INDIA (FOR YEAR 2013-2014)**

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### **ABSTRACT**

*Alcohol is playing an increasingly important role in India's emerging economy as the number of consumers of spirits and imported alcoholic brands is growing rapidly. As per report 2013 India is the dominant producer of alcohol (65%) in South East Asia region and contributes to about 7% of total alcohol beverage. Southern part is ahead in Alcohol consumption in the India has steady growth rate of 10 to 15% each year during the past decade. As per capita alcohol consumption was gone up by 107% in India over the 15 years period from 1970-1996 in the India. India is the key markets for the global spirits industry. This review concentrates on the alcohol industries includes the producers of distilled spirits, beer, and wine, network of distributors, wholesalers, and related industries including hotels, restaurants, bars, and advertisers. This study focuses on Indian Made Foreign Liquors, Foreign liquors, Local Liquors and production of molasses in India its export ideas etc.*

**Keywords:** Foreign liquors, Alcohol industries, Economy, India, state liquor policies,

### **INTRODUCTION**

- 1) As per the World Health Organisation (WHO) and (WHA) World Health Assembly Global Strategy to reduce the harmful use of alcohol was adopted by the 193 members of the United Nations 2010. This generate proper framework for action for the implementation of the global strategy.
- 2) The plan is with 10 areas for policy action including 5 strategic objectives.
- 3) Alcohol is the most commonly used intoxicating substance in India. It is a legal product but there is a minimum legal drinking age limit that varies from state to state (from 18 -25 years).

- 4) The alcohol marketing and promotional 7 strategies are focusing on aspirational consumers through innovative and targeted approaches, such as use of various social media forums, which provide an excellent platform for alcohol retailers to connect with consumers.
- 5) Alcohol use in India as well as rules and guidelines about who could drink and when - Constitution of India but taxation on sales of alcohol is a major revenue-earner for most states. "A review on Alcohol Marketing and Regulatory Policy Environment in India" highlights the various characteristics of the alcohol industry.

#### **Description and reviews:**

Till 2013 alcohol consumption India is lower than other countries, 32% population are consumes alcohol but only 4-6% are the daily drinkers of the liquors. This record declared by the government is related to the authorised shoppers of the liquors. Due to this daily drinkers are more than 15-20% in slum and the rural area.

Alcohol consumers are not only males, 5-7% of females also entered in to the alcohol consumers due to this percentage of alcohol consumer increases gradually, till 1980 min age of alcohol consuming was 28 but now it is reduced to the 17 years only.

As per 2005-2006 survey percentage of women who drank alcohol is very small that is in 0.6% in high society to 5%-6% in low middle class society. Now days due to high education and better jobs to female their alcoholism also increases.

#### **Why consumes alcohol by Indians (Reasons Age etc.)**

- 1) As alcohol is consumed individually, socially, ritualistically, and mostly to get drunk.
- 2) It is consumed to celebrate (at parties, official gatherings, social and even religious events.) as well as to commiserate.
- 3) To overcomes stress and sadness, recession, to cope with financial or other losses.
- 4) In recent years alcohol has become an increasing cause for concern in India, as there has been a rapid change in the patterns of alcohol use.
- 5) The most alarming trend is that people are beginning to drink at increasingly younger ages.

6) The percentage of the drinking population aged less than 21 years has increased from 2 percent to more than 14 percent in the past 15 years, according to a study conducted in the Indian state of Kerala by the Alcohol and Drugs Information Centre India, a nongovernmental organization.

7) The study found that the “mean age of initiation” has dropped from 19 to 13 years in the past two decades.

8) The changing social norms and the growing acceptability of alcohol have led to heavy and regular alcohol consumption among Indian females. A study conducted in Bangalore, the capital of Karnataka, suggested that during a typical drinking session, there is no difference in the amount of alcohol consumed by men and women<sup>1</sup>. A recent study showed that moderate alcohol consumption might yield benefits for some but certainly not for Indians because of their drinking pattern. Despite the fact that per capita alcohol consumption in India is among the lowest in the world (0.9 litres vs. 4.5 litres global average) , hazardous drinking (binge drinking and solitary consumption to the point of intoxication) is the hallmark of alcohol consumption<sup>9</sup> here. It is a pattern of drinking observed in more than half of the drinkers in India. Again, typically, brown spirits (particularly whisky and rum) are the preferred alcohol beverages (high alcohol content; over 40 percent v/v) rather than beers, wines, and other products with lower alcohol content.

9) The white spirits, beers, wines, and other ready to drink alcohol products have begun gaining some popularity among Indian drinkers only recently. India is the third largest global spirits market by volume in the world, just behind China and Russia. It is also one of the fastest growing markets in the world.

10) The domestic alcohol industry has recognized that the young people and women are the key target populations for them and they are assertively focusing on these vulnerable groups through their marketing campaigns. Not surprisingly, the international alcohol lobby too has observed the untapped market in India and has joined hands with the domestic lobby to reach them. The industry is consistently launching new products, such as flavoured alcoholic drinks, to attract the non-drinkers in this group. The availability of alcohol is increasing in India; there are more outlets in shopping malls and popular marketplaces, which make it easily accessible.

11) In some states, certain alcoholic beverages like wine and beer can be sold in supermarkets that further increase the availability. Increase in physical availability of alcohol leads to rise in alcohol consumption and alcohol related harm. Intensive engagement of the alcohol industry is observed in social initiatives and policy related activities under the broad framework of corporate social responsibility (CSR), which

nowadays are part of a more general strategy that is designed to further the industry's political and

**\*\*\*\* Review on Government Production and Policies\*\*\*\*:**

**Liquor policies and alcohol consumption are totally under the Central and State Government policies.**

The Indian alcohol industry focuses mainly on four types of alcoholic products: Indian Made Foreign Liquor (IMFL); Indian Made Indian Liquor (IMIL or country liquor); beer; and imported liquor.

The two most preferred forms of alcohol in India are country liquor and IMFL. The per capita consumption is 2 litres/adult/year (calculated from official 2003 sales and population figures) and becomes 4 litres/adult/year taking into account undocumented consumption (45-50%).

Licit and illicit spirits i.e. government licensed country liquor and illicitly distilled spirits constitute more than 95% of the beverages drunk by both men and women.

Wine is a nascent but growing market. (Bengal, 2005) This is a favourable time for the alcohol industry in India due to the following factors.

Now a days Wine grape wine and different type of fruit wines were very useful in the markets.

## **CONCLUSIONS**

As alcohol is a state subject, the production, distribution, and sale of alcohol is a state responsibility.

Different state ministries and departments regulate different aspects of alcohol. For example, the Ministry of Social Justice and Empowerment (MoSJE) looks after alcohol use prevention programs, developing networks and capacity building for alcohol prevention and control, and monitoring.

The Ministry of Health and Family Welfare (MoHFW) runs de-addiction centres.

Taxation and excise is the responsibility of the Ministry of Finance and the state Excise department.



There is no systematic coordination between these departments and, therefore, there is no comprehensive national data on the production and sale of alcohol.

Only sporadic data through industry annual reports and market research is available. Alcohol is regulated by state excise policies which cover multi-dimensional issues of alcohol control possession, production, manufacture, selling, buying, and transport of liquor.

There are three types of alcohol policies in India: a) Total prohibition of production and consumption of all kinds of alcohol; b) Partial prohibition of some kinds of liquor for example, a ban on the production and consumption of arrack in Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, and Uttar Pradesh; c) Imposition of dry days, where sale of alcohol is prohibited throughout the country on that day. State-specific legislations on these three kinds of regulatory policies are broadly similar and focus on penalizing producers rather than consumers.

State Level Prohibition- The following states (and one Union Territory) have totally prohibited the sale, production, and consumption of alcohol: Gujarat, Manipur, Mizoram, Nagaland, and the Union Territory of Lakshadweep. Gujarat has the oldest and the most consistent alcohol ban since 1960, when Bombay dissolved into Maharashtra and Gujarat<sup>30</sup>. While alcohol policies may vary from one state to the other, most of them follow a similar prohibition program, which includes: - discontinuing advertisements of alcoholic drinks, - not allowing drinking in public places, - banning liquor shops, - refusing permission to open new liquor shops, - declaring paydays as dry days, - punishing government servants who drink, - enforcing strict restrictions on drivers and pilots, 24 - not allowing liquor shops on the wayside, - not granting licenses for distillation or brewing of liquor, and - urging leaders to set an example by not drinking.

In spite of all these restrictions, prohibition has failed. Dry Days India has a unique system of prohibition under which alcohol is not sold on certain days that are designated as dry days. The states usually observe dry days on major religious festivals and occasions. While it is the prerogative of each state government to decide on its dry days, national holidays like Republic Day (January 26), Independence Day (August 15), and Gandhi Jayanti (October 2) are dry days throughout India. In Maharashtra Ashadhi Ekadasi, Kartiki Ekadasi, Ambedkar Jayanti are the banned days and state wise these are varied.

State Excise and Revenue Alcohol taxes are the second major revenue-source for a majority of state governments, after sales tax. Although individual states have demonstrated disparities in terms of revenue collected, alcohol taxes comprise 90 percent of state excise duties.

The total collections from excise and sales tax are estimated to be around US\$ 500,000 every year<sup>8</sup>. Apart from the legal revenues earned, alcohol also generates a huge sum of “black money” through bribes, protection payments, profits of illicit alcohol etc. As a result, in alcohol policies, alcohol is treated as a revenue-generating commodity and its public health perspective is considered but one of term if important.

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