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India Trade Deal Could Add £240 Million to Scotch Exports, Scottish Report Says

The estimate hinges on Indian tariff cuts from 150% to 75%, though state taxes and distribution rules could limit gains

Friday, July 31, 2026



India could add £240 million to Scotch whisky exports from Scotland over the next decade under the trade agreement between the United Kingdom and India, according to a new Scottish government market report that identifies India as the industry’s clearest near-term growth opportunity.

The estimate, published on July 30 in the Scotland-India Strategic Market Insight Report, is the first detailed projection from the Scottish government focused specifically on the possible gain for Scotch whisky. The figure is based on lower Indian import tariffs under the UK-India Comprehensive Economic and Trade Agreement and comes with a clear warning: it is an estimate of potential trade, not a record of confirmed sales or signed contracts.

The report says India imported £286 million of Scotch whisky in 2025, equal to about 220 million bottles. An additional £240 million in exports would amount to roughly 84% of that 2025 value. For Scotland’s whisky producers, that would represent a major expansion in one of the world’s largest spirits markets.

The expected opening comes from tariff cuts that change the economics of selling Scotch in India. Duties on spirits, including Scotch whisky, fall immediately from 150% to 75%, a reduction of 75 percentage points. They are then due to decline further to 40% over 10 years under the agreement. The Scottish government says those changes should make premium Scotch more competitive in India and improve the case for wider distribution, bottling and maturation partnerships.

The report places whisky at the center of Scotland’s commercial push into India, but it also stresses that lower tariffs alone will not guarantee growth. Whether exporters reach that £240 million gain will depend on Indian state taxes, local excise rules, distribution systems, logistics and how quickly the trade deal is put into practice. India is not treated as a single market in the report. Instead, it describes a country where business conditions vary sharply by state and where route-to-market decisions can determine whether tariff cuts translate into actual sales.

That point matters for alcohol more than for many other products. Even with lower import duties at the national level, Scotch still faces different state-level rules on pricing, registration, labeling and retail access. The report says exporters will need separate distribution plans for each target state and strong local partners if they want to turn lower tariffs into shelf space and consumer demand.

The broader report was commissioned by the Scottish government and prepared by the UK India Business Council as an independent assessment of where Scottish industries match Indian demand. It argues that India presents one of Scotland's largest international growth opportunities across energy, life sciences, digital technology, advanced manufacturing and premium food and drink. By 2030, it says, opportunities worth more than £3 billion could be realized across those sectors if Scottish companies target the right Indian states and build local partnerships.

Within that wider picture, whisky stands out because it already has scale in India. Scotch has long had brand recognition there, but high tariffs have limited its reach and kept prices elevated. The new agreement changes that balance more quickly for spirits than for many other categories. Across UK goods overall, the report says the weighted average tariff applied by India is expected to fall from 15% to 3%, but whisky remains one of the most visible examples because of both its current sales base and its symbolic importance in British-Indian trade.

The trade agreement itself was signed on July 24, 2025. According to figures cited in the report, it is projected to add £25.5 billion to bilateral UK-India trade by 2040, an increase of 38.8%, while raising UK exports to India by £15.7 billion. For Scotland, the long-term annual gross value-added benefit is estimated at £190 million to £220 million. Whisky is expected to account for a large share of the immediate gains because tariff relief arrives at once and because demand already exists.

The Scottish government report also notes that India was already importing large volumes of Scotch before the tariff cuts took effect. That existing base gives producers a clearer path than in markets where consumer awareness still needs to be built from scratch. But it also means competition will intensify as more brands try to expand their presence once duties fall.

For distillers and exporters, one likely result is a stronger push into premium segments of Indian cities where affluent consumers are spending more on imported food and drink. The report identifies Maharashtra and Delhi NCR as leading markets for premium food and drink because they offer large consumer bases along with importers, distributors, retailers and hospitality buyers. Maharashtra, home to Mumbai, is

described as Scotland’s main commercial entry point because it combines financial services, corporate headquarters and broad market access.

The report’s authors argue that success in India will depend less on broad national branding than on choosing specific states with clear commercial logic. Maharashtra is presented as a key market for premium consumer goods; Telangana as a center for life sciences and innovation; Gujarat as a base for energy and industrial partnerships; Karnataka and Tamil Nadu as specialist markets for technology and manufacturing; and Andhra Pradesh as an emerging opportunity in maritime activity and food processing.

For whisky companies, this means expansion may come through selective state-by-state growth rather than a uniform national rollout. Importers and distributors with experience navigating excise systems are likely to become more important as tariffs fall and competition increases.

The report does not suggest that all gains will come from direct bottle exports alone. It says lower tariffs could also improve the viability of bottling and maturation partnerships inside India. That reflects a broader shift in how foreign drinks companies approach complex markets: not only by shipping finished product but also by building local commercial structures that reduce costs and improve access.

Scotland’s whisky estimate sits alongside projections for other export categories that could benefit from the same agreement. The report says Scottish salmon now gains duty-free access to India and could reach £50 million to £100 million in annual exports within five years if cold-chain logistics and premium retail channels develop as expected. Aerospace and manufacturing could benefit from about £54.3 million in duty savings, while other food and beverage products such as gin, soft drinks, shortbread, chocolates and specialty foods could add another £20 million to £50 million a year.

Still, whisky remains the headline sector because it combines immediate tariff relief with an established consumer market. The report says Scotland should use whisky as an entry point into India but not stop there. In practical terms, that means using Scotch’s visibility to support wider trade relationships across food, drink and other sectors.

Trade between Britain and India has been growing well before this latest agreement. The report says UK-India trade reached £43.8 billion in 2024 after expanding at a compound annual rate of 11.9% since 2015. Services account for most bilateral flows, but goods remain important in machinery, metals, pharmaceuticals, textiles and beverages. Investment ties are also deepening: Indian companies have a substantial presence in Britain, generating more than £68 billion in revenue and employing over 118,000 people.

For Scotland, whose economy was valued at about £218.7 billion in 2025 excluding oil and gas according to figures cited in the report, India offers both scale and diversification at a time when exporters are looking beyond mature Western markets. The government-backed study argues that Scottish firms should think less about whether to enter India than about where to enter, what product or service to lead with and which partner model makes sense.

That advice applies directly to whisky producers now weighing how much confidence to place in the £240 million figure. The estimate gives the industry a benchmark for what might be possible under improved market access, but it does not remove long-standing barriers inside India’s fragmented alcohol system. State taxes can still raise final prices sharply even after import duties fall. Distribution remains uneven across regions. Regulatory approvals can be slow. Consumer demand may grow faster in some urban centers than others.

Those limits are why the Scottish government framed its number as an opportunity rather than a forecast of guaranteed sales. The report repeatedly says potential values through 2030 should not be read as confirmed Scottish revenues but as indicative openings shaped by exports, investment, partnerships and project activity.

Even so, industry officials are likely to treat the figure as an important signal because it quantifies what many producers have argued for years: that tariff reform in India could unlock one of Scotch’s biggest remaining growth markets. With duties cut in half immediately and set to decline further over time, exporters now have clearer grounds to test pricing strategies, broaden portfolios and negotiate stronger distribution deals.

The timing also matters because global drinks companies have been searching for growth markets as consumption patterns soften or become more volatile in parts of Europe and North America. India’s expanding middle class and rising interest in premium imported products make it attractive despite its regulatory complexity. For Scotch producers facing slower growth elsewhere, even partial progress toward an extra £240 million would be significant.

The Scottish government’s report presents that possibility as part of a larger strategic shift toward deeper engagement with India across multiple sectors. But among all those sectors, whisky is where policy change appears most immediate and easiest for consumers to understand: lower tariffs can reduce prices or improve margins, which can support broader availability if local rules allow it.

What happens next will depend on implementation rather than announcement alone. Exporters will watch how quickly tariff reductions feed through customs procedures, how Indian states respond through their own tax systems and whether distributors expand premium spirits networks beyond major metropolitan areas. Those factors will decide whether Scotland’s projected gain remains an optimistic estimate or becomes one of the clearest early wins from the UK-India trade deal.