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Indian customs leave some Scotch whisky shipments facing 150% tariffs

Government guidance promises a 75% duty for eligible imports, but disputed classifications still determine whether bulk cargoes qualify

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Uncertainty over the tariff on Scotch whisky entering India is continuing because customs classification, not a newly announced tariff change, is still determining whether some shipments qualify for a lower duty rate.

A November 14 review by Whisky Clan, a digital publication focused on the whisky industry, said the dispute centers on a large gap between two possible tariff rates for certain bulk Scotch whisky shipments. One rate is 75%, the preferential level described for qualifying imports. The other is 150%, the rate that customs investigators have sought in some cases. The review did not report a final resolution.

The difference matters because it can sharply change the cost of bringing whisky into India. The gap between the two rates is 75 percentage points. Applied to the same customs value, a 150% tariff would double the tax burden compared with a 75% tariff. That does not mean the retail price would automatically double, because final pricing also depends on logistics, local taxes, bottling, distribution and retail margins. But for importers and exporters, the difference is still large enough to affect whether a shipment remains commercially viable.

The issue is not described as a broad new policy adopted on November 14. Instead, it is a continuation of an earlier controversy over how Indian customs authorities classify certain goods and whether those goods meet the conditions for preferential treatment. That distinction is important. Trade agreements and official guidance can set out the tariff preference available in principle, but customs officials decide how a shipment is classified at the border and whether it qualifies in practice.

Guidance published on business.gov.uk by the U.K. Department for Business and Trade says eligible whisky imports into India are covered by a tariff cut from 150% to 75%, followed by a phased reduction to 40%. The guidance, however, does not by itself settle individual customs cases. The British department is responsible for market access negotiations and for providing information to exporters, but it does not determine how Indian customs officers classify particular consignments.

That leaves exporters facing a practical problem. Even if the preferential framework exists on paper, companies still need certainty that their product description, shipment format and supporting documents will be accepted by Indian customs. If customs investigators argue that a consignment does not fall under the expected classification, the shipment may face the higher 150% rate instead of 75%. For bulk Scotch whisky, where margins can already be pressured by transport and local processing costs, that

difference can alter contract pricing and supply decisions.

The available information does not confirm that all affected cargoes have been cleared or show what final tariff was ultimately assessed on each shipment. It also does not provide verified figures for the value of the consignments involved, the volume of whisky under review or any month-to-month or year-over-year change in exports. The indicator at the center of the dispute is the tariff rate itself and the conditions for access to preferential treatment, not sales performance.

The case also highlights a broader issue in international trade. Preferential access under a trade arrangement often depends on technical customs decisions, including tariff headings, product descriptions and documentary compliance. Those questions can appear narrow, but they can have major financial consequences. In this case, the controversy is over Scotch whisky exports from the United Kingdom to India, one of the most important growth markets for premium spirits and a market where import duties have long been a major barrier.

Whisky Clan’s review drew a line between what governments have said about the intended tariff framework and what has been confirmed by customs action. That distinction is central to understanding the current dispute. The official U.K. position, reflected in government guidance, presents a path to lower tariffs for eligible whisky. The unresolved point is whether some bulk shipments are being treated in a way that blocks access to that lower rate.

For exporters, importers and distributors, the uncertainty goes beyond a legal technicality. A disputed classification can delay customs clearance, complicate contracts and make it harder to predict landed costs. Until customs treatment is clarified in confirmed cases, companies shipping Scotch whisky to India may have to plan around the risk that a consignment expected to enter at 75% could instead be assessed at 150%.