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# India Could Cut Wine Tariffs to 30% Under a Planned 2027 E.U. Trade Deal

Exporters see promise after ProWine Mumbai, but high markups and state rules may keep imported bottles expensive

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India’s imported wine market is showing fresh signs of momentum after the sixth edition of ProWine Mumbai, but the outlook remains tied to one unresolved question: whether lower tariffs will actually bring down prices enough to broaden demand beyond

a narrow affluent base.

The trade fair, which has become a key meeting point for wine and spirits suppliers, importers and distributors in India, drew a record 16 Italian companies this year, according to an analysis published on Sunday, November 22, by the industry publication Wine Meridian. The report described a market that is still difficult to read but is moving in a more encouraging direction for exporters watching India as a long-term growth market.

That matters well beyond Italy. For wine and other alcoholic beverage producers, India is increasingly seen as a possible way to diversify exports away from slower-growing mature markets. At the same time, the country remains a test of how much tariff relief can help if distribution costs, restaurant markups and local regulation keep shelf and wine-list prices high.

The strongest source of optimism is the expected reduction in Indian import duties on wine. Wine Meridian said industry participants at ProWine Mumbai are closely watching the implementation of a trade arrangement between India and the European Union that is expected to begin in 2027. Under the timetable being discussed, average import duties on wine could fall from about 150% to about 30% in an initial phase and then potentially to 15% within roughly three years.

On paper, that would represent a major shift for a market that has long been known more for its potential than for actual import growth. But traders and producers are treating the outlook cautiously. India’s federal system gives significant power to individual states, and alcohol rules, taxes and distribution structures vary sharply across the country. That means even large national policy changes do not always translate quickly or evenly into lower final prices for consumers.

Wine Meridian said some exporters are already looking at the experience of countries that have benefited from tariff reductions in the Indian market over the past two years. Australia and New Zealand were cited as early examples. In New Zealand’s case, wine exports to India rose by nearly 50% in 2025 from a low base, the publication said. The figures are still small in absolute terms, but they suggest that demand can respond when market access improves.

The publication argued that the case for optimism does not rest only on tariffs. It pointed to three broader trends that are helping the market develop. The first is the appeal of wine among upper-income Indian consumers, for whom imported wine still carries a status element. The second is the expansion of higher-end dining beyond the traditional luxury hotel circuit, especially in cities such as Mumbai and New Delhi. The third is a generational shift among importers, with younger executives bringing more energy, new ideas and a stronger interest in building wine culture.

That change is also visible in the country's professional wine ecosystem. India has a growing number of sommeliers and Wine & Spirit Education Trust graduates, according to the report, and it has one Master of Wine, Sonal C. Holland, whose academy and public profile have helped build consumer awareness. Those signs do not amount to a mass market, but they suggest a deeper base of support for wine than in earlier years.

Restaurants are another important part of the picture. Wine Meridian said the rise in quality dining outside major hotel chains is gradually expanding the number of on-premise venues interested in carrying wine. Longer wine lists in Mumbai and New Delhi are one indication of that trend. For importers and producers, the restaurant channel is crucial because it helps introduce consumers to international labels in a country where retail access can be limited and uneven.

Yet this is also where one of the market's biggest obstacles becomes clear. Several participants told Wine Meridian that the effect of future tariff cuts could be sharply reduced if importers and restaurants maintain very high markups. Others argued that prices would still fall enough to make a visible difference, even if they do not drop in direct proportion to the tariff reduction.

The concern is not theoretical. Wine Meridian reported seeing wine lists in Mumbai with entry-level imported wines, whose starting prices in Europe were well below 10 euros a bottle, offered to consumers at about 120 euros. The publication also cited an anecdote from Frank Schindler, managing director of ProWein, who said he had dined at a well-known Mumbai restaurant before the fair opened and found that the least expensive wine on the list, a Prosecco, was priced at about 130 euros. He said he paid about 70 euros for a bottle he considered fairly priced. Those examples are anecdotal, but they

illustrate how quickly a bottle can become out of reach even for wealthier customers.

That pricing gap is central to the debate over India’s future as a wine market. If lower duties are absorbed mostly by intermediaries, imported wine could remain a niche product tied to prestige consumption. If a meaningful share of the tariff savings reaches consumers, suppliers could begin to build repeat demand at a broader level. The difference matters for exporters deciding how much capital, marketing and time to commit to India, and it matters for the wider beverage trade because the country’s long-term scale is one of the few growth stories large enough to alter global strategies.

The Indian domestic wine industry also has a stake in the outcome. Lower prices for imported bottles could increase competition, but they could also help normalize wine consumption in a market where overall drinking habits still favor other categories. A more developed wine culture, industry participants argue, would not benefit only foreign producers.

Wine Meridian also said institutional support remains a weak point for Italy in India. The publication contrasted Italy’s limited year-round market presence with the more sustained efforts of countries such as Australia and New Zealand. It also pointed to Switzerland, which it said had one of the largest and busiest exhibition areas at this year’s fair. In a market as fragmented and regulation-heavy as India, exporters often need more than a trade fair appearance. They need continuous promotional activity, support with market education and a coordinated effort to navigate distribution and state-level complexity.

For now, that leaves India in a familiar but changing position for the wine business: still difficult, still expensive, but no longer easy to dismiss as a market that never moves beyond promise.