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India Releases Scotch Whisky Containers Held at Customs

The move eases trade pressure, but a dispute over whether bulk imports face 162.5% or 75% duty remains unresolved

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India said on Monday, November 23, that it would release containers of Scotch whisky held in customs while officials work with the United Kingdom to resolve a dispute over the tariff treatment of bulk shipments.

The disagreement centers on whether bulk Scotch whisky imported into India from the UK should face an effective levy of 162.5% or receive the 75% duty treatment set out for Scotch whisky under the bilateral trade agreement between the two countries. The gap of 87.5 percentage points has become a major issue for importers and exporters because it can sharply change the final cost of the product.

The Indian government’s decision to allow containers to move is a sign that New Delhi is trying to ease pressure on trade flows while the two sides discuss how the agreement should be applied. The release announcement addressed an immediate problem for shipments already at the border, but it did not amount to a final settlement of the wider tariff dispute.

At the center of the issue is customs classification. If bulk Scotch is classified in a way that keeps it outside the intended lower-duty treatment, the practical value of the tariff concession for that category of imports is reduced. That has raised concern among businesses that expected the bilateral agreement to lower barriers for Scotch entering India.

India is an important market for imported whisky, and the case is being watched closely by companies involved in the trade between India and the UK. For British exporters, including producers in Scotland, the tariff level is critical because India remains one of the world’s most heavily protected spirits markets, and even small changes in duty treatment can affect pricing, demand and supply decisions.

The Indian announcement on November 23 suggested that authorities are trying to keep the dispute from disrupting commerce while negotiations continue. Still, the matter remained unresolved. Publicly available information cited by Reuters did not point to a definitive customs order that clearly closed the controversy, and officials did not disclose the total number of containers released or the value of the goods involved.

That lack of detail leaves open important questions for importers. Companies need clarity not only on the status of the shipments already released, but also on how future consignments of bulk Scotch will be assessed at Indian ports. Without a formal and consistent interpretation, businesses could continue to face uncertainty over the duty that applies when goods arrive.

The episode also highlights a common problem in trade agreements: tariff concessions on paper do not always translate into lower costs at the border if customs rules and product classifications are disputed. In this case, the difference between a 162.5% effective levy and a 75% duty rate is large enough to determine whether the deal delivers the access exporters thought they had secured.

Indian and British officials have been discussing the matter as they try to align the agreement’s language with its treatment in customs practice. Until that process produces a clear resolution, the release of containers appears to be a temporary step meant to prevent a broader bottleneck rather than proof that the tariff dispute has been fully settled.