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# EU trade deal could cut India’s wine tariffs from 150% to 20% on premium imports

Italian wineries renewed their focus after ProWine Mumbai, with state rules, local levies and distribution still limiting access

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India is drawing renewed interest from Italian wine producers as a planned trade agreement with the European Union promises a gradual cut in the country’s steep import duties on European wines, even as major obstacles remain in distribution, taxation and market access.

Attention on the market increased after ProWine Mumbai 2026, an international wine and spirits trade fair held on November 18 and 19 at the Jio World Convention Centre in Mumbai. The event brought together producers, importers and other industry professionals for tastings, masterclasses and business meetings focused on one of the world’s more difficult alcohol markets to enter.

At the center of the discussion is the EU-India trade agreement, whose negotiations concluded on January 27. The deal, as outlined by the European Commission, would lower Indian customs duties on European wines from the current 150% level through a phased schedule based on price category. Duties could eventually fall to 30% for mid-range wines and 20% for premium labels.

For Italian wineries, the change would address one of the biggest barriers to selling into India, where imported bottles often become expensive long before they reach retailers or restaurant lists. But the agreement has not yet completed the steps needed to take effect, and any tariff reductions would be introduced gradually rather than all at once.

That means lower border duties alone are unlikely to translate into equally sharp price cuts for consumers. Local taxes, licensing rules, distribution costs and intermediary margins would still weigh heavily on final retail prices. For beverage exporters looking to diversify beyond traditional markets, that is a critical point: tariff relief may improve the economics of shipping wine, beer or spirits into India, but it does not guarantee competitive pricing or smooth access across the country.

India’s alcohol market remains fragmented because regulation differs widely from state to state. Individual states can set their own rules on taxation, licensing and sales, forcing foreign producers to think beyond India as a single national market and instead evaluate where they can realistically operate. A label that is viable in one state may face very different commercial conditions in another.

That makes the choice of importer especially important. Import partners can shape where bottles are distributed, how brands are positioned and whether producers reach the consumers they are targeting. For wineries, pricing strategy also remains delicate because the ex-cellar price is only one part of the final cost. Import duties, local levies and distribution markups can quickly push a bottle into a higher price bracket, affecting

how it competes with other imports and with domestic products.

The Indian market also demands a different commercial approach from the one many Italian producers use in more established European destinations. Imported wine demand is concentrated mainly in wealthier consumer segments and in major urban areas, where international restaurants and the hotel sector offer some of the clearest sales channels. Even there, the market is selective, and long-term commercial relationships carry unusual importance.

Industry data suggest that emerging markets are becoming more important for Italian wine exporters, though the picture is uneven from country to country. According to Nomisma Wine Monitor, imports of Italian wine in value terms across 13 emerging markets, including India, rose 5.9% in the first six months of 2026, while total wine purchases in those same markets fell 3.7%. The figures indicate that Italian wines have been gaining ground in some destinations, but they do not show that every market in the group performed the same way.

India stands out because its potential is tied not only to population size and economic growth, but also to consumer habits, regulation and the structure of its alcohol trade. That combination makes the country attractive over the medium to long term, while also making it harder to approach than many other export markets.

For Italian producers, this means opportunity and caution are moving together. A more open trade framework with the EU could gradually improve access for European wines, especially in segments where price is now a clear barrier. But building a sustainable business in India is likely to require more than promotional activity or attendance at trade fairs. Companies will need a deeper understanding of local channels, clearer brand positioning and steady supply relationships with importers and distributors.

Education may also matter. Italy’s wide range of appellations and grape varieties is a commercial strength, but it can also make the category harder to navigate for buyers and consumers in a market where imported wine remains relatively specialized. Producers that invest in explaining regions, styles and product identity may have an advantage over time.

The prospect of lower tariffs therefore changes the discussion around India, but it does not remove the need for careful market selection and patient investment. For wineries and other beverage companies considering export diversification, India offers a potentially larger opening than before, yet one still shaped by high local costs, uneven rules and the practical limits of distribution.