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# India to Crack Down on Alcohol Advertising

India Set to Ban Indirect Alcohol Advertising, Event Sponsorships

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Draupadi Murmu, President of the Republic of India

India is on the verge of implementing more stringent laws on alcohol advertising, potentially reshaping the landscape for beverage companies vying for market share in this burgeoning sector. Direct advertising of alcoholic beverages has long been banned in India, but the new legislation, reported by Reuters, aims to clamp down further by also prohibiting indirect advertising and event sponsorships. This move will compel

major alcohol companies to rethink and innovate their branding strategies in an increasingly restrictive environment.

The World Health Organization (WHO) forecasts that alcohol consumption in India will rise to nearly seven liters per capita by 2030, up from five liters in 2019. This surge is expected to be driven by a growing, more affluent population, with approximately two million people reaching the legal drinking age each year. According to Euromonitor, India is already the eighth largest alcohol market globally by volume, valued at around $45 billion.

For industry giants like Pernod Ricard, India represents a significant market, contributing over 10% of the company's global sales. Alexandre Ricard, the company's chairman and CEO, has described India as an "essential market." Competitors are equally invested, with United Spirits (a Diageo subsidiary) leading the market, and companies like Suntory and Brown-Forman establishing local subsidiaries to bolster their presence.

Under the new regulations, companies like Carlsberg would be barred from promoting products like Tuborg water using film stars in party settings—a tactic that mirrors their beer commercials. Similarly, Diageo's popular YouTube campaign for their non-alcoholic Black & White ginger ale, featuring the brand's iconic terriers, would no longer be permissible.

The ambiguity extends to whether brands could advertise non-alcoholic versions of gin or vodka if the packaging or branding mirrors their alcoholic counterparts. This mirrors a notable instance where Vijay Mallya, a fugitive businessman, named his airline Kingfisher to associate it with his best-selling beer brand, circumventing direct alcohol advertising bans. Mallya also named his cricket team in the Indian Premier League "Royal Challengers Bangalore" to reflect United Spirits' whisky brand, Royal Challenger. Under the new laws, such indirect endorsements would be prohibited.

Nidhi Khare, a senior official from the Department of Consumer Affairs in Delhi, has stated that the government plans to impose hefty fines on companies and ban celebrities who endorse misleading tobacco and alcohol ads. According to Khare, "one cannot take an indirect route to promote products," and any misleading ads will result

in "those endorsing such products, including celebrities, being held accountable."

The impending regulations will prohibit participation in indirect advertising, extending to sponsorships and product advertisements deemed "brand extensions" that share characteristics with an alcoholic brand. Violators could face fines up to 5 million rupees ($60,000) and endorsement bans ranging from one to three years. The International Spirits and Wines Association of India has committed to developing brand extension businesses that comply with regulations and is in discussions with the government to support the advertising of genuine brand extensions.

The anticipated legislative changes mark a pivotal moment for the alcohol industry in India. Companies must navigate these tighter regulations while continuing to engage a growing consumer base in innovative ways. As the government seeks to close loopholes and enforce stricter controls, the industry's ability to adapt will be crucial in maintaining market momentum in one of the world's fastest-growing alcohol markets.