vinetur

India Cuts Tariffs on Australian Wines, Opening Door to Surge in Imports

Trade agreement lowers duties on premium bottles, setting stage for rapid growth in India’s evolving wine market through 2030

Thursday, January 29, 2026



India’s wine market remains small in global terms, but it is showing clear signs of growth and transformation. As of early 2026, internal consumption is estimated at over 27 million liters per year, equivalent to more than 3 million cases annually. The total

market value is estimated between $150 million and $200 million, according to leading industry sources and economic press reports. This figure includes both domestic and imported wines. Per capita wine consumption in India remains low, at less than one bottle per person per year, but the absolute volume is rising steadily.

The country’s wine imports are tracked using UN Comtrade data accessed through the World Integrated Trade Solution (WITS) platform from the World Bank. The main customs codes used for wine are HS 220410 (sparkling wine and champagne), HS 220421 (still wine in containers of 2 liters or less, typically bottled), and HS 220429 (still wine in larger containers, typically bulk). In recent years, bottled still wine (HS 220421) has accounted for the largest share of import volume, with Australia, France, Italy, Chile, and Spain as key suppliers. Sparkling wines represent a smaller share by volume but command higher unit values.

In 2023, some anomalies appeared in India’s reported import data—specifically, extremely high unit values for certain shipments from Spain under codes 220421 and 220429. These discrepancies suggest possible misclassification or valuation issues in Indian customs reporting. To address this, analysts have cross-checked Indian import data with “mirror” export data reported by partner countries. For most categories and years, the two sets of figures are broadly consistent, but for 2023 still wines, mirror data provides a more reliable estimate.

For 2024, India’s wine imports are estimated at about 9.5 million liters. Projections to 2030 use this as a baseline and consider three scenarios: a low-growth case (8% compound annual growth rate), a base case (12% CAGR), and a high-growth scenario (15% CAGR). These scenarios reflect potential changes in tariffs, logistics improvements, and cultural acceptance of wine.

By 2030, the Indian wine market could reach a value between $406 million (low scenario) and $567 million (high scenario). Annual consumption could rise to between 48 million and 73 million liters. Imports could grow to between 15 million and 22 million liters per year if tariff reductions are implemented as planned.

India maintains high tariffs on alcoholic beverages—currently up to 150% on most imported wines. However, under an interim trade agreement with Australia signed in 2022, tariffs on Australian wines above $5 per 750ml bottle have already dropped from 150% to 100%, with further reductions scheduled over the next decade. Wines above $15 per bottle will see tariffs fall to as low as 25% over ten years. A similar phased reduction is expected for New Zealand wines under a separate agreement. In contrast, negotiations with the United Kingdom have not resulted in any tariff concessions for wine.

If these tariff reductions proceed as planned—and if quotas or price thresholds are expanded—imported wines from Australia and New Zealand could become much more competitive in India’s mainstream premium segment. This would likely boost import volumes from these countries while maintaining strong demand for traditional European suppliers in premium hospitality and retail channels.

The regulatory environment for wine in India is complex. The Food Safety and Standards Authority of India (FSSAI) sets detailed requirements for labeling imported alcoholic beverages. These include mandatory declarations of origin, sugar content range, grape variety, vintage (under certain conditions), preservatives or additives used, and compliance with the Food Safety and Standards (Import) Regulations of 2017. FSSAI regularly updates its regulations; amendments published through at least 2025 add further compliance costs for importers.

In addition to federal tariffs and regulations, each Indian state imposes its own excise taxes on alcohol sales. There is no uniform national tax structure for alcoholic beverages; state-level rules can affect pricing, distribution channels, and even which products can be sold where. Marketing opportunities are also limited by strict advertising restrictions on alcohol.

Despite these challenges, India’s overall alcoholic beverage sector is large—annual sales are estimated at around $44 billion—and is expected to grow to about $55 billion by 2027 according to Euromonitor International. Wine remains a niche category within this broader market but is expanding faster than many other segments due to changing consumer preferences among urban middle-class professionals.

Qualitative evidence suggests that Indian consumers are increasingly open to trying new styles of wine as incomes rise and international travel becomes more common. The market remains concentrated in major cities such as Mumbai, Delhi NCR, Bangalore, Pune, Hyderabad, Chennai, and Goa—where modern retail channels and premium hospitality venues are most developed.

Looking ahead to 2030, even under optimistic growth scenarios India’s per capita wine consumption will remain low by global standards—a key reason why many analysts see significant long-term potential for expansion. If current trends continue and regulatory barriers ease further through trade agreements or domestic reforms, India could become an increasingly important destination for global wine producers seeking new growth markets outside traditional regions.

The next five years will be critical for shaping the trajectory of India’s wine sector. The pace of change will depend on how quickly tariffs fall for key suppliers like Australia and New Zealand; how efficiently importers can navigate regulatory requirements; how state-level tax regimes evolve; and how rapidly consumer tastes shift toward premium imported wines alongside growing domestic production led by brands such as Sula Vineyards.

For now, the Indian wine market remains small but dynamic—poised for steady growth if policy changes align with evolving consumer demand across the country’s major urban centers.