

'Cigarette, Alcohol Sales to See Worst Fall in a Decade'

Indians cautious about spending after the onset of pandemic, say execs

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Kolkata | Bengaluru: Alcohol and cigarette sales this year will plunge by the most in over a decade after Indians cut back on spending in the two categories since the Covid-19 outbreak, cautious about discretionary expenses, industry executives and researchers said.

Single malt scotch whiskey sales are expected to decline 40% this year, while for other whiskeys, the drop is likely to be over 15% compared with growth of over 10% and 5%, respectively, in 2019, according to the latest Euromonitor International report.

For cigarettes, the dip will be 5% for economy range, 10% in mid-priced variants and almost 17% for premium cigarettes, Euromonitor said. These segments grew by more than 5% last year.

Euromonitor pegged an almost 20% decline in overall beer



sales, which industry executives also attributed to lower home consumption as refrigerator shelves are stocked fully with food products.

The government prohibited production and sales of cigarettes and liquor during the Covid-19 lockdown, wiping out sales in the April-June quarter.

A recent 11-13% price increase in cigarettes due to higher taxes has made them unaffordable for a large section of consumers, while several states increased the tax on alcohol by up to 75%.