

the Q KEEPER

THE MAGAZINE OF THE KEEPERS OF THE QUAICH

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Q

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Gateway to INDIA

ASK MUMBAI mixologist, beverage consultant and recently inducted Keeper of the Quaich, Shatbhi Basu, about her signature Scotch Whisky cocktails and prepare to be transported on a wave of subcontinental flavours. Her whisky sours are flavoured with ginger and honey, date syrup and cinnamon, or rosemary and passion fruit. Her East India Old-Fashioned is sweetened with jaggery instead of sugar.

Or, out of respect for the climate, her taller Highland Summer uses a blended Scotch topped up with half orange juice and half ginger ale with a squeeze of lime and a little fresh mint on top.

“It’s just delicious,” she says. “You need something when the weather is warm, for the Indian summer. In Mumbai it lasts for 10 months.”

Alternatively, you could drink your Scotch like so many Indians drink it: with a mixture of half soda and half water. “This is something that is so typical here. I’ve never seen it anywhere else.”

Does she approve? “No!” she says, laughing. “I keep saying, make up your mind! Why would you want both water and soda?”

Welcome to India’s special relationship with Scotch –

**ADAM CAMPBELL LIFTS
THE LID ON A MARKET
FOR SCOTCH WHISKY
THAT IS AS POPULAR NOW
AS IT WAS IN THE DAYS
OF THE RAJ**

now entering its second century since its introduction during the British Raj. Initially a preserve of the British administrators and soldiers in the colony, it was soon introduced to the Indians they worked and fraternised with. Considered a drink of status, it quickly became popular among Indians who could afford it.

This much was clear from the Indian Hemp Drugs Commission

report of 1895, set up to look at all aspects of the highly popular cannabis plant. As one witness, Krishna Chandra Sanyal, a medical practitioner in Sylhet, stated: “The middle and higher classes of men, in imitation of the West, have mostly renounced bhang [cannabis] and taken to the whisky bottle.”

Some believed the Hemp Commission was a subterfuge whose real purpose was to unleash British-made alcohol on the subcontinent in greater quantities by restricting, or even prohibiting, the use of cannabis. Another witness: “Hindu jogis, Muhammadan fakirs will proclaim throughout the land that the sirkar [government] want to introduce English beer and Scotch and Irish whisky by abolishing ganja.”

Either way, the report’s conclusion agreed with the witness who said: “Brandy and whisky compare favourably with the hemp drugs, because they are purer than country liquors of the ordinary sort.”



Right: Shatbhi Basu in 2022, when she was inaugurated as a Keeper of the Quaich.

Below right: giving a whisky tasting tutorial.

Far right: guests at a Glenmorangie event in December 2022.

Opposite top: Aditi Chakravarty, Senior Brand Manager and Smriti Sekhsaria, Marketing Director for Moët Hennessy India at the same event.

Opposite bottom: musician Karsh Kale at the same event.

Previous page:

The Gateway of India, built in 1911. in Mumbai.



»»» Ultimately, both pleasures were endorsed by officialdom, opening the door to the importation of Scotch.

One can only wonder what entrepreneurs like William Grant, who introduced Glenfiddich to the Indians in 1909, would have made of the explosion in Scotch Whisky consumption between then and now.

The likes of Johnnie Walker and Chivas Regal remain hugely important in the Indian market but the days when they were the only brands of Scotch most Indians recognised are past, as the market has opened up considerably in the last 20 years.

Now, most of the major producers have subsidiaries in India or operate in partnership with local firms to carry out their business activities. Some bottle Scotch Whiskies in-country (known as bottled in India, or BII) specifically for the local market. These include internationally famous brands like Black & White and VAT 69 by Diageo, Teacher's by Beam Suntory, 100 Pipers by Pernod Ricard, Grant's by William Grant & Sons and Cutty Sark by Edrington.

Indians have been showing their appreciation for the more expensive categories of Scotch as well, with single malt clubs springing up in almost every major city, from Mumbai to Bangalore and Delhi to Kolkata.

"They meet, bring in new bottles and talk about it," says Shatbhi. "Sometimes companies will go and have a masterclass with them. It's something that has grown

"Sometimes companies will go and have a masterclass with them. It's something that has grown over the last 10 years"

Shatbhi Basu, mixologist

over the last 10 years."

In 2018, William Grant launched its Distinction whisky exclusively in India, while last year Diageo rebranded its

locally bottled Black Dog Scotch to make it more culturally relevant to Indian drinkers.

The year 2018 also saw the inauguration of the Indian chapter of the Keepers of the Quaich at the Leela Palace in Udaipur, which will no doubt help to strengthen the relationship between India and the industry further.

Scotch Whisky producers are clearly taking India very seriously. And it's easy to see why. Earlier this year, India surpassed France to become the world's biggest buyer of Scotch Whisky by volume, with an equivalent of 219 million 70cl bottles exported there in 2022. This represented a 93 per cent growth in export value over the previous year, with the Indian market currently worth £282 million.

These figures include the Scotch that is bottled in Scotland (bottled in origin, BIO), the bulk export that goes into locally bottled Scotch (BII), and the bulk that is blended with domestic whiskies to produce what is known as Indian-made foreign liquor (IMFL). The latter appears in many of India's well-known whisky brands, but of course the final product is not Scotch.

But despite these hugely encouraging figures, Scotch Whisky still represents less than 3 per cent of India's total whisky market, so there is clearly room for growth. One issue the industry faces is the current swingeing



150 per cent tariff on all imports of Scotch Whisky, which naturally makes it less competitive against the locally made whiskies, which are improving all the time.

All eyes, therefore, are on the latest trade talks between the Indian and UK governments, which the Scotch Whisky Association hopes will see the tariff reduced, realising benefits for everyone.

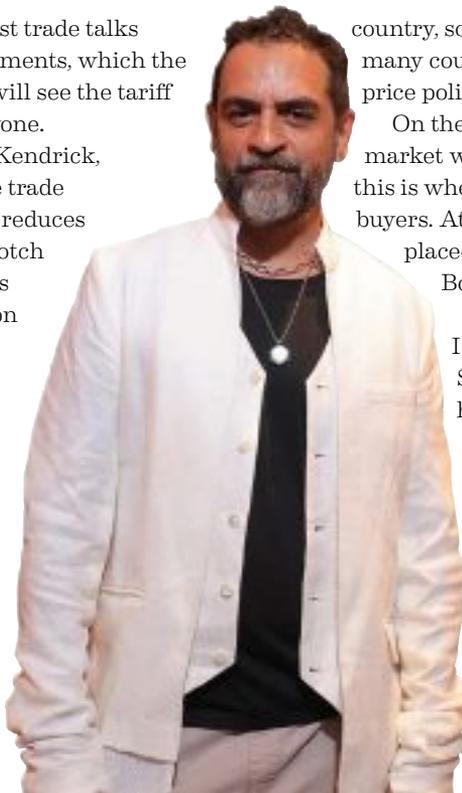
Its international director, Ian McKendrick, explains: "Securing a beneficial free trade agreement [FTA] with India which reduces the current 150 per cent tariff on Scotch Whisky could see our exports to this important market grow by up to £1bn over five years.

"To deliver a significant win for the industry, the agreement must open up the market to more Scotch Whisky producers, which will in turn boost jobs and investment, not just in Scotland and across the UK supply chain, but for communities and businesses in India too."

The Indian market has other complexities to contend with as well. Chief among them is the fact that it comprises 28 states and eight Union territories, each with a different excise rate for alcohol.

"We are always looking for ways to delight Glenmorangie aficionados, while helping new audiences discover our delicious whiskies"

Caspar MacRae, Glenmorangie



Some states, like Gujarat and Bihar, prohibit it altogether.

This means that prices vary in every state.

"Every state is like a new

country, so when you do business, it is with so many countries instead of having one central price policy," explains Shatbhi.

On the plus side, it does make the duty-free market within the country interesting, and this is where a lot of the higher-end bottles find buyers. At the ultra-high end, Bowmore recently placed its limited-edition 52-year-old Bowmore 65 in Mumbai Duty Free.

"If I'm ever in Chandigarh for work, I go with an empty suitcase," says Shatbhi, "because it's going to cost me half of what I pay in Maharashtra."

'Brown spirits'

Talk to the experts and they will tell you that one reason whisky has done so well in India is because it is traditionally a 'brown spirits' market, owing to the historical use of molasses in so many of its local drinks. Call it brandy, whisky, rum, it was generally molasses-based, and much lower-end Indian 'whisky' still is.





Above: Beam Suntory has initiated an Indian tree planting campaign, starting with 12,000 trees in Mumbai and Goa. **Right:** the company has also created a rainwater harvesting programme to help communities get better access to water.



➡ “There’s a consumer preference for brown spirits. Scotch has a place in a market like that,” says John Fordyce, Managing Director of Borders Distillery Ltd, who spent four years in India with William Grant in the early noughties.

Just back from an explorative visit to India, John, who is also a Keeper, is looking into the market for the future, when Borders’ malts are ready. “We are studying a strategy to enter the Indian market. It’s exciting.

“The BIO market is starting to grow nicely as more and more people in India are achieving disposable income levels where Scotch becomes an affordable luxury. And that, as anybody will tell you, is a nice market.”

People are getting wealthier but competition at the higher end is also growing, he notes. “The Indian spirits producers have massively upped their game and there are a lot of premium craft distillers in India now making absolutely fantastic stuff.”

Keeper of the Quaich Cara Chambers, Marketing Director of International Beverage – makers of Balblair, Old Pulteney and Speyburn – also notes that the “global trend towards premiumisation is prevalent in India across all drinks categories”.

She says: “The core target for us is younger, higher-spending drinkers living in more affluent cities, many of whom are already whisky enthusiasts with prior knowledge of single malts and a desire to expand their experience of the category. There is a growing appetite for our higher-end single malts.”

Diageo India, too, is focusing on premiumisation,

and in their latest annual report they refer to the rapid urbanisation, increased disposable income and more international travel among Indians, and say they are busy reshaping their portfolio accordingly. The recent launch of Black Dog Millard’s Private Reserve 14YO onto Indian shelves underlines that move.

John Fordyce adds, “I don’t think the growing aspirational middle class in India is different to anywhere else in the world. Affordable luxury is a feature of that. We saw it in China in the noughties. We’re seeing it now in Vietnam, Latin America and quite a lot of Africa too.”

Events

What the Scotch Whisky industry does without equal is market its aspirational liquid to people with disposable income and this is also proving true in India. Scotch Whisky producers are associating with music events across all age groups, sports like cricket, horse racing and golf, and tying up with actors like Keira Knightley and Bollywood star Saif Ali Khan, both of whom endorse the locally bottled Black Dog in slick advertisements.

Diageo brand Johnnie Walker was an active partner in last December’s Echoes of Earth music festival in Bangalore, which featured a line-up of over 40 international artists and spread a message of sustainability.

Also in December, Glenmorangie’s Delicious Design Project in Mumbai saw the LVMH whisky partner with Indian-American musician Karsh Kale and artist



Left: Teacher's is a popular brand in India.
Right: The limited edition Bowmore 1965 is for sale through Mumbai Duty Free.



"India is the Scotch Whisky industry's number one priority market"

Ian McKendrick, Scotch Whisky Association

Nikunj Patel to create an immersive technicolour experience for visitors.

"We are always looking for ways to delight Glenmorangie aficionados, while helping new audiences discover our delicious whiskies," says Glenmorangie's Caspar MacRae, Global Marketing and Business Development, who is also a Keeper.

Participation in various 'cocktail weeks' is another approach and Guirec Danno, Asia-Pacific MD of Distell, has said these are partly responsible for Scottish Leader's impressive growth in India.

At the smaller scale, Shabhti Basu takes part in on-premise events in collaboration with restaurants, bars and hotels or corporate masterclasses with particular brands.

"The brands get mileage, the consumers like it, as they find out more about how whisky is produced, in language that is very simple. But they get an understanding of the processes, heritage, culture, understand nuances in the glass, and how to extend it by different signature pours and cocktails," she says.

Scotch Whisky companies also believe they have a role to play in the communities in which they operate beyond the day-to-day business of profits and marketing.

Recently Beam Suntory organised two tree plantation

drives of over 12,000 trees in Mumbai and Goa. They also initiated rooftop rain harvesting in Behror and constructed two percolation dams in Rajasthan along with two rainwater harvesting systems for schools.

Last year Diageo launched Society 2030: Spirit of Progress, an ambitious 10-year action plan on the role they intend to play in society, outlining numerous initiatives. As part of this, they too have begun an afforestation drive to plant 80,000 trees and have also been busy training students in business and hospitality skills through their Learning for Life programme.

The many ways in which the Scotch Whisky industry is engaging with India make it clear the huge respect there is for the country. It's understandable – the changing nature of the Indian market heralds significant rewards if Scotch's share of it can move beyond its current meaningful, but relatively small, percentage.

As Ian McKendrick of the SWA says, "India is the Scotch Whisky industry's number one priority market." And if the FTA talks result in Scotch being a little more competitive in that market then you can expect the engagement to become ever deeper and more significant.

Fingers are crossed among Scotch producers. John Fordyce at Borders Distillery says, "For a tiny little producer like us the trade partnership will greatly facilitate market entry."

Whatever the outcome, it looks as though India's special relationship with Scotch Whisky is set to continue for at least another century or two.