

TRACIT Issues New Study on Illicit Alcohol in India

Calls for a portfolio of policy changes and greater awareness to protect consumers

New Delhi, India, 19 September 2019 – Today the Transnational Alliance to Combat Illicit Trade (TRACIT) issued a set of policy recommendations to mitigate demand for illicit alcohol in India and to warn consumers of the harms of drinking toxic mixtures of locally-produced illicit alcoholic beverages.

The TRACIT recommendations were outlined in its new study, *Illicit Trade in Alcohol in India: Challenges and Solutions*, presented to government officials, industry experts and consumer interest groups gathered to correct a flawed and fragmented regulatory system that has fostered markets for dangerous, illicit alcohol. The high-level conference titled “Don’t Peg on Poison: Perils of Illicit Alcohol in India” was co-hosted by Anheuser-Busch InBev and The Quint.

The central and solemn reference amongst discussants was the tragic series of deaths in Assam, Uttar Pradesh and Uttarakhand earlier this year, leaving over 250 dead after consuming toxic, illicit alcoholic beverages.

In his opening remarks, Mr. Amitabh Kant, CEO of Niti Aayog said, “Streamlining alcohol policies and regulations and an integrated approach across states is crucial to introduce responsible consumption and for consumers to move away from illicit alcohol.”

“Today’s discussions and TRACIT’s report are just the beginning of our joint initiative to unite government, NGOs and the private sector to fight illicit trade in the alcohol sector in India,” said Mr. Ben Verhaert, South Asia President, AB inBev.

Commenting on the interconnected nature of the crime, Mr. Ulrich Meiser from the United Nations Office on Drugs and Crime said, “Several other illegal activities are facilitated by the trade in illicit alcohol especially money laundering. Effective enforcement against illicit alcohol cannot be done in isolation.”

The TRACIT study shows that the escalating trade in illicit alcohol in India can be attributed to a number of factors including the lack of consumer awareness on the harms of consuming illicit alcohol, onerous restrictions on the availability of legitimate alcohol, and a disproportionate structure of excise taxes that incentivizes demand for dangerous illicit alternatives.

“Addressing illicit alcohol in India presents a complex challenge,” said Jeffrey Hardy, TRACIT Director-General. “Not only is there a high percentage of illicit alcohol available to consumers in many Indian states, the problem is exacerbated by fragmented regulatory structures, diverse drinking patterns and regional nuances and traditions that characterize the alcohol market.”

During his presentation, Mr. Hardy outlined a portfolio of policy and regulatory controls directed at state governments in India with the aim to help them control markets for illicit alcohol. He urged awareness campaigns aimed at consumers from diverse socioeconomic backgrounds, along with measures to

improve accessibility to legitimate alcoholic beverages, rationalise tax policies and impose sanctions to deter criminal activity.

“We need to focus on bringing artisanal producers into the regulated sector,” said Mr. Hardy. “This would be a big step towards ensuring greater accountability and eliminating the availability of unsafe illicit alcoholic beverages. We can fix this problem and ensure that India is among the countries with a healthy, safe and responsible market for consumption of alcoholic beverages.”

The TRACIT report: Illicit Trade in Alcohol in India: Challenges and Solutions may be found here:

www.tracit.org/alcohol

About TRACIT – The Transnational Alliance to Combat Illicit Trade (TRACIT) is an independent, private sector initiative to drive change to mitigate the economic and social damages of illicit trade by strengthening government enforcement mechanisms and mobilizing businesses across industry sectors most impacted by illicit trade.

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