

The Indian Market for Selected UK Food & Drink Products

Report prepared on behalf of



Department
for Environment
Food & Rural Affairs

OGL

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Abbreviations - the following are commonly used in this document

❑	ASEAN	Association of SE Asian Nations
❑	B2B	Business to Business
❑	CAGR	Compound Annual Growth Rate
❑	CIF	Cost, Insurance & Freight
❑	FAO	Food & Agricultural Organisation of the UN
❑	FDF	Food & Drink Federation
❑	FDI	Foreign Direct Investment
❑	FSSAI	Food Safety & Standards Authority of India
❑	FTA	Free Trade Agreement
❑	GDP	Gross Domestic Product
❑	HORECA	Hotels, Restaurants & Catering
❑	IGD	Institute of Grocery Distribution
❑	IMF	International Monetary Fund
❑	NCAER	National Council of Applied Economic Research
❑	NTB	Non-Tariff Barrier
❑	NPD	New Product Development
❑	MRP	Maximum Retail Price
❑	POS	Point of Sale

1. Introduction

Introduction

- ❑ The Department of Environment, Food & Rural Affairs (Defra) has commissioned Promar International to carry out a series of market research studies in the US, India and the UAE.

- ❑ This report documents our analysis of the Indian market and including the following:
 1. What are the strengths of the UK as a food supplier? And what challenges does the UK face?
 2. Where in India are there opportunities for the UK?
 3. What will constrain or stop this?
 4. Which route to market should be followed - where in the country, what types of consumers?
 5. What do UK companies and other stakeholders need to be doing to increase exports?
 6. What are the norms of doing business in the Indian markets?

What did we do in India?

- ❑ Using a semi-structured topic guide, developed in conjunction with Defra and with input from other project stakeholders, we carried out the following:
 - 7 interviews with importers;
 - 5 interviews with retailers;
 - 13 interviews with foodservice companies/ operators; and
 - 2 interviews with miscellaneous other market respondents.

- ❑ Interviews were carried out in these 4 cities and surrounding areas: Chennai, Mumbai, Delhi and Bangalore.

- ❑ Store audits were also undertaken in 7 grocery retail stores across the 4 cities. Audits were largely undertaken in high-end and specialist retail formats, as it was found that imported products were not present in the more traditional and mass-market stores.

- ❑ A full list of contacts made in the course of our work are given in **Appendix I**.

Exchange rates

- ❑ At the time of our research in India, the exchange rate was as follows:
- ❑ £1.00 = INR 93.31
- ❑ Source: www.xe.com (24.02.20)

The impact of COVID-19

- ❑ At the time of our field research, the issue of COVID-19 had not presented itself in India. What the long-term impact of this will be on the Indian food and drink sector is uncertain, but from our research, COVID-19 could impact the food and drink market in the following ways:
 - the online grocery sales adoption rate is likely to increase at a faster rate – presenting an opportunity to develop more cost effective and better served distribution channels, along with subscription models.
 - an increase in demand for health and superfood product categories.
 - for the immediate future, food and drink demand from hotels and restaurants is likely to remain highly subdued, as both business and tourist travellers look to avoid India.
 - transport links from the UK to India will be disrupted – both air and sea – adding further challenges to the supply chain.
 - the most affluent consumers in cities such as Mumbai, Delhi and Bangalore will be less impacted by the downturn and are expected to cut back the least on imported food items.

2. Executive Summary

What does the Indian market look like?

- ❑ Population is split 35% urban and 65% rural in 2019, however urbanisation is increasing.
- ❑ The proportion of those aged between 25-64 years is also expected to increase to 54% by 2050, with this generation driving the growth in the middle class.
- ❑ By 2025, 114 million households are expected to be middle class.
- ❑ India has one of the highest millennial populations whose food habits are more adventurous those of previous generations.
- ❑ The Institute of Grocery Distribution (IGD) forecasts that the Indian retail sector is to grow rapidly over the coming years with a CAGR of 6.3% between 2017 and 2022.
- ❑ Growth is driven by a strong economy, a young population and rising disposable incomes.

What does the Indian market look like?



- ❑ Modern retail formats such as supermarkets, hypermarkets and cash and carry are expanding across India – though still only account for 2% of the market share. Market leaders include Future Group 0.5%, D-Mart 0.5% and Reliance Retail 0.3%.
- ❑ Traditional retail formats account for 98% of the total grocery market share.
- ❑ There is rapid growth of online food retail platforms - Big Basket are the market leaders.
- ❑ In major urban cities there is strong growth in the foodservice sector, eating out is becoming the 'norm', as is the consumption and demand for western and international cuisine.
- ❑ Strong growth of domestic and international tourism – not least due to the increase in availability of affordable domestic flights.

How do UK firms get to market?

Every prepackaged food must carry a label containing
(पैकेज खाद्य पदार्थ पर लगे लेबल में होना चाहिए)



1. Name of the food
(खाद्य का नाम)

2. List of ingredients
(संघटकों की सूची)

3. Nutritional Information
(पोषणकारी जानकारी)

4. Declaration regarding Vegetarian and Non Vegetarian
(शाकाहारी व मांसाहारी संबंधी घोषणा)

5. Declaration regarding food additives
(खाद्य योजकों संबंधी घोषणा)

6. Net weight/quantity
(शुद्ध परिमाण)

7. Lot/code/batch identification number
(लॉट/कोड/बैच नं. पहचान)

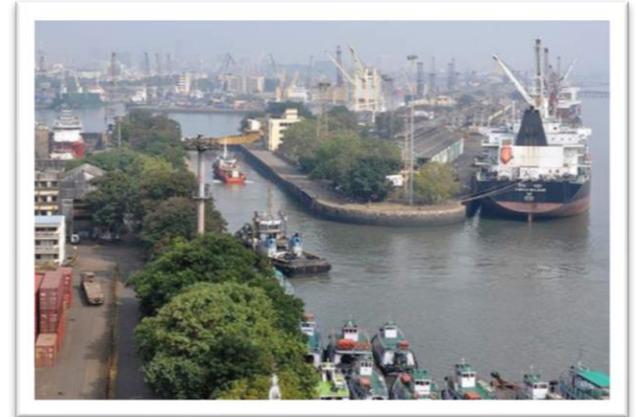
8. Date of manufacture
(विनिर्माण की तिथि)

9. Best before/Use by date
(से पूर्व उतम/तारीख तक प्रयोग)

10. Instructions of use
(प्रयोग करने के लिए अनुदेश)

11. Name and complete address of the manufacturer
(विनिर्माता का नाम व पूरा पता)

FSSAI



- Tariffs: 0% for ASEAN/China, ranging from 30% -100% WTO/EU/UK/US.
- UK firms must work with a trusted Indian importer.
- Food and drink products must adhere to the latest Food Safety & Standards Authority of India (FSSAI) import requirements.
- Most of the food and drink imported from the UK is shipped by sea.
- The main seaport used for UK is Mumbai due to proximity to large urban populations.
- Help to access the market is available through by the UK India Business Council and the Department for International Trade (DIT).

How do UK firms get to market?



- ❑ Many UK companies have been doing business in India for some time – there are several trusted and respected brands that have successfully established routes into the Indian market.
- ❑ Market focus: high-end retail and HORECA – though each channel has a different service needs that UK businesses need to be aware of.
- ❑ UK brands that invest time and money on the ground tend to do better.
- ❑ Terms of business are standard for international trade: between 30 and 90 days typically.
- ❑ Patience is everything in doing business in India and a long-term plan is essential.

What will drive demand for UK food & drinks?

- ❑ Huge growth of the middle class with an increased disposable income.
- ❑ “Westernisation” – rapid growth in the eating out sector and interest in international and new products.
- ❑ High-end retail and hotels, restaurants & catering (HORECA) sectors are both set for strong future growth.
- ❑ Online retail platforms and home delivery services are expanding.
- ❑ India is fast becoming a “hub” to other SE Asian markets, which could provide a well-established UK brand with an additional opportunity to manufacture in country products under licence.



What will drive demand for UK food & drink?



- ❑ The improvement in the overall enabling environment.
- ❑ Huge growth of the middle class.
- ❑ UK food imports are regarded as high quality, trusted and safe.
- ❑ A strong cultural and historic affinity with UK brands.
- ❑ Growing interest in health, wellness and specialist diets – provides key opportunities for UK brands.

Opportunities by product

Ranking	Product	Strengths	Weaknesses
1.	Cheese	Growing interest in imported cheese, particularly cheddar which has many applications. Major consumption in urban areas.	Mass market consumption is limited to mild and plain cheese and is price sensitive, specialist cheeses limited to very high-end retail.
2.	Confectionery	Increase in demand for luxury and high-end products.	Highly competitive market in mass retail.
3.	Sauces and condiments	Growing interest in 'Western' style cuisine.	Highly competitive market in mass retail.
4.	Meat alternatives	High % of vegetarian/ vegan consumers.	Still a relatively new concept in India, the sector needs to mature and be understood by consumers.
5.	Sweet biscuits	Increase in demand for luxury and high-end products.	Highly competitive market and significant import tariff – 45%.
6.	Beer	Growing interest in craft beer market – still relatively new to market. Potential in alcohol-free/low alcohol products.	High import tariffs – 100% and competition from cheaper in country products.

Opportunities by route to market

Rank	Route to Market	Strengths	Weaknesses
1.	High-end retail	<p>The main route to market for many UK food and drink companies.</p> <p>Increased middle class spend driving a demand for higher end retail outlets.</p> <p>UK provenance resonates in this sector - trusted and loved, with a cultural affinity.</p>	<p>Limited and highly competitive shelf space, that can at times be crowded with other international products – from the EU/US.</p> <p>This is a relatively small market segment within Indian retail</p>
2.	High-end HORECA	<p>An expanding and growing sector in India with a diverse range of products demanded.</p> <p>The UK has only a small/modest presence in this sector to date – breakfast buffets, room gifts, etc.</p> <p>Increased interest in Western/international foods, along with growing eating out culture in urban areas.</p>	<p>Country of origin for most food and drink products is of less importance in HORECA.</p> <p>Price and quality are seen as the most important aspects of supply. Supply is usually in bulk and tends to be unbranded.</p> <p>Contracts run for 12 months with fixed price. Contracts negotiated by head office buyers – very margin and supply focused.</p>

Opportunities by route to market

Rank	Route to Market	Strengths	Weaknesses
3.	Mass retail	Mass retail still accounts for a high overall % of consumer demand in the India.	<p>The Indian mass market is highly price sensitive – this restricts UK food and drink imports to high end retail and HORECA. Consumers are prepared to compromise on quality over price.</p> <p>Shelf space for products such as confectionery and biscuits is highly crowded and competitive.</p> <p>Out of stock lines for imported products are common within Indian retail, and this is often down to shipping duration and pinch points in the internal supply chain.</p>
4.	Online and ecommerce	Potential growth in online retail in urban areas. Predominantly mass market focussed, though high-end online retail is beginning to emerge.	Imported food and drink products are more commonly found in high end, gourmet food stores and not online.

3. Macroeconomic data

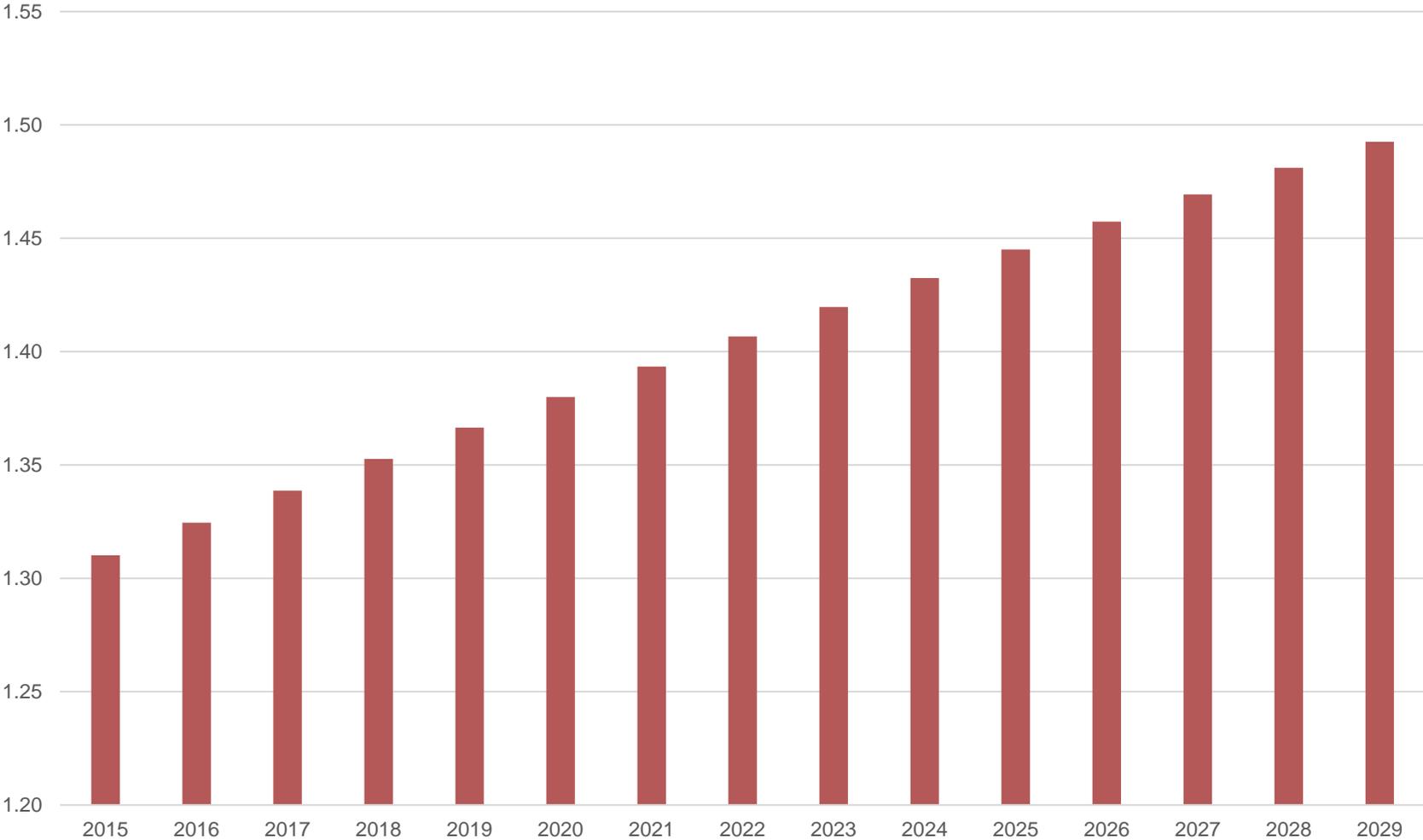
3.1 Population & Demographics

Demographics

- ❑ Capital City: New Delhi
- ❑ Land area: 2,973,190 sq. km
- ❑ Main Language: Hindi, English and at least 16 other official languages
- ❑ Top five religions: Hinduism 79%, Islam 14%, Christianity 2%, Sikhism 2% and Buddhism 1%
- ❑ Population 2018: 1.3 billion
- ❑ States: 28 with 8 union territories
- ❑ Currency: Indian Rupee (INR)
- ❑ Time Zone: UTC + 5.30

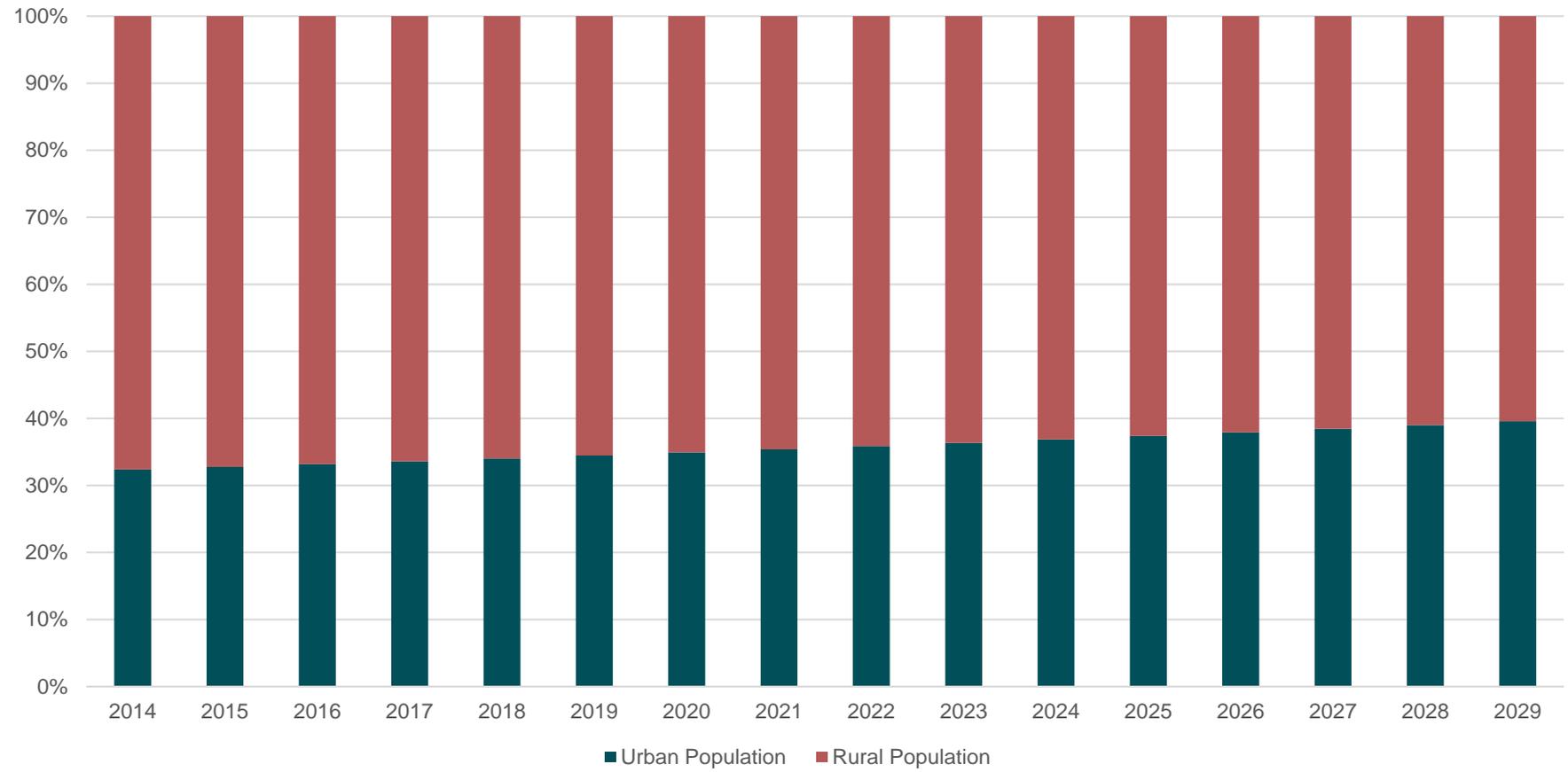


Indian population growth (billions), 2015 - 2029 (source: IMF)



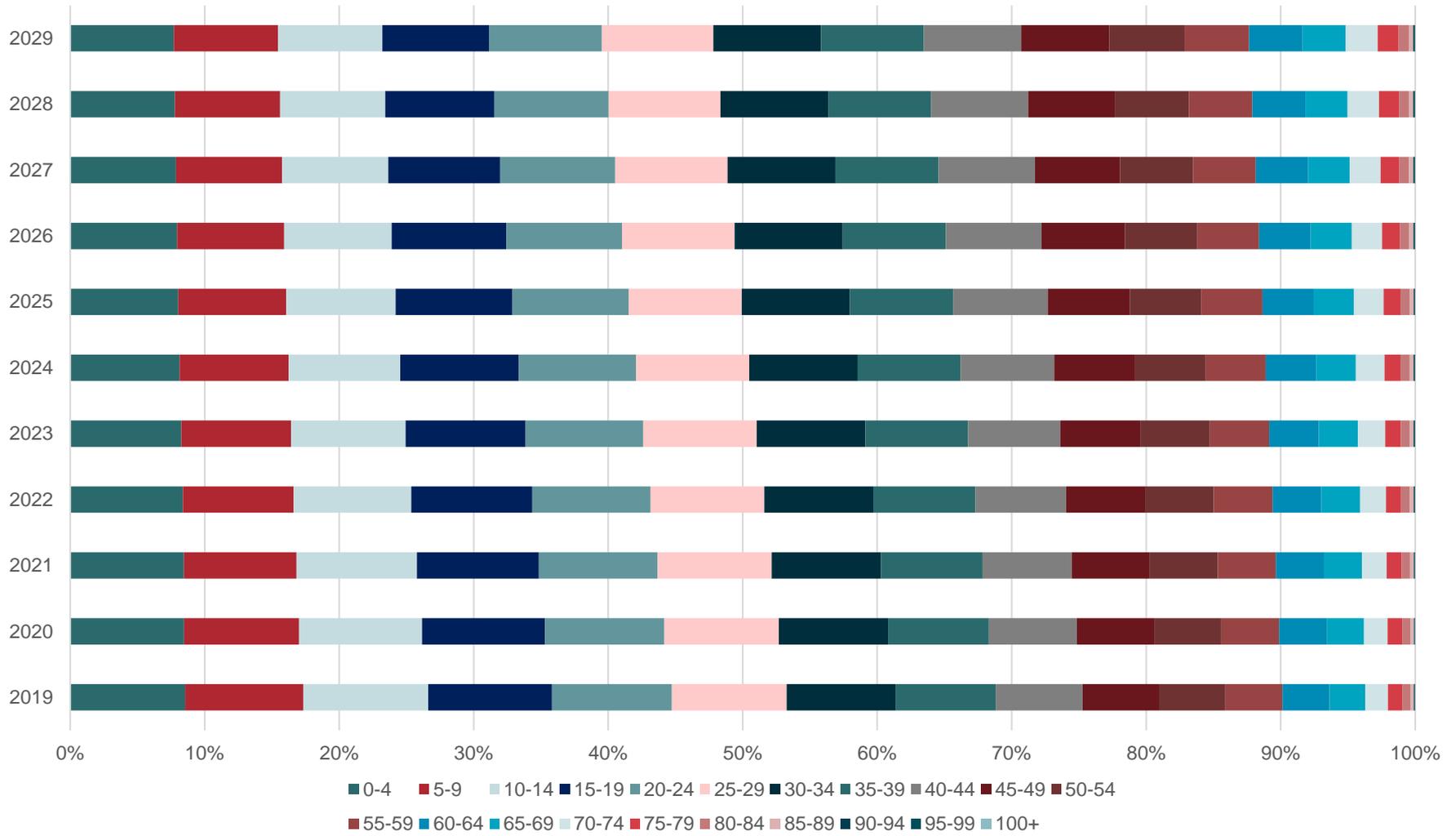
Indian rural & urban % divide, 2014 – 2029

(source: UN Population Division)



India forecasted age structure, 2019- 2029

(source: UN Population Division)



Indian cities, by population - top 10

1	Mumbai	12,691,836
2	Delhi	10,927,986
3	Bangalore	5,104,047
4	Kolkata	4,631,392
5	Chennai	4,328,063
6	Ahmedabad	3,719,710
7	Hyderabad	3,597,816
8	Pune	2,935,744
9	Surat	2,894,504
10	Kanpur	2,823,249

- ❑ Growth is moving beyond the three leading cities of Mumbai, Delhi and Bangalore
- ❑ It is predicted that there will be 7 “mega cities” in India by 2030

Population & demographics - summary

- ❑ India's population growth is well documented, rising by a CAGR of 1% from 2008 to 2030.
- ❑ By 2030, the population within India is predicted to reach 1.5 billion, from its current level of 1.3 billion.
- ❑ The urban population within in India is also growing. Currently, 35% of the population is urban based. This is predicted to rise to 40% by 2030.
- ❑ India's population is ageing, with those 65 years and over rising from 6.6% of the population today to 13.4% by 2050. This is largely as a result of people living longer and a decline in fertility rates.
- ❑ The proportion of those aged between 25 - 64 years is also expected to increase to 54% by 2050, with this generation driving the growth in the middle class. India has the title of the “youngest country in the world”.

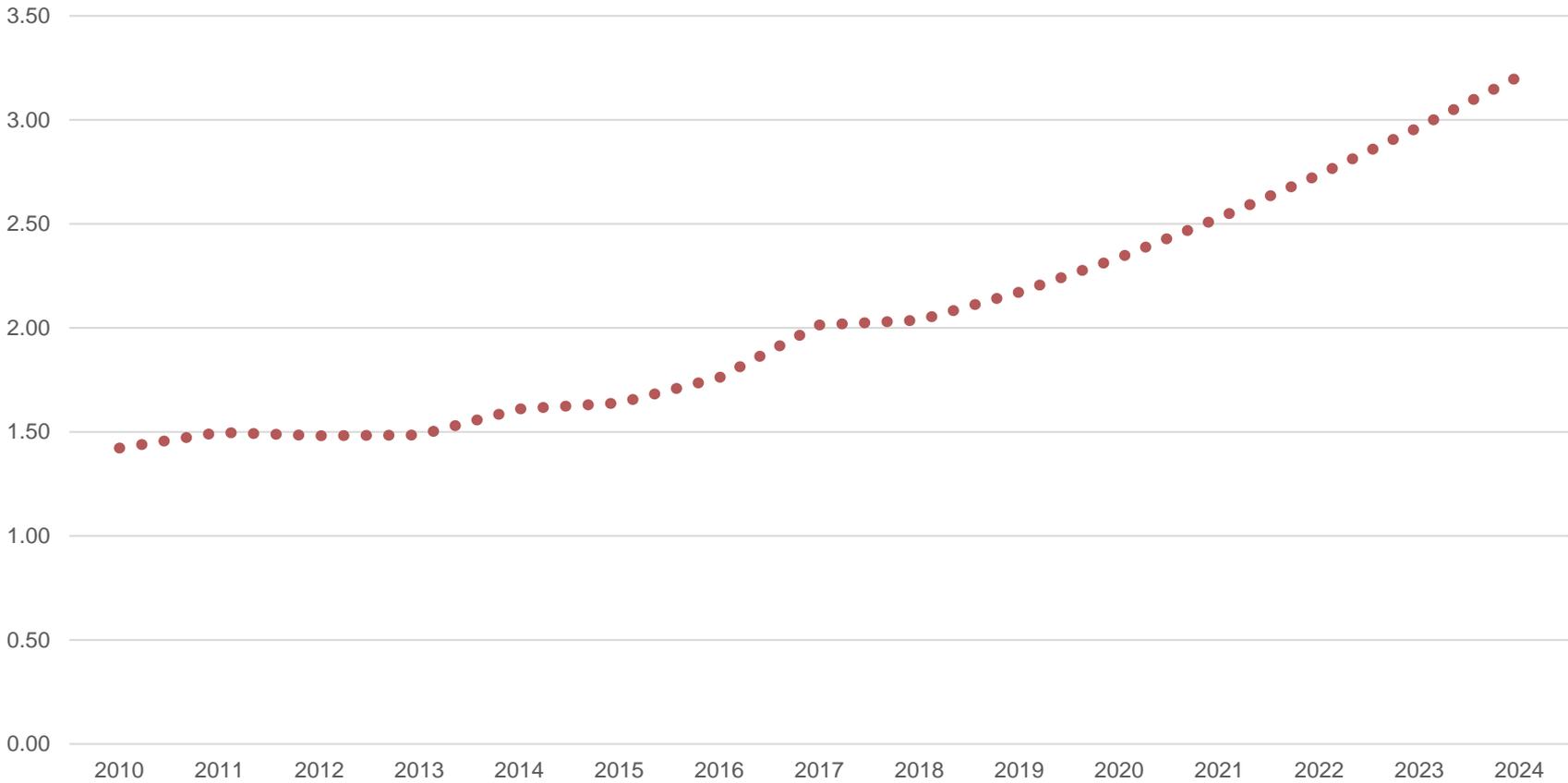
Population & demographics - summary

- ❑ According to NCAER by 2025, 114 million households will be in the middle class bracket as a result of increased consumer incomes; more than double the figure from 2015.
- ❑ As a result, consumer markets will continue to develop toward more luxury type goods.
- ❑ The growth in consumerism is highlighted by an increase in the market size for goods and services.
- ❑ Standards of living are improving, as a result of increasing disposable incomes, whereby everyday items, such as microwaves and washing machines become much more common place in the home.

3.2 The Indian Economy

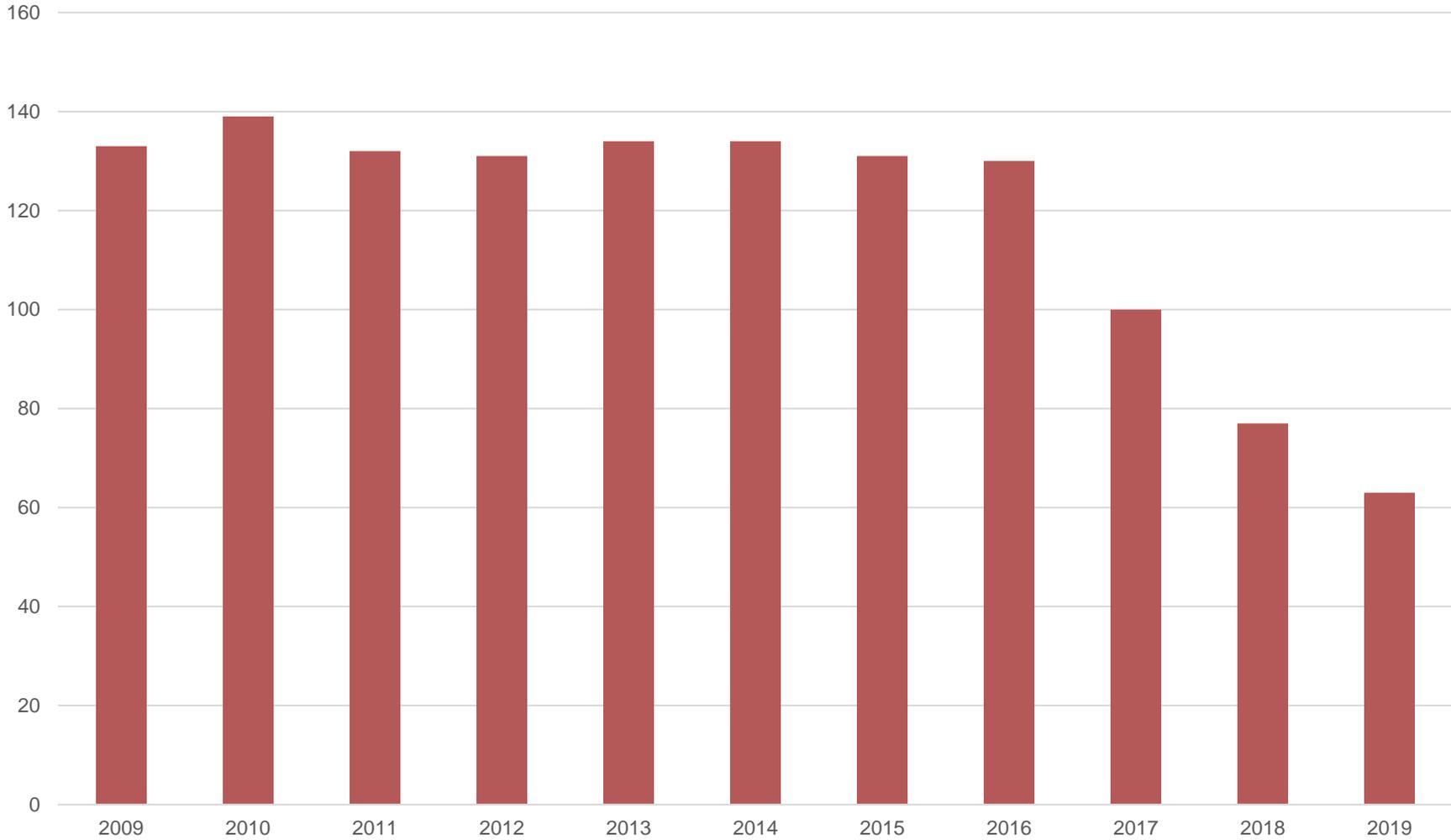
GDP per capita (US\$ '000) 2010 – 2024

(source: IMF)



Ease of doing business in India, 2009 – 2019

(source: World Bank)



Ease of doing business

- ❑ Doing business in India is getting easier, with its current Ease of Doing Business ranking at 77, according to the World Bank.
- ❑ Economies are ranked on their ease of doing business, from 1 – 190.
- ❑ A high ease of doing business ranking (1) means the regulatory environment is more conducive to the starting and operation of a (local) firm.
- ❑ The rankings are determined by sorting the aggregate scores on 10 areas – this is an increase from its position in 2011, which stood at 132.

Country	2016	2017	2018
India	130	100	77
United Kingdom	7	7	9

Source: Ease of Doing Business, World Bank 2019

The Indian economy - summary

- ❑ Looking at the Indian GDP, this highlights the growth in the size and robustness of its economy now and over the next five years.
- ❑ From 2008 to 2024, the GDP in India is forecast to grow by a CAGR of 9%.
- ❑ Inflation over the next five years within India will remain fairly stable, at between 4 - 5%.
- ❑ This is significantly lower than where inflation stood some ten years ago, which implies a more stable economy and relatively lower prices for consumers.

3. Macroeconomic Data, Tariffs and Non-Tariff Barriers

3.1 Population & Demographics

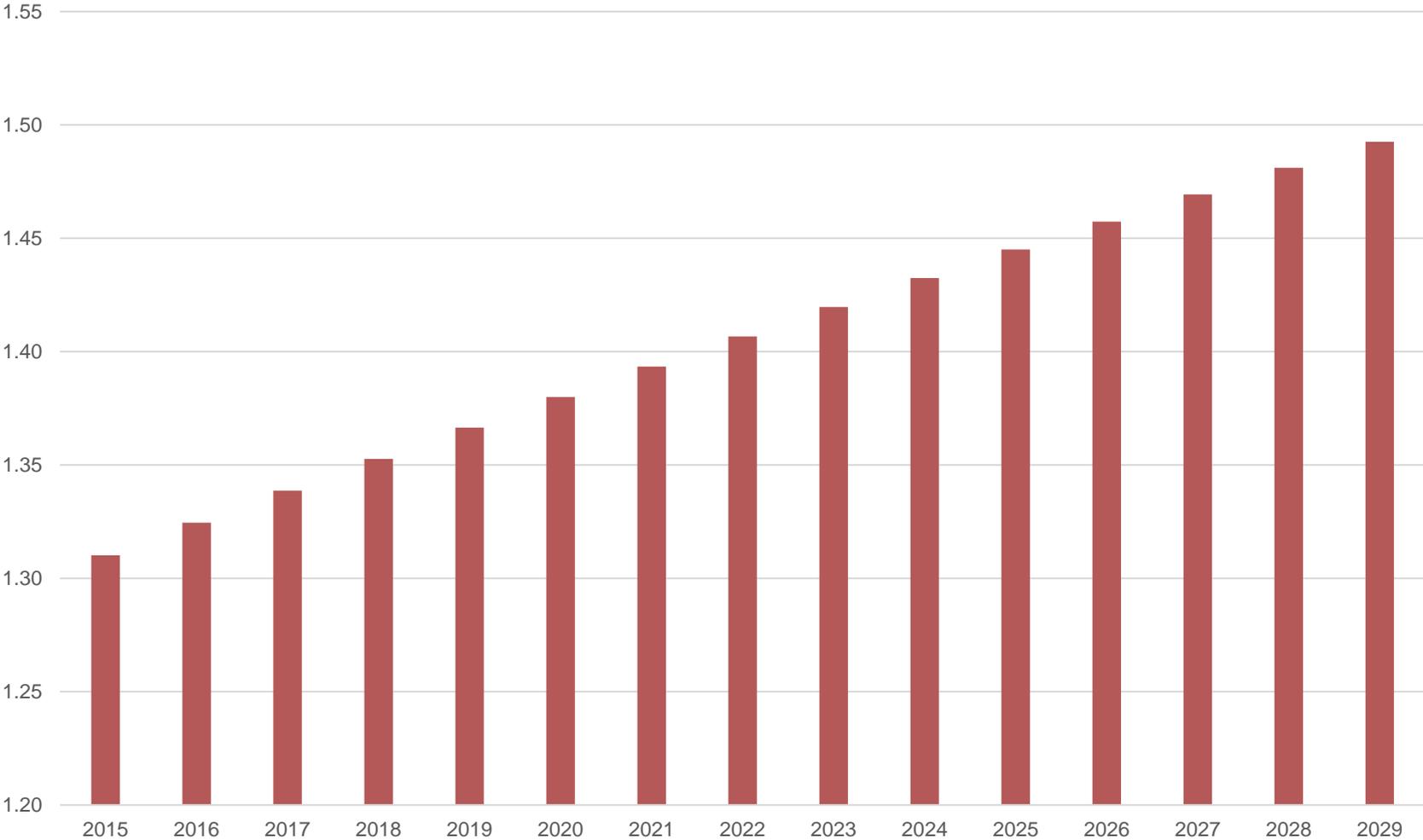
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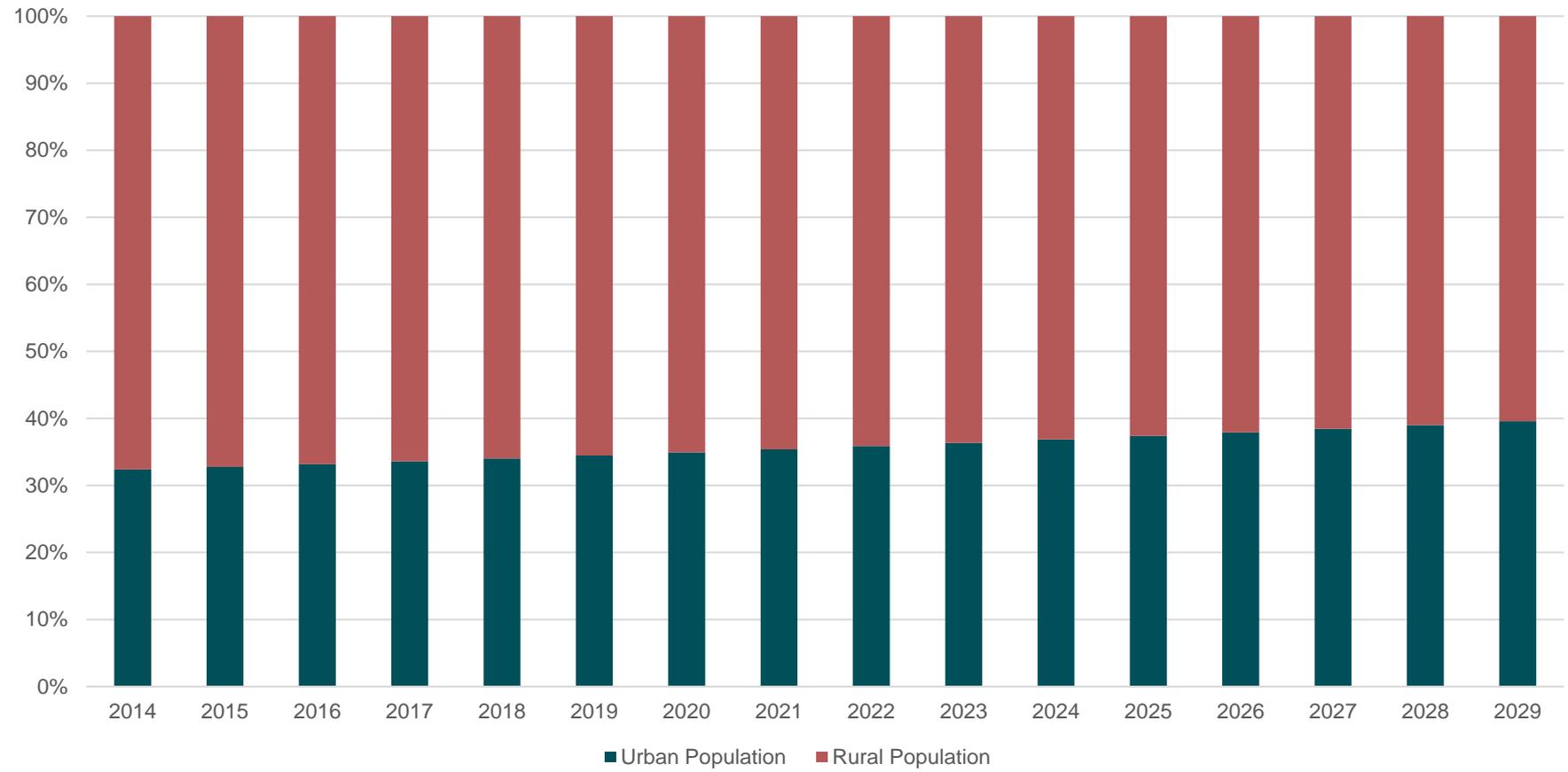
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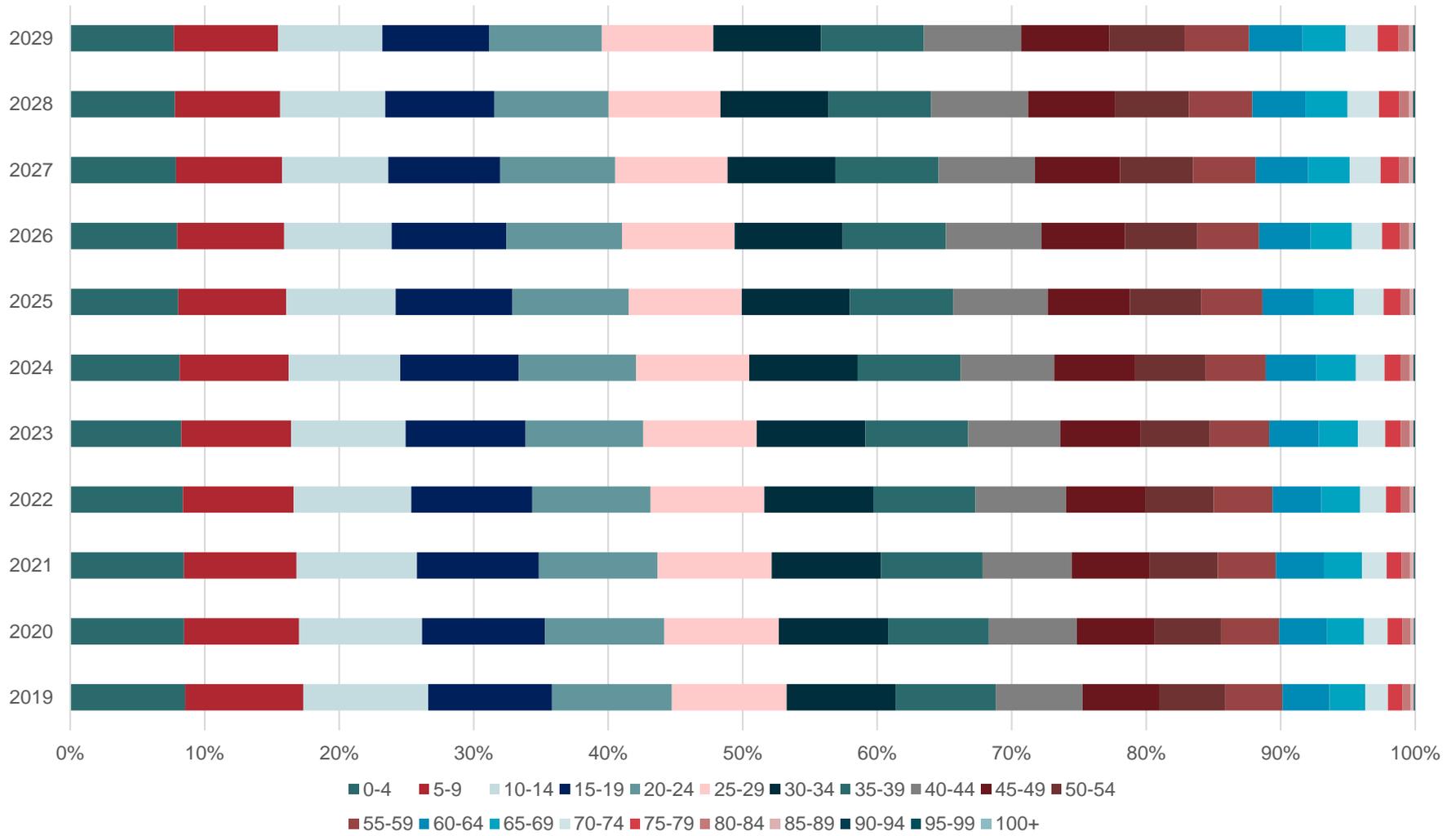
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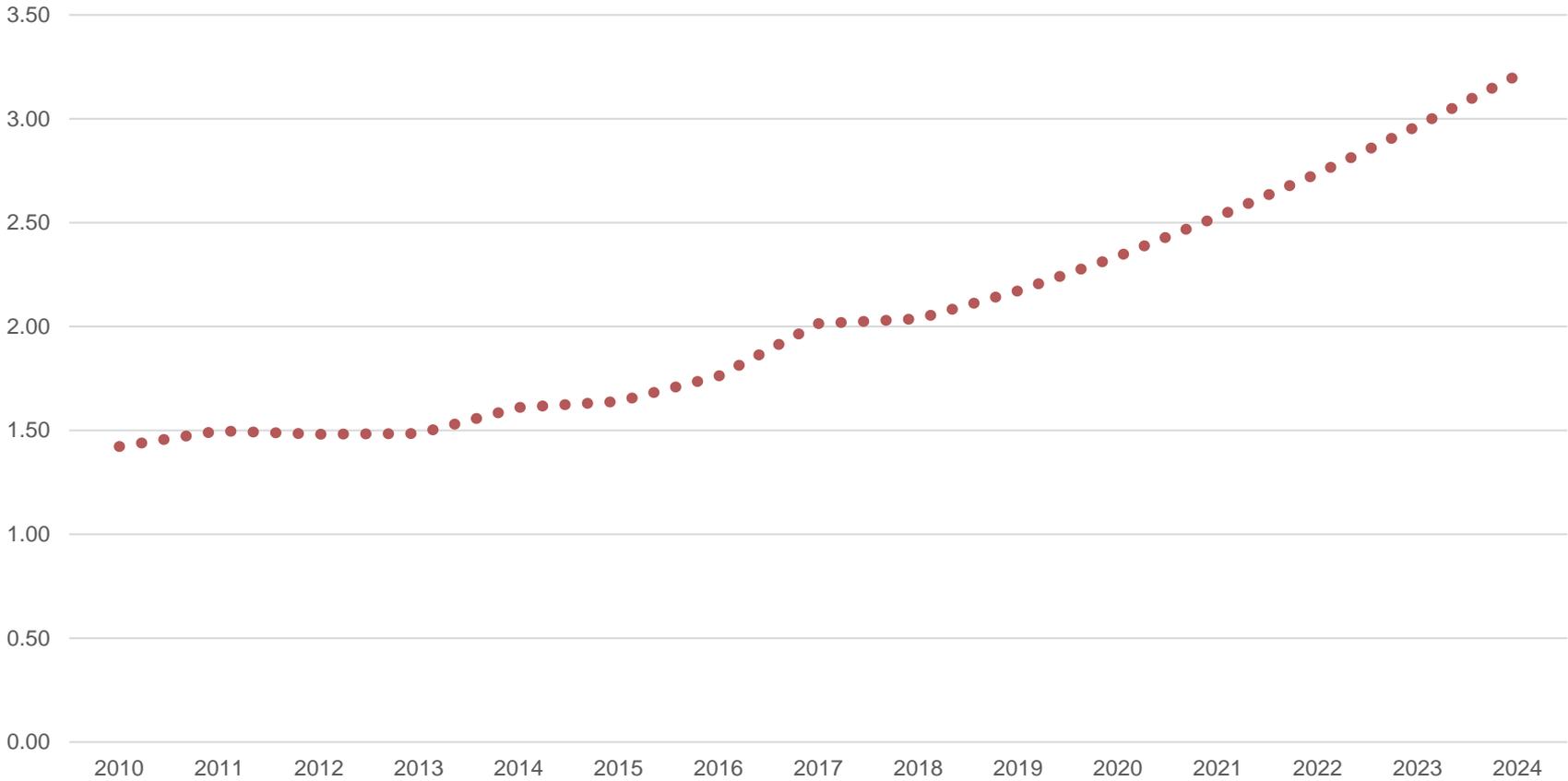
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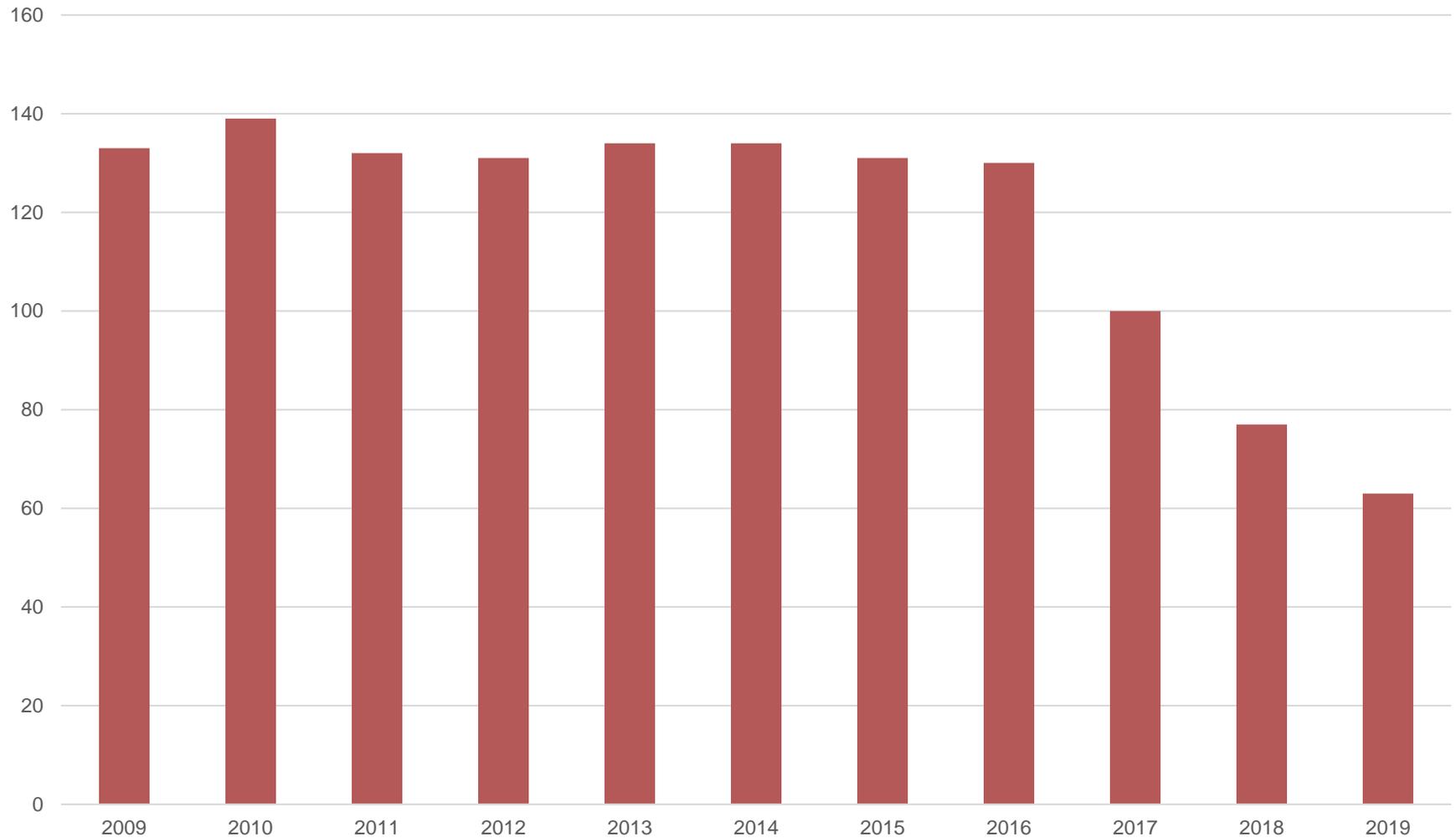
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- ❑ Inflation over the next five years within India will remain stable, at between 4 - 5%.
- ❑ This is significantly lower than where inflation stood some ten years ago, which implies a more stable economy and relatively lower prices for consumers.

3.3 Tariffs & Non Tariff Barriers

Tariff levels & implications

❑ The main competition identified across all products for the UK is:

- Local Indian supply
- China
- ASEAN countries
- The US
- EU countries

❑ Is the UK better or worse off than the competition?

Through trade deals with India, China and other ASEAN countries, all have a strong competitive advantage compared to the UK (0% tariffs.) This was evident by the volume of imported ASEAN and Chinese products stocked by retailers across India.

For the six products covered in detail in our work, the UK currently operates on the same WTO tariffs as the EU/US. Full details are given in **Appendix II** of this document.

Tariff implications by product

❑ Cheese

- The main competitors for cheese are India itself (0% tariffs) and other EU countries (30 - 40%). The UK is on the same WTO tariff as EU countries.
- UK exporters do not face a higher tariff than these other suppliers to India. The UK therefore does not have any tariff advantage, but at the same time, does not have any tariff disadvantage either.

❑ Craft Beer

- The main competitors for craft beer are India itself (0%) with some limited competition from other EU countries – predominately Belgium. There are a limited number of beers on the market from the US (100%), along with China and ASEAN countries (0%).
- The beer products that are imported from those countries would not be described as “craft style” and therefore not be in direct competition to the UK.

Tariff implications by product

❑ Sweet Biscuits

- The main competitors to the UK for sweet biscuits are from India itself (0%), ASEAN countries (0%) and China (0%) particularly in the mass market retailers.
- The UK (45%) is unable to compete with the cheaper in-country produced and imported products, which is therefore restricting the UK, along with the EU (45%) and the UAE (45%) produced products to high end and premium retail outlets.

❑ Meat Alternatives

- The main competitors for meat alternatives are India (0%) itself, ASEAN countries (0%) and China (0%).
- The UK (30 - 150%) is on the same WTO tariff as EU countries.
- There were very few meat alternative style products on the market across India.

Tariff implications by product

❑ Sauces and Condiments

- The main competitors for sauces and condiments are India itself (0%), ASEAN countries (0%) and China (0%).
- The UK is on the same WTO tariff as the EU (30%) and had the same WTO tariff as the US and other EU suppliers, both which had a limited shelf presence.

❑ Confectionery

- The main competitors for confectionery are India itself (0%) followed by ASEAN countries (0%) and China (0%).
- There was also a limited market presence from UAE (30 - 45%) and the UK (30 - 45%) but these were restricted again to high end and premium retail outlets.

Non tariff barriers

- ❑ This process of dealing with customs and related administration can cause up to two weeks of delays at the border for an importer. The associated costs that come with this are sampling, storage and handling; this figure might be, in a worse case scenario, up to £2,000 – £2,500 for a container for a two week period.
- ❑ Consequently, there is a demand vs availability challenge that most, if not all, importers and retailers face, whereby an order can take up to two months before it reaches the final customer.
- ❑ Add to this, the price of the final product, and this can be up to 50% from CIF level.
- ❑ Legislation within the food industry in India can change often, part of the challenge can be keeping abreast of any amendments in this area.
- ❑ There are reported differences in the way shipments are handled and accepted at customs points throughout the country. For example, a shipment that would be accepted through Mumbai might not be at Chennai.

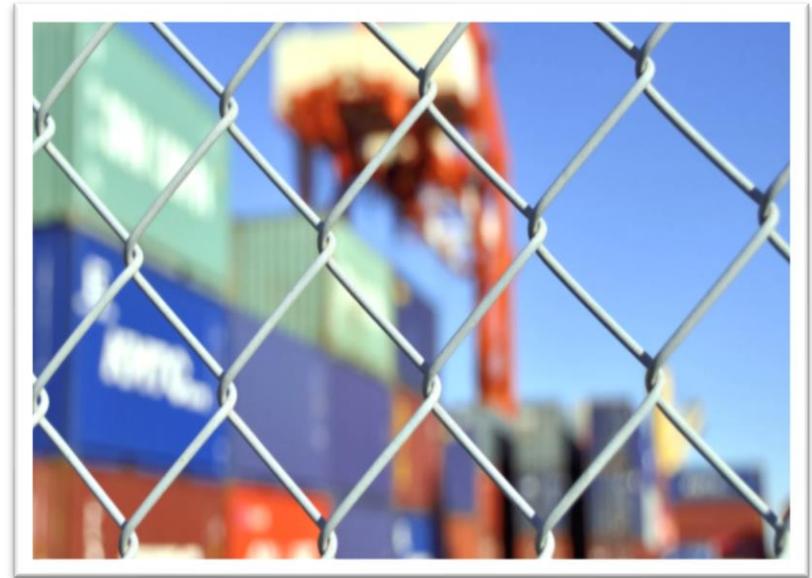
FSSAI - Food Safety & Standards Authority of India

- ❑ The Food Safety and Standards Authority of India is an independent body established under the Ministry of Health & Family Welfare, following the Food Safety and Standards Act 2006.
- ❑ This Act is responsible for forming the standards of products and the labeling legislation.
- ❑ FSSAI samples and controls each consignment arriving in India – this cost is picked up by the exporter of the food and drink product.
- ❑ If the food products are not to FSSAI regulations, the consignment will be denied and will not be allowed into India.



Import overview - step #1

- ❑ Prior to the arrival of the food consignment through air or seaport in India, the importer must prepare an Authority Letter in favour of a registered Customs Handling Agent (CHA), addressing the FSSAI Authorised Officer.
- ❑ However, while awaiting the arrival of the consignment, the CHA based on the authorisation letter will file an application for clearance of consignment with the Department of Customs established on the Bill of Entry.
- ❑ After this, a Government Customs Agent will verify the consignment after clearance of customs formalities and payment of customs duty.



Source: FSSAI

Import overview - step #2



- ❑ On obtaining the customs department clearance, the customs handling agent must file an application in the Food Import Clearance System (FICS) of FSSAI to obtain the No Objection Certificate (NOC).
- ❑ The documents required to be uploaded in the FSSAI platform for FSSAI clearance are:
 - Importer Exporter Code issued by the DGFT
 - FSSAI Business License
 - Bill of Entry
 - Examination Order generated by the EDI System of Customs, therein requiring NOC from the FSSAI
- ❑ There may be a requirement for an additional documents (product dependent).

Source: FSSAI

Import overview - step #3

- ❑ Once an application is made in the Food Import Clearance System with the above documents, a FSSAI Officer will verify the documents and request more information (only if required).
- ❑ If the application is accepted, the Indian importer will be requested to deposit fees for FSSAI clearance based on the number of samples.
- ❑ The FSSAI Officer will also fix a date and time for visual inspection of the consignment.
- ❑ During the visual inspection of the consignment, the following will be verified:
 - The physical condition of the consignment for visible insects and fungal infestation.
 - That the valid remaining shelf life of the product is more than the 60% of its original shelf life at the time of import clearance.
- ❑ The samples of imported food are then sent by the Authorised Officer and then analysed by the laboratory as defined in the Food Safety and Standards Act and Regulations. The lab is required to send its report within five days to the Authorised Officer with an opinion about the product tested to be either conforming or non-conforming.

Source: FSSAI

Import overview - step #4

- ❑ This involves compliance of the FSSAI (Packaging & Labelling) Regulations, and the product-specific labelling requirements.
- ❑ Dealing with labelling deficiencies, namely:
 - Name and address of the importer.
 - FSSAI logo and license number and the veg/non veg symbol.
- ❑ After the visual examination, the FSSAI Officer would draw two samples from the consignment for testing.
- ❑ One of the sealed and labelled samples will be sent to a randomly selected laboratory. The second food sample would be stored in appropriate conditions for re-testing if the need arises.



Source: FSSAI

Import step overview - #5

- ❑ If the authorised laboratory issues an opinion report confirming that the food consignment conforms with the FSSAI regulations, the FSSAI Officer would issue a No Objection Certificate (NOC) or a Non-Conformance Certificate (NCC).
- ❑ The food product would then be cleared for import into India and released from the customs warehouse.

Source: FSSAI

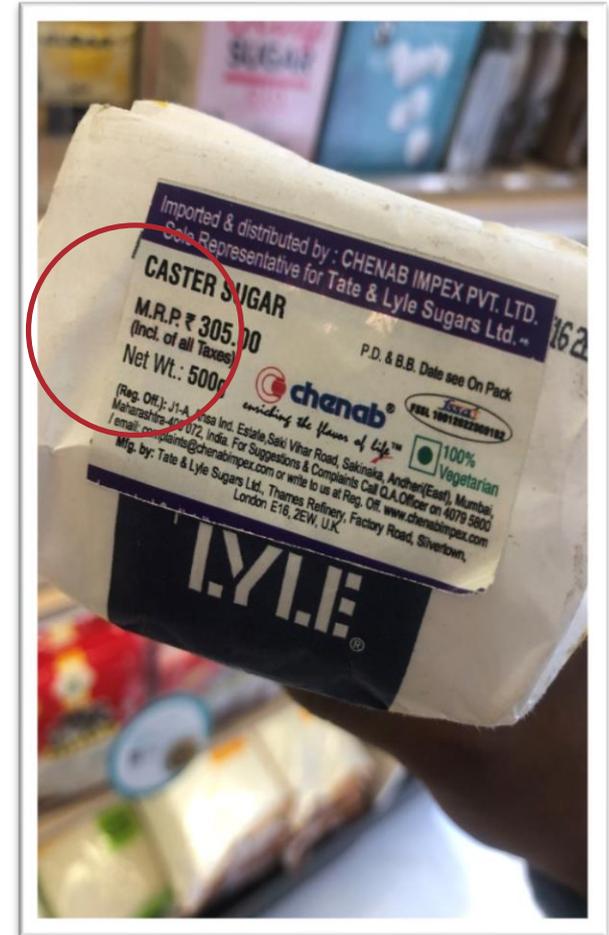
Labelling requirements

Every prepacked food entering India must carry a label that includes:

- Name of the food
- List of ingredients
- Nutritional information
- Declaration regarding vegetarian and non vegetarian
- Declaration regarding food additives
- Net weight/quantity
- Batch identification number
- Date of manufacture
- Best before/Use by
- Instruction of use
- Name and complete address of the manufacturer

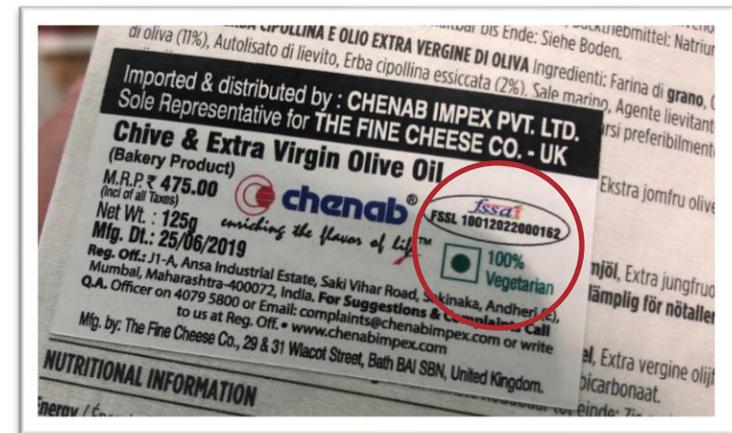
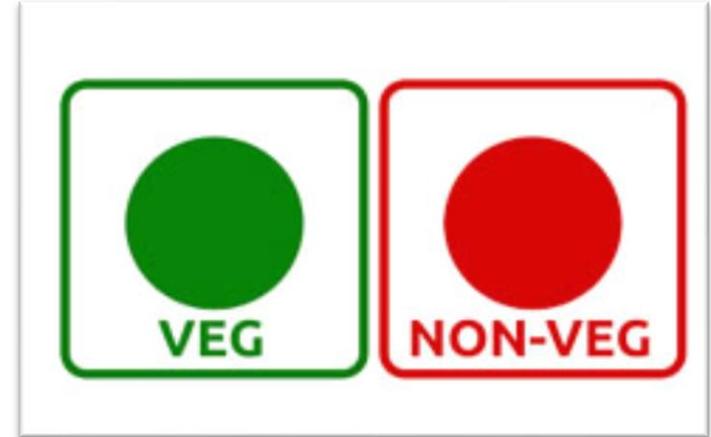
MRP - Maximum Retail Price

- ❑ A maximum retail price (MRP) is a manufacturer calculated price that is the highest price that can be charged for a product sold in India.
- ❑ However, retailers may choose to sell products for less than the MRP. The MRP differs from systems using a RRP recommended retail price, because in those systems, the price calculated by the manufacturer is only a recommendation and not enforceable by law.
- ❑ All retail products in India must be marked with the MRP. Officially, shops cannot charge customers over the MRP. Some shops may charge slightly below MRP to draw more customers to their stores (e.g. Reliance Fresh - 2% MRP).
- ❑ In some remote areas and tourist spots and in situations where a product is difficult to obtain, consumers are often charged over the MRP level.



Vegetarian labelling

- ❑ All packaged food products sold in India are required by law to be labelled with a mandatory mark in order to be distinguished between lacto-vegetarian and non-lacto-vegetarian (vegetarian with out dairy, which is equivalent to vegan).
- ❑ The symbol is in effect following the Food Safety and Standards (Packaging and Labelling) Act of 2006, and got a mandatory status after the framing of the respective regulations (Food Safety and Standards [Packaging and Labelling] Regulation) in 2011.
- ❑ According to the law, vegetarian food should be identified by a green symbol and non vegetarian food with a dark red symbol.



4. Indian Food & Drink Importers

Indian food & drink importers overview

- ❑ There are an estimated 5,000 food and drink importers in India, with offices in the main cities to ensure they can supply their customers.
- ❑ Many importers import consolidated products, as the market for one product alone, is often not large enough to justify full containers.
- ❑ There are two different types of importer – either an importer who prefers to deal exclusively with a brand, or those that do not request this, in order to stock their products. Most UK products are imported through an established and trusted importer, such as Chenab or Sunbeam Ventures.
- ❑ The importers that had exclusivity deals appear to be more invested in supporting the brands in the marketplace with promotions and sampling.
- ❑ The leading importers are generally enthusiastic (and complimentary) about UK brands and products, associating them with both safety and quality, though have concerns of competitiveness and ability to supply on consistent basis.

Case Study - Chenab Impex PVT Ltd, Mumbai

“Enriching the flavour of life”



- Established in 2002, Chenab is a long standing importer of high end and gourmet international food products, with a real passion for UK products.

- The head office is located in Mumbai, with nationwide distribution.

- Chenab Impex PVT Ltd supply high end retail and luxury hotels across India, including Natures Basket and the Food Hall.



- They are the leading Indian importers of the following UK products: Pipers Crisps, the Edinburgh Shortbread Company, Cornish Sea Salt, Dorset Cereals, Belvoir, Maldon Sea Salt, Gardiners Fudges, Tracklements Condiments and the Fine Cheese Company Crackers.

Case Study - Chenab Impex PVT Ltd, Mumbai



Edinburgh Shortbread House imported by Chenab Impex on the shelves of the Food Hall, Mumbai

Case Study – Sunbeam Ventures, Cochin

- ❑ This business was established in 2004.
- ❑ The main office is in Cochin.
- ❑ Sunbeam Ventures are well established and have a track record of building brands in the Indian subcontinent - they currently represent 35 international food and drink brands.
- ❑ They supply higher end supermarkets, online retail and leading HORECA outlets, with national coverage through their own distribution network.
- ❑ Sunbeam Ventures particularly specialise in sauces, confectionery, non alcoholic beverages, cosmetics and home cleaning products.
- ❑ Sunbeam Ventures represent the following UK brands: Mackays, Blue Dragon and Simpkins.



Case Study - Sunbeam Ventures, Cochin

MACKAYS

Some things we'd all want to preserve and keep! Mackays marmalades and preserves are definitely these things! They keep their promise of using whole fruit and of tasting like homemade jams, thanks to their open-pan method of jam-making. For more than 70 years, over 50 countries have been relishing the home-made taste of more than 25 products which include Mackays jams, marmalades and preserves. The Seville orange marmalade, strawberry preserve and raspberry preserve, blueberry and black current preserve, three berry preserve and lime curd are absolute favorites everywhere around the world!

MACKAYS	Gram/Volume	MRP	Carton size
Marmalades			
Seville Orange Marmalade	340 gm	250.00	6
Fruity Orange Marmalade	340 gm	250.00	6
Spiced Orange Marmalade	340 gm	250.00	6
Three Fruit Marmalade	340 gm	250.00	6
Orange/Lemon Marm & Ginger	340 gm	250.00	6
Lime & Lemon Marmalade	340 gm	250.00	6
Pink Grapefruit Marmalade	340 gm	250.00	6
Orange and Cranberry Marmalade	340 gm	250.00	6
Preserves			
Scottish Blackcurrant Pres	340 gm	325.00	6
Scottish Three Berry Pres	340 gm	325.00	6
Scottish Raspberry Preserve	340 gm	325.00	6
Scottish Strawberry Preserve	340 gm	325.00	6
Cherries and Berries Preserve	340 gm	325.00	6
Blueberry and Pomegranate Preserve	340 gm	325.00	6
Blueberry & Blackcurrant Pres	340 gm	325.00	6
Spiced Ginger Preserve	340 gm	325.00	6
Seedless Blackberry Preserve	340 gm	325.00	6
Blueberry Preserve	340 gm	325.00	6
Scottish Apricot preserve	340 gm	325.00	6
Fig Preserve	340 gm	325.00	6
Curd			
Lemon Curd	340 gm	325.00	6
Lime Curd	340 gm	325.00	6

Imported Mackays Jam listed on the Sunbeam Venture website

Case Study - Nishan International, Chennai

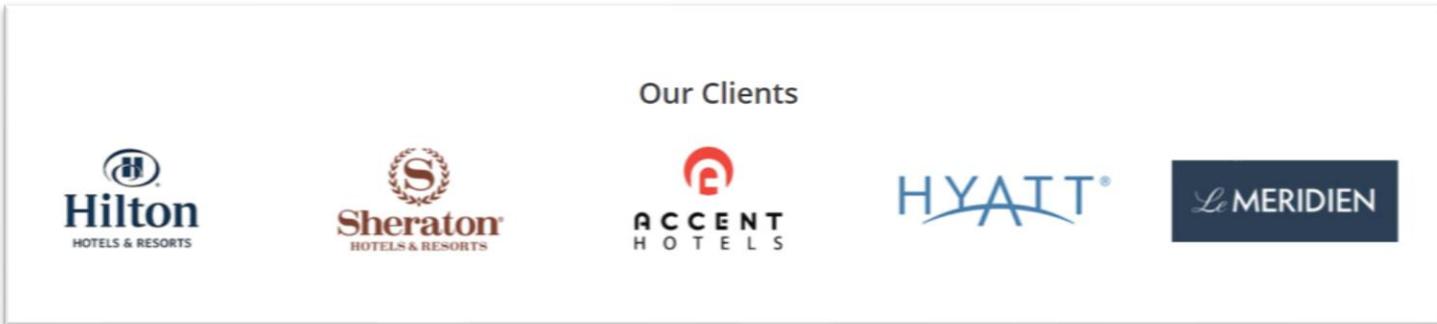


- ❑ Nishan was established in 1999.
- ❑ The Head Office is in Chennai, with other offices in Delhi and Mumbai.
- ❑ They are importers and distributors of high end and premium international brands, specialising in biscuits, sweets and non alcoholic beverages.
- ❑ Nishan International supply major supermarkets, online retail and leading HORECA with national coverage.
- ❑ Following on from a visit to Gulf Food in the UAE, Nishan International are currently in talks with a number of new and innovative UK brands.



Retail partners

Case Study - Simrutha Enterprises, Chennai



- ❑ Established in 2009, Simrutha are a well established cheese and premium food service importer. They supply the HORECA sector, including the Taj, Hilton and Sheraton hotel chains, plus a number of flight kitchens.
- ❑ The head offices are located in Chennai, with presence in a further four Indian cities - Coimbatore, Cochin, Bangalore and Hyderabad.
- ❑ Simrutha have a state of the art cold supply chain, distribution and storage facilities.
- ❑ They are established importers of UK cheese, including Red Leicester and Mature Cheddar, along with a range of other EU cheeses and high-end cured meats.

Indian food & drink importers - opportunities

- ❑ Delhi and Mumbai are the biggest markets for imported food and drink products, followed by Bangalore and Chennai.
- ❑ UK food businesses need to consider identifying and working with a trusted partner in India, so that the brand can supply the market at the best possible price.
- ❑ Indian consumer tastes are shifting towards healthy and premium foods; especially as the disposable income rises and Indians become more westernised.
- ❑ India is also fast becoming a hub to access other SE Asian markets, which could provide an established UK brand with an opportunity to manufacture products under licence.
- ❑ The opportunities in both retail and HORECA should not be ignored. The channels should be treated differently though, as they demand different products and with the HORECA sector primarily focused on price and consistency of supply.
- ❑ A brand can successfully be developed with the right importer/distributor and a degree of promotional support – promotional literature, shelf wobblers, product sampling etc.

Indian food & drink importers - constraints

- ❑ India is a high import duty market for countries like the UK, the US and others from the EU, meaning high point of sale (POS) prices are hard to avoid. This can be a challenge when a brand is looking to boost sales, especially within the HORECA sector, which is heavily price sensitive. China and ASEAN countries have an advantage due to their free trade agreements (FTAs) with India, though India could very much be a market for the future for UK food and drink brands.
- ❑ In terms of tariff codes, there is no distinction between a premium product and mass-market product. All products have the same tariff applied, although premium products do tend to be less price sensitive.
- ❑ It is worth noting that once a product becomes established, UK companies should be prepared for it to be potentially reproduced/copied by a local manufacturer and placed on the market at a lower price point. This recently happened to a high-end UK crisp producer, with the product and packaging being replicated in a similar way. A strong unique selling point (USP) and distinct brand link to UK provenance can help combat this.
- ❑ Using multiple importers can cause a lack of direction for a brand in the market, with many Indian importers preferring to operate on an exclusive basis. This in itself is a challenge, because a brand needs to select the right importer to “champion” the product.

Indian food & drink importers - constraints

- ❑ UK food and drink companies also need to ensure products meet FSSAI standards. The biggest issue here is with ensuring correct labelling on all consignments ahead of arrival in India.
- ❑ Adequate shelf life is also essential – a product needs to have at least 70% shelf life when it reaches the end consumer.
- ❑ Consideration also therefore needs to be made in regard to product storage, distribution and shelf life.

Selected importer quotes

- ❑ *'UK niche products and respected brands both have market potential in India – we're always willing to look at something new and different.'*
- ❑ *'We can see the future growth in meat alternatives – but we need to educate the retailer and consumer about the product.'*
- ❑ *'Sending promotional items with products really does help with in-store brand awareness – it is favoured by retailers too.'*
- ❑ *'Brands that invest – time and money to visit India tend to do better – it's a complex market to understand.'*
- ❑ *'It's worth considering manufacturing a brand with a partner – reducing costs on labour, ingredients and distribution.'*

5. How is the UK seen as a Food & Drink Supplier?

5.1 SWOT Analysis

Strengths

- ❑ India is a fast-growing economy and the general ease of doing business is improving.
- ❑ 100's of millions of consumers are entering the middle-class income bracket.
- ❑ India has strong cultural affinity with the UK.
- ❑ UK food imports are regarded as high quality, safe and the UK image is favourable, but based around images like the Union Jack or red phone boxes rather than more specific geographies such as Somerset, Scotland or Wales.
- ❑ The modern/supermarket retail and HORECA sectors are both set for strong future growth.
- ❑ Tariff access – the UK is no better or worse off than others from the EU and US.
- ❑ Limited language barriers.

Weaknesses

- ❑ High tariffs can put the UK at a disadvantage to other key market players, such as China.
- ❑ The length of time it takes to ship and clear products through customs can shorten the shelf life of UK products.
- ❑ The Indian mass market is highly price sensitive – this restricts UK imports to high end retail only.
- ❑ Transport costs can be high and fluctuate significantly.
- ❑ Indian producers don't always fully understand UK products – how to use them, flavor combinations, etc. and UK suppliers need to be willing to meet Indian importer requirements – labelling, testing, packaging.
- ❑ Temperature control – maintaining the cold chain can be challenging.
- ❑ Brand support and in country follow up from the UK is not seen as strong.

Opportunities

- ❑ More in-country research - trade missions, retail visits, etc.
- ❑ Niche and specialist markets are growing and are interested in stocking innovative and new products.
- ❑ Health, wellness and specialist diets – gluten free and sugar free markets are all growing in India.
- ❑ Growth in consumption of western foods and international products.
- ❑ Better market awareness and willingness to react to trade prospects.
- ❑ In-time, in-country production and working with Indian brand partners.

Threats

- ❑ Competition from countries that have closer geographical proximity and a freight advantage, including shipping cost variations – ASEAN/China.
- ❑ Product replication – successful products can be copied and undercut on cost.
- ❑ High tariff barriers, especially for craft beer at 100%.
- ❑ Changes in phytosanitary requirements that effectively prohibit or restrict imports.
- ❑ Price fluctuations – exchange rate of pound sterling to Indian rupee.

Who are the UK's main competition?

❑ The main competitors to the UK are:

- India/China/ASEAN suppliers in the mass market.
- EU and US suppliers in the more niche/higher value routes to market.

❑ What do they do well?

- Competitive pricing and mass market supply, along with closer geographical proximity which reduces shipping costs.

❑ What are their strengths?

- Accessing the mass market, while UK products are restricted to high end and niche market access.

❑ Do they have an achilles heel?

- product quality tends to be lower than for UK imported products, although this is suits the Indian mass market requirements.

5.2 The Image of the UK's Food & Drink Sector in India

Quality assurance schemes

- ❑ **Do Indian customers across the supply chain recognise Red Tractor etc.?**
 - Red Tractor and other similar overseas quality assurance schemes are generally not recognised by consumers in India. There are very few similar in-country schemes.
- ❑ **Is UK provenance seen as good - is it a strength that others don't have?**
 - The UK “brand” is favoured and seen as a strength by Indian consumers – Union Jacks, London Buses, Royal Family, etc. are all actively used on UK product packaging and marketing materials. There is a focus on the “UK brand” rather than devolved brands – Wales, Scotland, England, NI etc. Provenance is a strong USP for UK products in a competitive and crowded marketplace.
- ❑ **Who recognises it - the trade or consumers?**
 - UK provenance is recognised and respected by both the trade and consumers across India.
- ❑ **Do they recognise protected designation of origin (PDO) and protected geographic indication (PGI) schemes - do they add value and how?**
 - Very few importers, retailers and consumers identified with PDO/PGI schemes directly.
 - There appears to be a greater connection with the product provenance and the product story/history.

6. Where are the Best Opportunities for UK Food & Drink Exports?

6.1 Opportunities by Product

Opportunities by product

Ranking	Product	Strengths	Weaknesses
1.	Cheese	Growing interest in imported cheese, particularly cheddar which has many applications.	Mass market consumption is limited to mild and plain cheese.
2.	Confectionery	Increase in demand for luxury and high-end products.	Highly competitive market.
3.	Sauces and condiments	Growth in western-style cuisine.	Highly competitive market.
4.	Meat alternatives	High proportion of vegetarians in country.	Meat alternatives are a relatively new concept in India - sector needs to mature and be understood by consumers.
5.	Sweet biscuits	Increase in demand for luxury and high-end products.	Highly competitive market and significant import tariff – 45%.
6.	Beer	Growing interest in the craft beer market.	High import tariffs – 100%.

Other product opportunities

- ❑ Whilst visiting India, a number of requests were made to identify potential suppliers for the following UK products:
 - **Alcohol-free spirits:** gin, whisky, rum, etc.
 - **Low-sugar and diabetic products:** jams and snacks.
 - **Specialist diet products:** gluten free, dairy free, egg free, low fat, low salt, etc.
 - **Breakfast cereals and cereal bars:** on the go breakfast items.
 - **Instant/add water products:** instant soups, noodles, pasta in sauce.



Other product opportunities



Growth in health food product category visible across India

Free from products

- ❑ Most Indian retailers had dedicated “free from” product areas.
- ❑ There was a UK sugar free jam player with a significant market presence.
- ❑ Retailers had noticed an increase in demand for “free from” products and were reacting to customers needs.
- ❑ Overseas “free from” products are trusted by consumers.



Free from products had a shelf presence in most of the retail stores visited

6.2 Opportunities by Route to Market

Opportunities by route to market

Rank	Route to Market	Strengths	Weaknesses
1.	High-end retail	<p>The main route to market for many UK food and drink companies.</p> <p>Increased middle class spend driving a demand for higher end retail outlets.</p> <p>UK provenance resonates in this sector - trusted and loved, with a cultural affinity.</p>	<p>Limited and highly competitive shelf space, that can at times be crowded with other international products – from the EU/US.</p> <p>This is a relatively small market segment within Indian retail.</p>
2.	High-end HORECA	<p>An expanding and growing sector in India with a diverse range of products demanded.</p> <p>The UK has only a small presence in this sector presently – breakfast buffets, room gifts, etc.</p> <p>Increased interest in Western/international foods, along with growing eating out culture in urban areas.</p>	<p>Country of origin for most food and drink products is of less importance in HORECA.</p> <p>Price and quality are seen as the most important aspects of supply. Supply is usually in bulk and tends to be unbranded.</p> <p>Contracts run for 12 months with fixed price. Contracts negotiated by head office buyers – very margin and supply focused.</p>

Opportunities by route to market

Rank	Route to Market	Strengths	Weaknesses
3.	Mass retail	Mass retail still accounts for a high overall % of consumer demand in the India.	<p>The Indian mass market is highly price sensitive – this restricts UK food and drink imports to high end retail and HORECA. Consumers are prepared to compromise on quality over price.</p> <p>Shelf space for products such as confectionery and biscuits is highly crowded and competitive.</p> <p>Out of stock lines for imported products are common within Indian retail, and this is often down to shipping duration and pinch points in the internal supply chain.</p>
4.	Online and ecommerce	Potential growth in online retail in urban areas. Predominantly mass market focussed, though high-end online retail is beginning to emerge.	Imported food and drink products are more commonly found in high end, gourmet food stores and not online.

6.3 Geography & Consumers

Geography

Which parts of the country?	Logic and rationale
Mumbai	Largest city in India
Delhi	2 nd largest city in India
Bangalore	3 rd largest city in India
Chennai	Displaying fast growth with an increasing middle – high income demographic
Hyderabad	Displaying fast growth with an increasing middle – high income demographic
Kolkata	Displaying fast growth with an increasing middle – high income demographic
Pune	Displaying fast growth with an increasing middle – high income demographic

What type of consumers?

What type of consumers?	Logic and Rationale
Affluent and high income	Many of the UK imported products were only available in high and premium stores.
Tourists and the well travelled	Have a developed taste for international products and are international brand aware – all products.
Expatriate	UK expatriates looking for products from home – all products.
Health and specialist diets	Looking for specialist and diet specific products – meat alternative/cheese.
Food educated	Have a developed taste for innovative and new to market imported products – all products.

7. What are the Constraints to Developing UK Exports?

Constraints to developing UK exports

Nature of Constraint	Comments	Required Actions to Mitigate
Lack of market presence and/or trade representation	Several importers commented on the lack of DIT visibility at trade events and support towards the promotion of UK products.	Plan for additional in country support and visibility.
Price competitiveness	A low-priced product in the UK becomes a premium product in India after the addition of import duties and margins.	Target only the high end and more premium market with UK products - focus on where the UK can compete and not on where we cannot.
NPD and innovation	UK is seen as leading the way in innovation and new product development (NPD).	Caution and awareness around in-country copying.
Logistics of supply from the UK	Products take a significant amount of time to reach the end retail market in India.	Work with a trusted and long-established importer and UK consolidators, undertake in country research and work with the likes of the food and drink federation (FDF).
In country distribution and storage	The ambient supply chain is robust in India, although there needs to awareness around the integrity of the cold chain.	Suppliers need to work with importers and retailers to ensure that product quality is always maintained, offering support and guidance where possible.

Constraints to developing UK exports

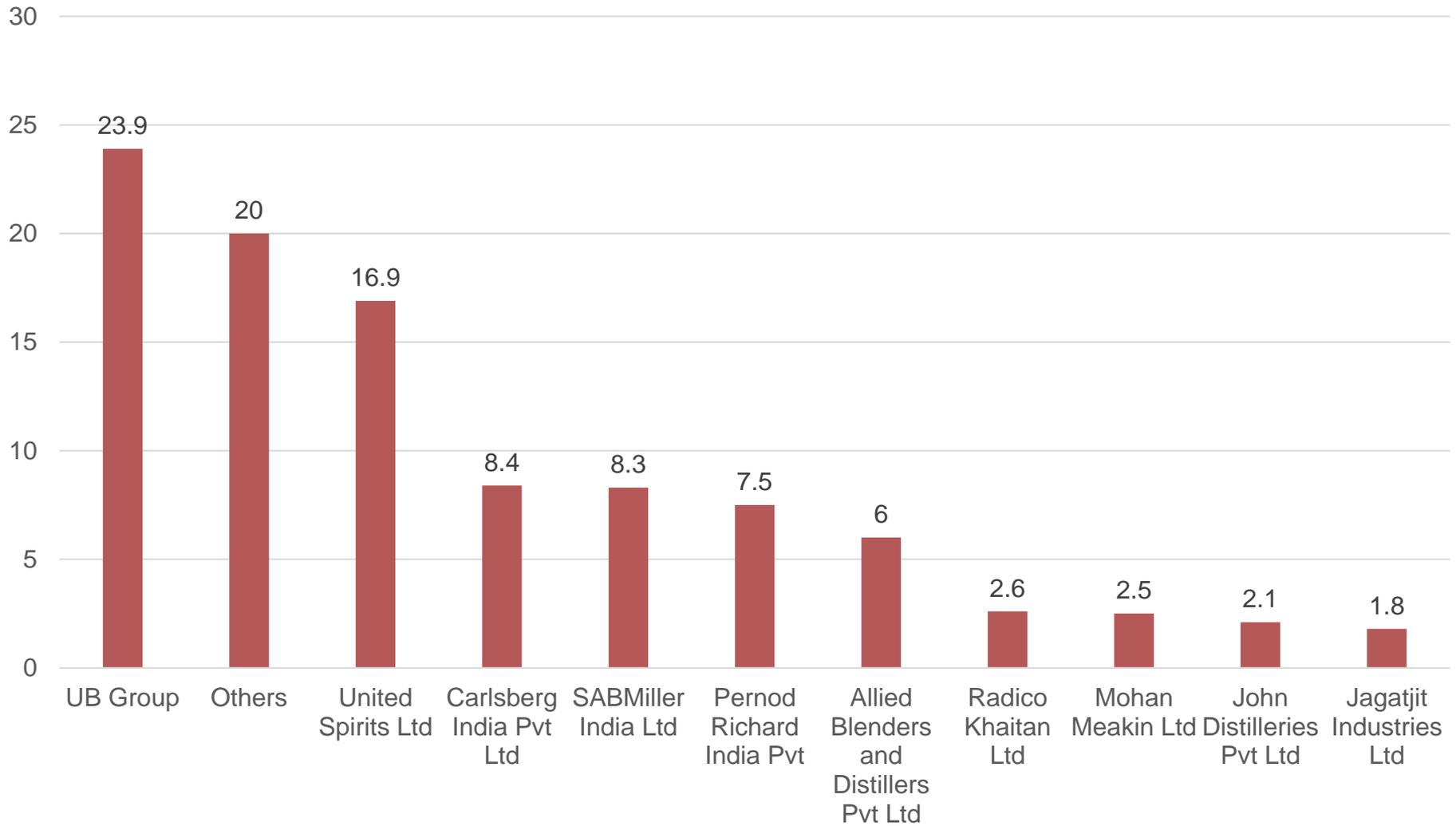
Nature of Constraint	Comments	Required Actions to Mitigate
Promotional support and marketing	In-country marketing is key to the success of a product, this was encouraged by importers and retailers.	Undertake in-country marketing activity through being present yourself, working with a retailer or attending trade events.
Product range	Many imported products into India offer a limited range.	Understand the market and consumer tastes, only export suitable products that Indian consumers can identify with.
Tariffs and NTBs	This is out of the control of suppliers.	UK Government actively engage with suppliers and manufactures to identify opportunities and input feedback into any future trade discussion.
Lack of interest from the UK food sector	Present market opportunities and latest market insight data.	Offer business support – UK and overseas to encourage trade Provide test trade opportunities/trade missions – limit risk.
Strength of competition	Main competitors – India, China, USA, ASEAN countries and EU suppliers are all strong competitors.	Awareness of trade agreements and transportation costs.
Finances – exchange rates and T&C of supply	These can change and fluctuate month by month.	Undertake extensive research to fully understand current market conditions and any potential supply constraints.

8. Product Specific Information

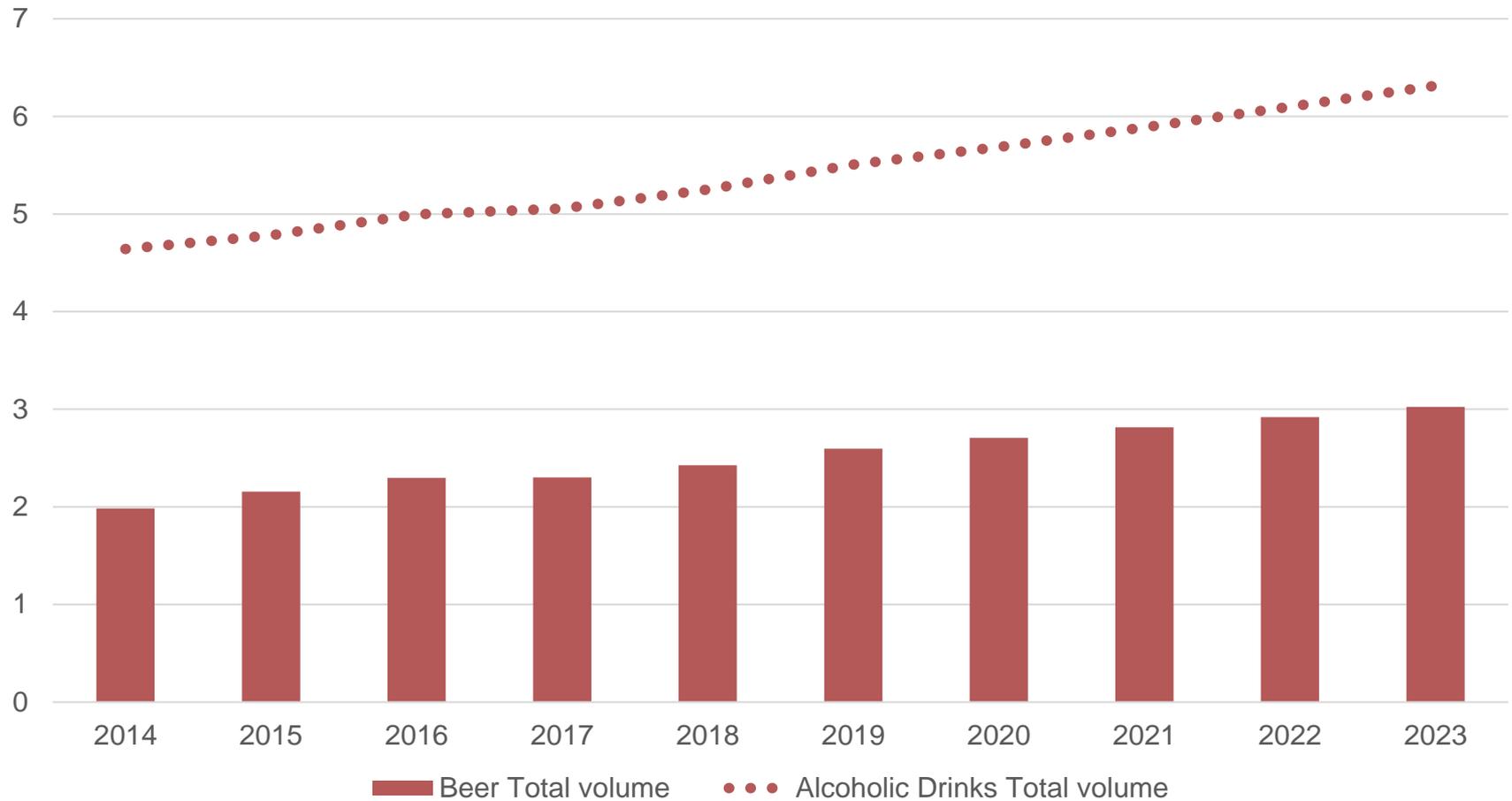
8.1 Craft Beer

Indian beer retail market share %

(Source: Euromonitor)



The Indian beer market, by volume (billion litres) (Source: Euromonitor)



India market drivers – craft beer



India craft beer – White Owl

- ❑ Alcoholic drink's demand is driven by the premiumisation trend, aided by millennials, rising affluence and tourists.
- ❑ Indian consumers want to reduce their alcoholic intake by consuming fewer, better quality drinks.
- ❑ There is an increasing sophistication from consumers in terms of palate, product knowledge and trying new and original drinks.
- ❑ Socialising with alcohol is becoming more normal and more frequent.
- ❑ This has been accompanied by a rise in the microbrewery culture in cities such as Bangalore.

India market drivers – craft beer

- ❑ The legal drinking age and purchasing age vary by state in India and can vary between the age group of 18 - 25 years.
- ❑ However, in most states, the legal age is 21.
- ❑ As per the Television Network Regulation Amendment Bill, the advertising of alcoholic drinks has been banned in India since 2000.

India market drivers – craft beer

Positives

- ❑ A growing young middle-class population with high disposable incomes is creating demand for premium/higher end alcoholic drinks.
- ❑ Craft beer is a relatively new and underdeveloped sector – it is only recently displaying growth over the last 4-5 years across India.
- ❑ Traditionally, Indians prefer stronger % beers (approximately 85% of the market share).
- ❑ There are very few players in the craft beer market – the leading Indian brands are Bira 91 and White Owl.
- ❑ In India, alcohol does not fall under the goods and services tax.
- ❑ Microbrewing licencing has restricted state by state craft brewing activities – there are approximately 200 micro breweries across the whole of India compared to over 2,000 in the UK.
- ❑ There is a growing interest in low-alcohol and alcohol-free beers.

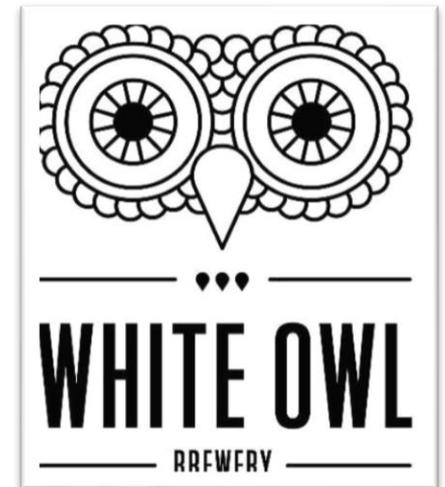
India market drivers – craft beer

Negatives

- ❑ Alcohol can only be sold through state licenced retail shops or through licensed areas adjacent/inside supermarkets.
- ❑ There is a government ban on selling alcoholic drinks on highways (within 220 meters) and this is impacting the volume of sales across India.
- ❑ In India, large differences in consumption patterns of alcohol are noticed from state to state. Moreover, increased tax on alcohol in different states and union territories, such as Delhi are affecting the market growth.
- ❑ Imported beers struggle to compete on price due to the 100% tariffs and will be unlikely to thrive in the mass market.
- ❑ The only UK craft beer products were found in the very high end and specialist stores in Mumbai and Delhi.

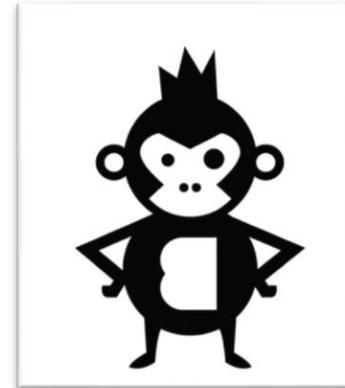
Leading Indian craft beer – White Owl

- ❑ White Owl is a Mumbai-based, award winning brewery renowned for handcrafting beer using the finest of natural ingredients from around the world.
- ❑ It is one of the first microbreweries to be licensed in India back in 2013.
- ❑ White Owl offer an extensive craft beer portfolio featuring an eclectic selection of old-world and new-age styles.
- ❑ White Owl is marketed as a premium beer but is priced close to the mass market beers such as Kingfisher – competitive, they are also planning to add a strong beer to their product portfolio.
- ❑ They have a presence only in the higher end beer retailers i.e. food hall and premium HORECA in India.



Leading Indian craft beer – Bira 91

- ❑ Bira 91 was established in 2015 by B9 Beverages with headquarters in New Delhi.
- ❑ Bira 91 have two breweries in India.
- ❑ The brand is growing and is popular amongst urban millennials, owing mainly to its bold identity and different shelf look.
- ❑ The beer is crafted with the creative urban, millennial, beer drinker in mind.



Kingfisher – India's leading lager brand

- ❑ This is India's biggest, most recognised and widely available beer brand.
- ❑ It is brewed by United Breweries Group, brewing and marketing beer brands within India.
- ❑ It is synonymous with Indian culture and cuisine. The brand is well established, deep-rooting themselves even further with sponsorship of popular sporting teams and even an airline.
- ❑ In 2018, the brand expanded into the non-alcoholic drink segment, moving it beyond just beer.



Kingfisher – India’s leading lager brand

- Over the years, Kingfisher have introduced a range of brands in order to remain competitive in the market and retain market share:

Kingfisher Premium	Kingfisher Strong	Kingfisher Ultra	Kingfisher Ultra Max	Kingfisher Ultra Witbier	Kingfisher Storm	Kingfisher Blue	Kingfisher Buzz
8% alcohol, economy segment, easy drinking, plenty of hops	4.8% alcohol, economy segment, easy drinking, plenty of hops	5% alcohol, ‘fashionable’ premium beer, imported malt and hops	Premium strong beer, easier drinking than ‘Strong’ brand	Less than 5% alcohol, first craft beer	Premium, strong, competition for Carlsberg Elephant & Tuborg Strong	Beer for the adventure and outdoor type consumer	Malt based alcoholic drink targeted at females

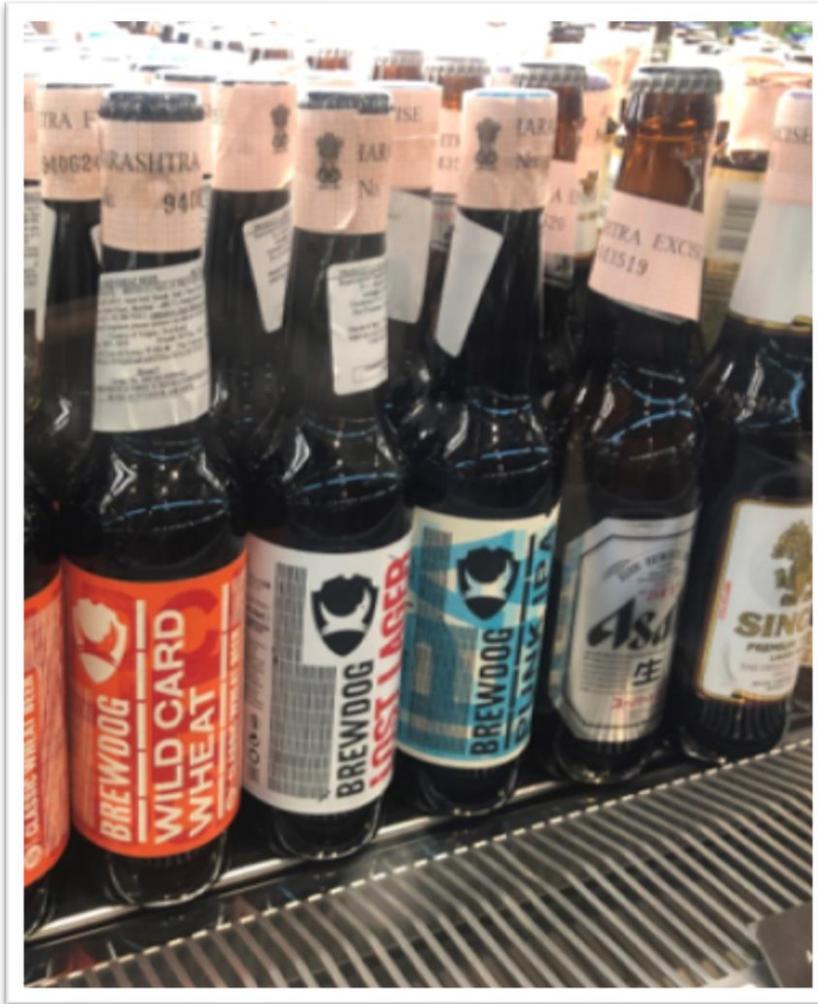
- Kingfisher Blue is the most akin to a “craft style” beer they produce, though it is technically not a craft beer.

India market drivers – craft beer



Craft beer in high-end beer retail - The Food Hall, Mumbai

- ❑ Through store audits, it was evident that the sales of craft beer were restricted and limited to high-end and premium retail outlets in the north of India – Mumbai and Delhi.
- ❑ A food hall in a Mumbai store sold on average 1,200 bottles per month of craft beer – a modest volume.
- ❑ Only one UK craft beer was identified in the store audits – BrewDog and a craft UK cider produced by Sheppy's.
- ❑ The retail beer product range available in the mass market and State run stores is restricted to high strength lagers and spirits with no craft beer present.



The only UK craft beer identified in the store audits was Brew Dog and Sheppy's Cider Food Hall, Mumbai

India market drivers – craft beer



A state run TASMAC store, Chennai – main products on offer were local beers and spirits, no imported products present

Craft beer - HORCEA

- ❑ There were very few craft beers available in hotels, the offer was limited to Indian and imported craft beer brands such as White Owl and Hoegaarden.
- ❑ The majority of beer on sale were lagers, including alcohol free.
- ❑ Most hotels only had one tap option and this was nearly always a local lager, all other beers tend to be served bottled.
- ❑ Leading brands, such as Guinness, do not have a presence in India due to import duty and the significantly reduced shelf life due to the length of shipping.

Craft beer available in India

Leading Indian beer brands

- Kingfisher - various
- London Pilsner
- UB export
- Sol (produced in India)
- Desperados (produced in India)
- Heineken (produced in India)

Indian craft style

- Bira 91
- White Owl
- Goa Brewing Co
- Simba

Leading imported brands

Craft style

- Hoegaarden (Belgium)

Non-craft style

- Budweiser (USA)
- Ashai (Japan)
- Singha (Japan)
- Carlsberg (Netherlands)

UK beer brands - craft style

- BrewDog (UK)
- Sheppy's Cider (UK)

It was evident from store audits that there were very few imported craft beers available in the Indian retail market. This is largely down the tariff charges of 100%.

Beer retailers in India

Beer in India is typically sold through the following channels:

On tap

- Bars
- Restaurants
- Hotels
- Microbreweries

Off tap

- State run liquor stores
- Stores linked to supermarkets – semi independent and not part of the main store.

Online

- Beer is not available to purchase through online grocery channels – this is not legal in India, there are also restrictions on online alcohol advertising.

Pricing & margins – craft beer

- ❑ Beer can be imported only by licensed importers, they also need a distribution and selling licence for each state.
- ❑ Importers have to obtain permission from the concerned excise officials before bringing beer (alcoholic) into that particular state. It is to be understood that each state has a unique law.

Duty	Local Taxes	Importer	Distribution	Retail
100 – 150%: dependent on state	35%	15 - 20%	10 - 12%	20 - 30%

Pricing & margins – craft beer

- ❑ Large import companies such as Diageo generally trade in whiskey etc. which already has a big market in India.
- ❑ Smaller importers usually do not handle alcohol imports.
- ❑ For example, the Diageo office at UB City supply the imported spirits in Bangalore.
- ❑ There is an import duty of 100%.
- ❑ There might also be excise duty in various states, which can be as high as 150% making the cost of an imported beer very high and uncompetitive.

Indian beer retail pricing – maximum retail price (MRP)

(Source: Promar, based on trade research)

Product Name	Pack Size	India MRP (INR) inc taxes
Kingfisher (India)	330ml	65
Bira 91 (India)	330ml	190
White Owl (India)	330ml	140
Hoegaarden (Belgium)	330ml	295
Brew Dog (UK)	330ml	350
Sheppy's Cider (UK)	330ml	440
Kingfisher Non Alcoholic Radler (India) **alcohol free*	330ml x 4 pack	202
Heineken Zero Dot (India) **alcohol free**	330ml x 6 cans	423

There is a significant MRP shelf price difference between imported and Indian craft beers.

Beer packaging

- ❑ The standard bottle size is 330ml or large bottle size 500ml - little is sold by the keg.
- ❑ The most popular packaging format is brown or green glass bottles, followed by cans.
- ❑ Imported beer is identified by a pink import label around the neck of the bottle.
- ❑ Imported beer tends to be sold by the single bottle – supermarkets, specialist stores and HORECA.
- ❑ Indian beer is sold by the bottle, 4 or 6 pack or in crates of 24.





Growth of alcohol free/local alcohol drinks – Nuts n Spices, Chennai

Growth of non-alcoholic beer ranges



Kingfisher Radler



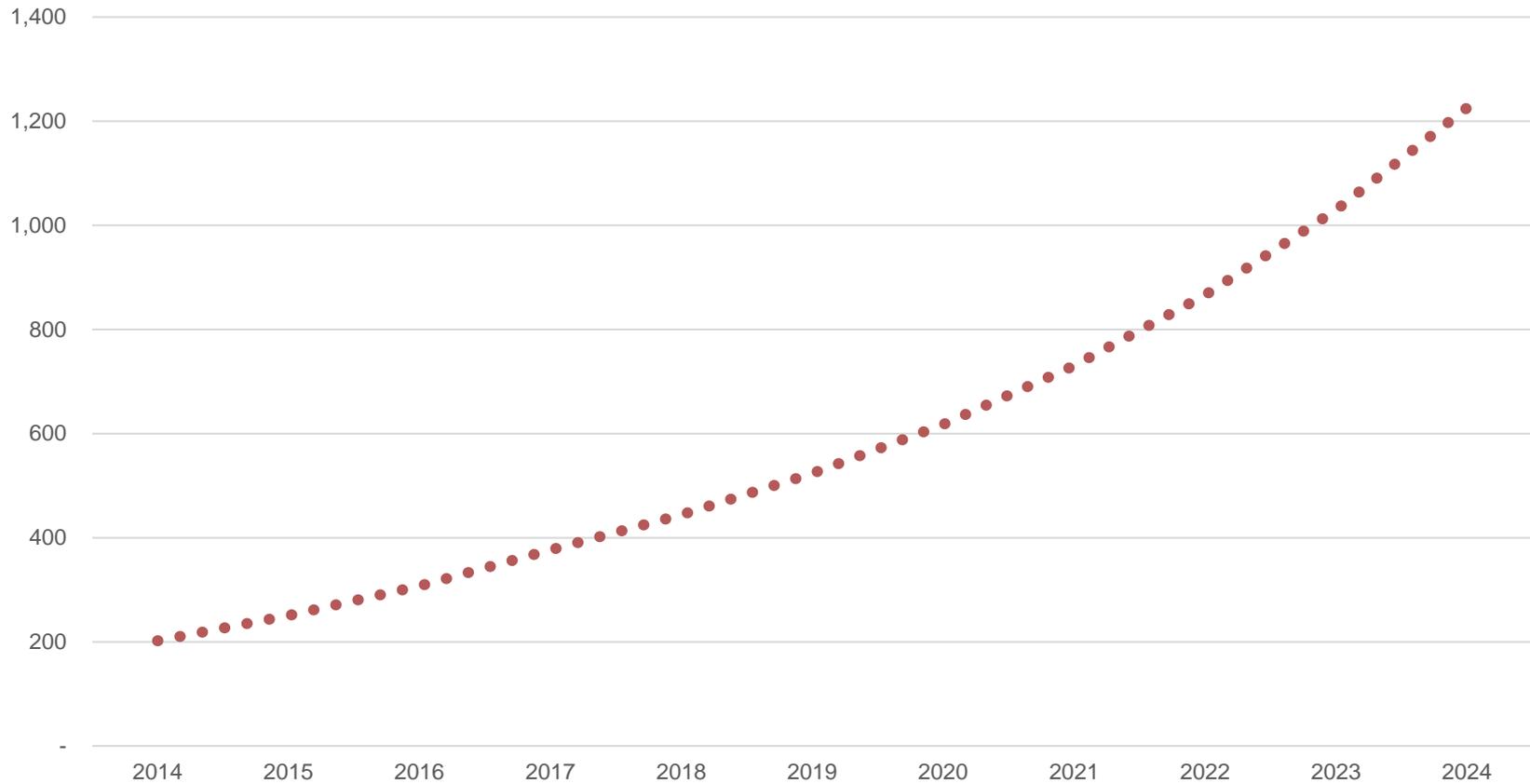
0.0 Heineken

- ❑ United Breweries are leading the way in non-alcoholic brands.
- ❑ Non-alcoholic beers displayed significant market growth and through the interviews there was an interest in imported alcohol free beers.

8.2 Cheese

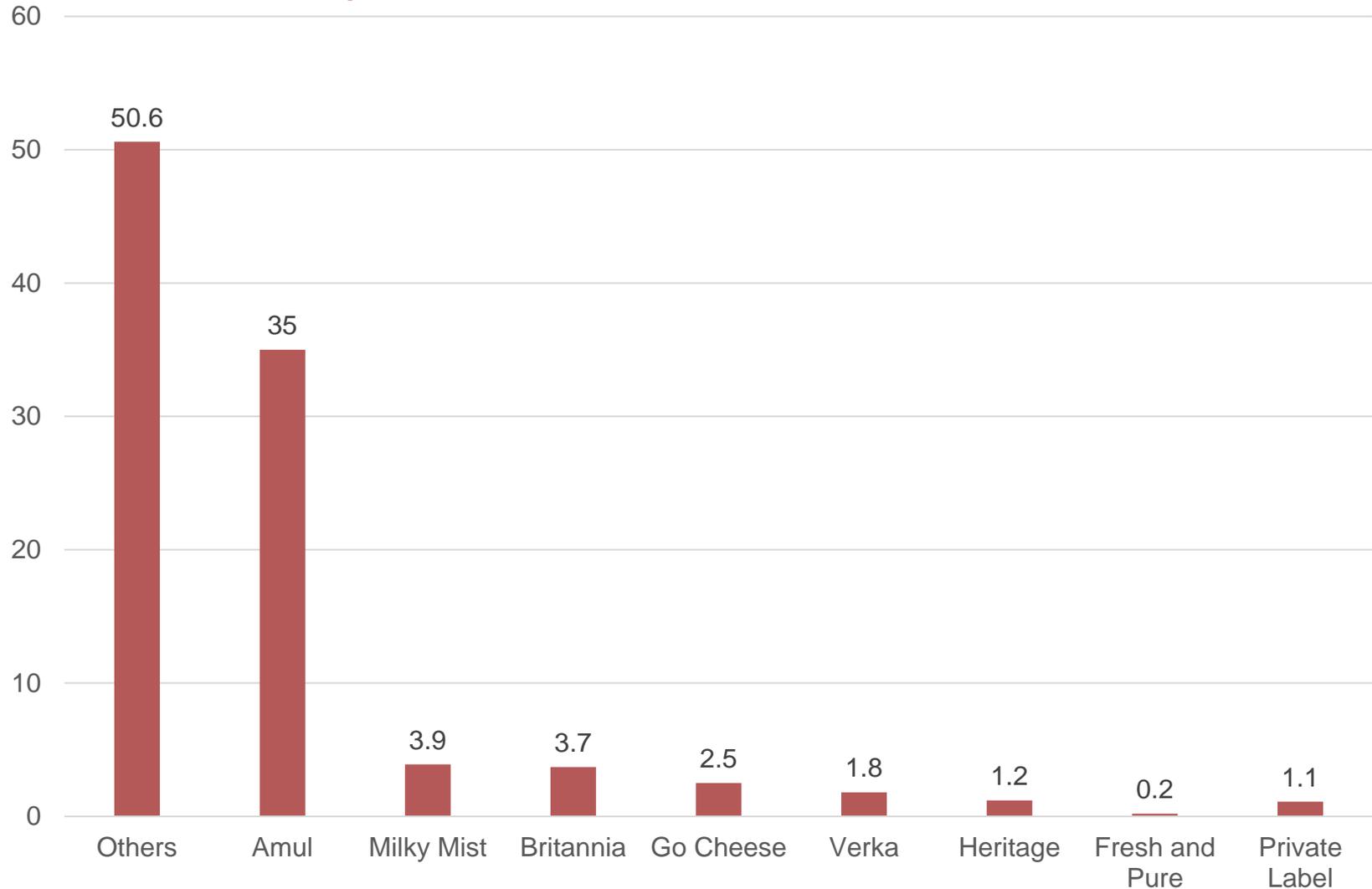
Indian retail cheese sales (US\$ millions)

(Source: Euromonitor)



Indian cheese brand market share %

(Source: Euromonitor)



India market drivers – cheese

- ❑ Cheese is a popular protein source and is traditionally consumed by many Indians.
- ❑ Mild cheddar is currently the most preferred cheddar variety. There is a market for mature cheddar, but this is very niche.
- ❑ Cheese types: blocks, sliced, cream, soft - the majority of cheese on sale is mild and suited to the taste of the mass market consumer. It is cheaper than other forms of cheddar too.
- ❑ Speciality imported cheeses like Stilton and Brie etc. are restricted to high end and specialist inner city stores (deli counters).

India market drivers – cheese

- ❑ Increase in the consumption of fast food which has cheese as an important ingredient (e.g. pizza, pasta, etc.). The growth of Indian tourism sector means increased consumption within HORECA.
- ❑ Cheese has now also found an application in traditional dishes as a meat substitute.
- ❑ There is a potential growth area for artisan cheese, especially amongst well travelled, affluent and high disposable income consumers. Manufacturers are educating consumers by organising events and in-store sampling.
- ❑ The prevalence of small-scale dairy production and inefficient milk collection systems in India acts as a brake on local cheese production.
- ❑ High end retailers are not discouraged from stocking imported cheeses, considering the substantial difference in price and selection of brands available.
- ❑ Indian manufacturers are expanding their portfolio by adding international and Indian inspired flavours to cater to demand (e.g. flavoured, organic and vegan cheese potentially challenging the more expensive imported brands from the UK).

Brand presence

Leading Indian brands

- Amul
- Dlecta
- Milky Mist
- Britannia
- Go Cheese
- Mooz
- Kodai
- Akshayakalpa

UK brands

- Wyke
- Colliers
- Singleton's
- Ford Farm
- Wookey Hole
- Bute Island Foods

Other Imported brands

- Laughing Cow
- Happy Cow
- Whole deli cheeses in high end retailers – mixed brands



Colliers Cheese - UK retail presence

- ❑ Colliers was found in number of the retailers visited, with the following varieties sold in 200g packs on offer:
 - Coloured mild cheddar
 - Mild cheddar
 - Welsh cheddar
 - Red Leicester

- ❑ Colliers also had a presence in HORECA and was present in a number of breakfast buffets in high end hotel chains, such as The Taj Group.



Indian retail cheese pricing (MRP)

(Source: Promar, based on trade research)

Product Name	Pack Size	India MRP (INR) Inc Taxes
Dlecta sliced cheese (India)	450g	340
Dlecta cheddar cheese (India)	200g	199
Amul sliced cheese (India)	400g	230
Cheese block (India)	200g	160
Akshayakalpa mild Cheddar (India)	200g	263
Mooz cream cheese (India)	150g	200
Mooz Mozzarella (India)	200g	200
Kodai Cheddar (India)	200g	250
Wyke (UK)	200g	500
Colliers (UK)	200g	495
Grandma Singletons (UK)	200g	499
Laughing cow (Vietnam)	120g	110

Pricing & margins – cheese

- ❑ Cheese from the UK is subject to a tariff of between 30 - 40% dependent on product type

Tariff	Local Taxes	Importer	Distribution	Retail
30 - 40%	35%	15 – 20%	10 – 12%	20 – 30%

Packaging

- ❑ Clear or transparent packaging was preferable for cheeses from a consumer, retailer and importers perspective. Resealable packaging was also favourable with consumers and in HORECA.
- ❑ Cheese is often retailed in 200g packs. All brands imported and locally manufactured sold cheese in this pack size.
- ❑ In the foodservice/HORCEA sector, 2kg or 4kg blocks are used, though 2kg is preferred to maximize freshness.
- ❑ Some specialist shops sold cheese via a deli style counter, which cuts blocks to size on behalf of the customer. This was limited to very high-end stores, such as Food Hall in Mumbai.



Point of sale - retail

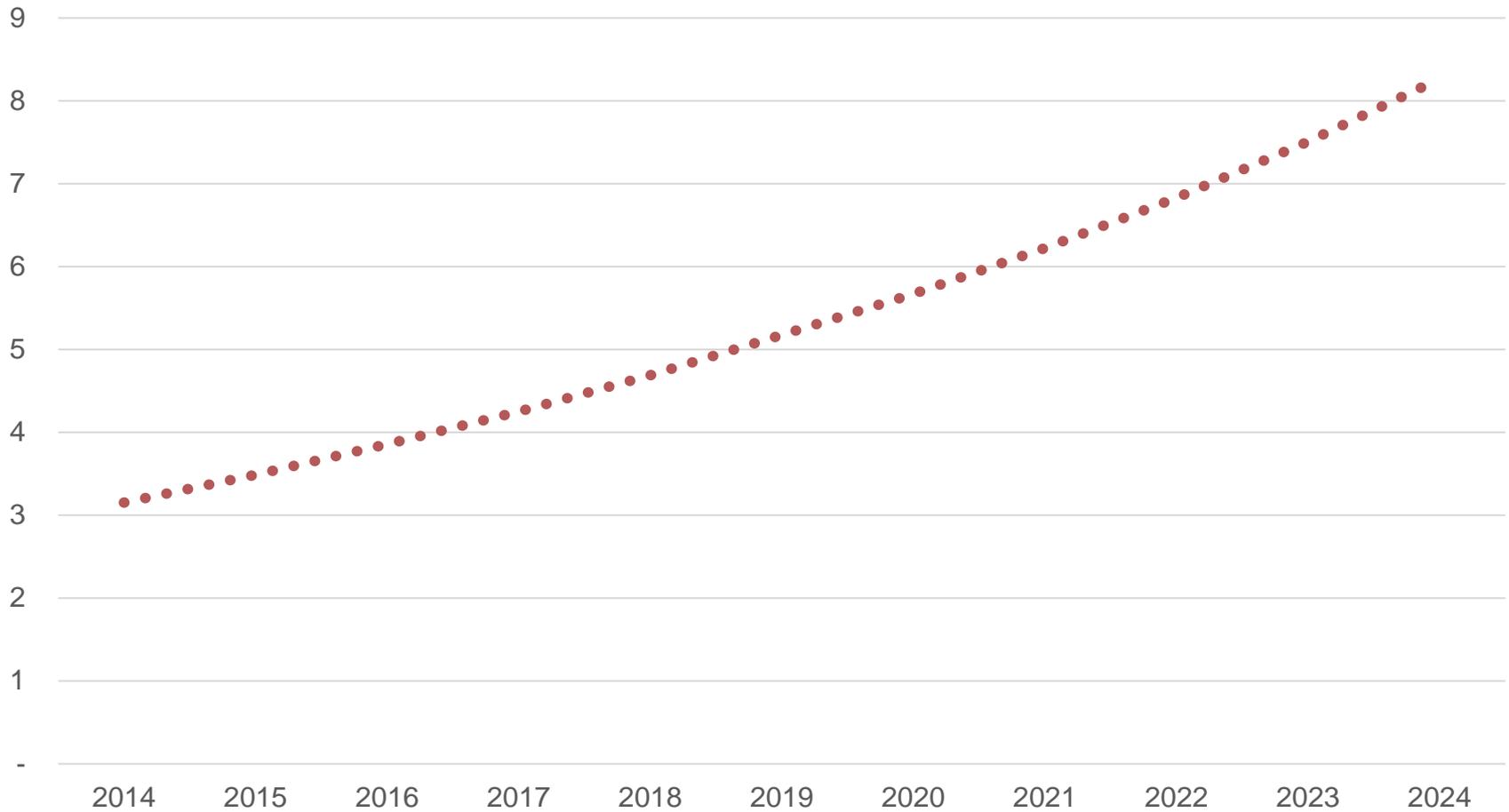


Dairy section in Food Hall, Mumbai

8.3 Sweet Biscuits

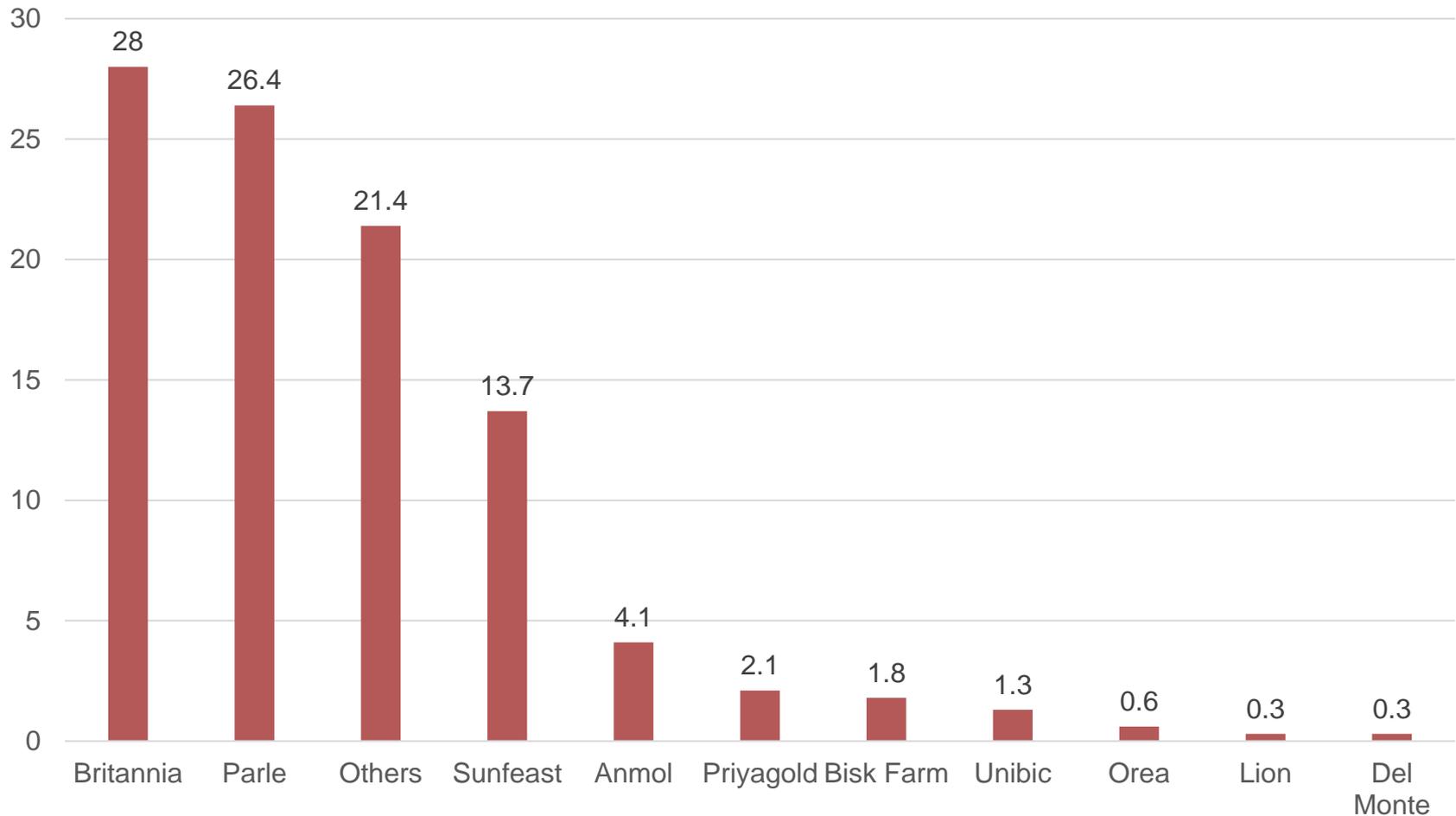
India sweet biscuit sales (US\$ billion)

(Source: Euromonitor)



Indian biscuit brand market share %

(Source: Euromonitor)



India market drivers – biscuits

- ❑ Biscuits is an extensive category dominated by Indian brands such as Britannia and Parle accounting for 70% of the overall market share.
- ❑ Huge price variants are evident between locally produced biscuits and imported biscuits.
- ❑ Many of the leading brands use Indian ingredients in their production – wheat, oil, sugar and milk.
- ❑ There is limited innovation – there are many brand variants of the same type of biscuits (e.g. digestives and rich tea).
- ❑ Sales of plain biscuits are becoming mature.

India market drivers – biscuits

- ❑ The imported focus in the biscuit category is on premium offerings.
- ❑ There is an interest in healthy living, which is spurring on demand for healthy biscuits.
- ❑ Consumer awareness of the dangers of too much sugar is still fairly limited in India.
- ❑ Innovation is likely to be behind the success of leading imported brands.
- ❑ The biscuit category still has plenty of room for growth, as although penetration is high, per capita consumption remains low.



Leading Indian biscuit brands:
Parle and Britannia

The leading Indian biscuit brand



- ❑ Parle are the leading manufacturer of biscuits and confectionery in India.
- ❑ Parle's philosophy is centred around the consumer, providing products that are healthy, tasty, trustworthy and offer value for money.
- ❑ Parle offer a branded range of crackers and cookies, with some brands more focused on indulgent flavours including chocolate, compared with brands that claim to be fortified with fibre and vitamins.
- ❑ The Parle - G biscuit brand has become synonymous in India households. Its concept is taken from "tea and biscuits".
- ❑ Its success has come from popularity with children and adults alike and the fact that they are cheap compared to imported UK biscuits.
- ❑ In 2017, the brand launched Parle Platina, a premium and exclusive range of biscuits made using luxury global ingredients. These products targeted consumers with an "evolved and varied" palette.



Biscuit aisle - Nuts and Spice, Chennai
Imported products displayed along the top shelf



Indian produced McVities MRP 40INR next to imported McVities MRP 199INR



UK biscuits in the Food Hall, Mumbai

Brand presence

Leading Indian brands

- Britannia
- Sunfeast
- Anmol
- Priyagold
- Parle
- McVities India
- Pillsbury
- Cadbury
- Tasty Treat

Leading Imported brands

UK brands

- Walkers Shortbread
- Borders Biscuits
- Duncan's of Deeside
- McVities

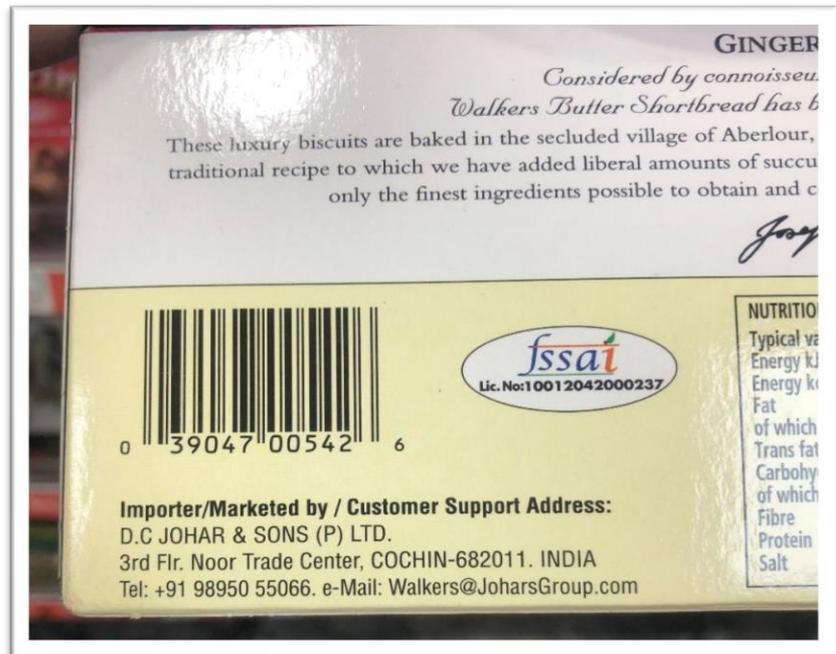
Import Duty	Local Taxes	Importer	Distribution	Retail
45%	35%	15 – 20%	10 – 12%	20 – 30%

Case study - Walkers Shortbread



- ❑ Walkers Shortbread have a broad ranging presence in the Indian retail market and HORECA. Products were visible in outlets across India, not just restricted to high end retail.

- ❑ The pack labelling had been adapted for the Indian market and not overlaid with an import stickers – one of the very few UK and imported brands that visibly do this.



Indian retail biscuit pricing (MRP)

(Source: Promar, based on trade research)

Product Name	Pack Size	India MRP (INR) Inc Taxes
Britannia Marie Gold (India)	250g	30
Parle G Original biscuits (India)	250g	20
Britannia Bourbon (India)	300g	60
Cadbury Orea (India)	120g	30
McVities Digestives (India)	200g	40
Walkers Shortbread (UK)	150g	349
Duncan's of Deeside All butter Scottish Shortbread (UK)	200g	449
McVitie's Digestives (UK)	200g	199 - 399
McVitie's Hobnobs (UK)	200g	399
The Fine Cheese Co – various cheese biscuit flavours (UK)	125g	475

There is a significant MRP shelf price difference between imported and Indian produced biscuits.

Packaging

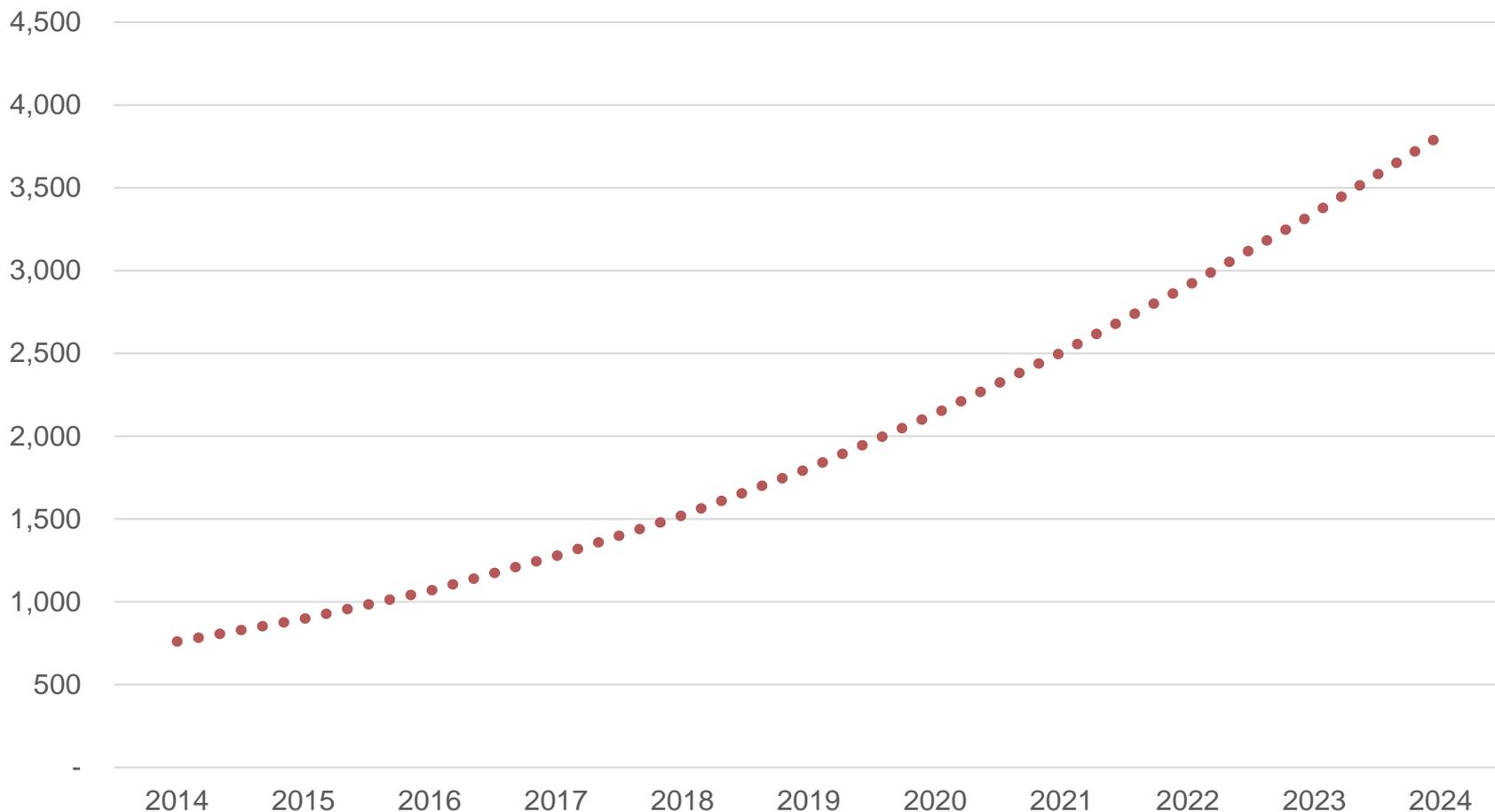
- ❑ Multicoloured and bright packaging for biscuits are common from a consumer, retailer and importer perspective – this is a busy and competitive shelf space.
- ❑ Retail - pack sizes are varied. All brands imported and locally manufactured sold biscuits which vary in pack formats, there is no written rule or specification to be followed.
- ❑ HORECA – biscuits are individually wrapped single serving and premium gift boxes.
- ❑ There is consumer interest in highly decorated tins suitable for occasions such as Diwali and Valentines.



8.4 Confectionery

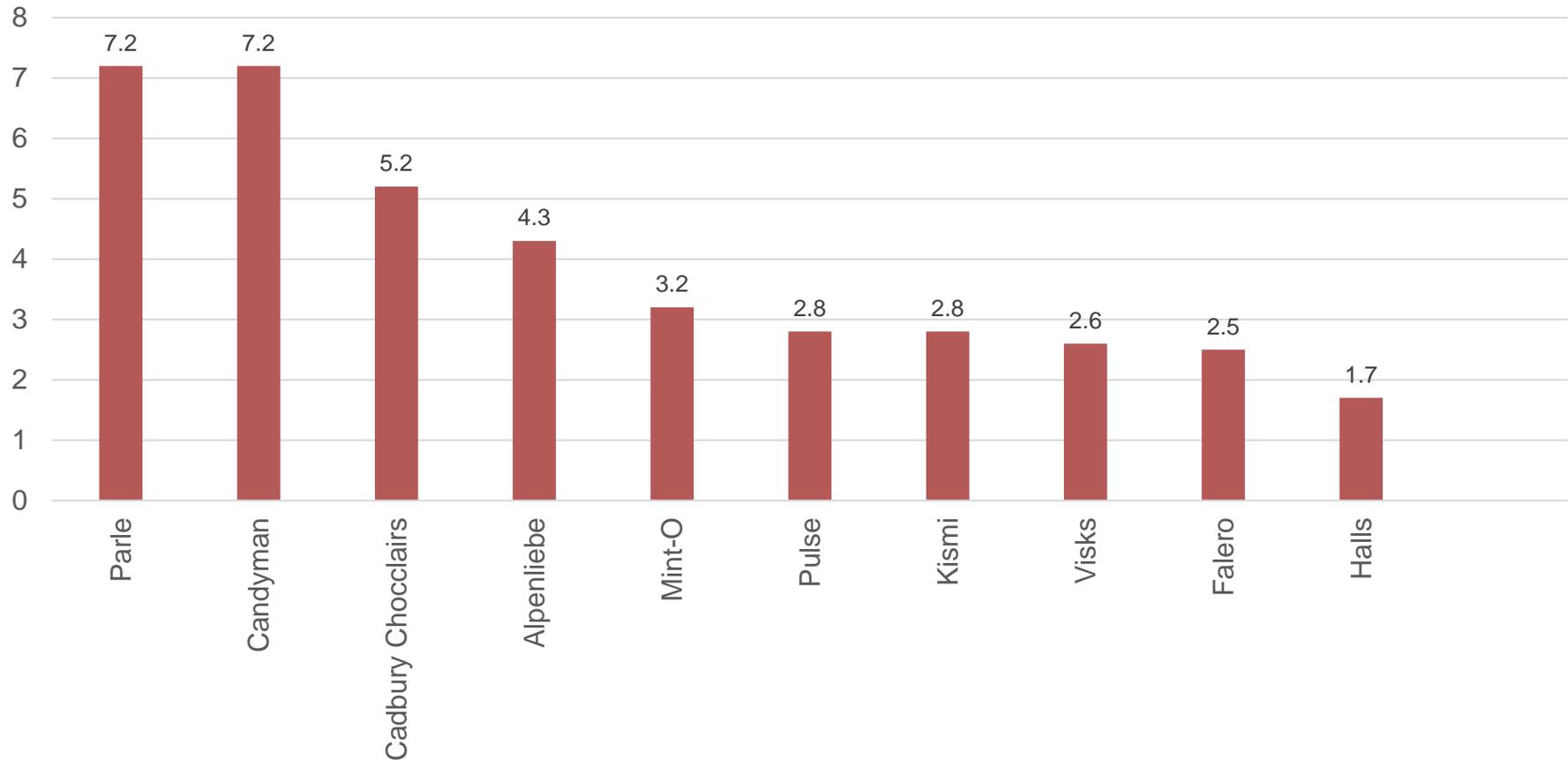
Indian confectionery retail sales (US\$ million)

(Source: Euromonitor)



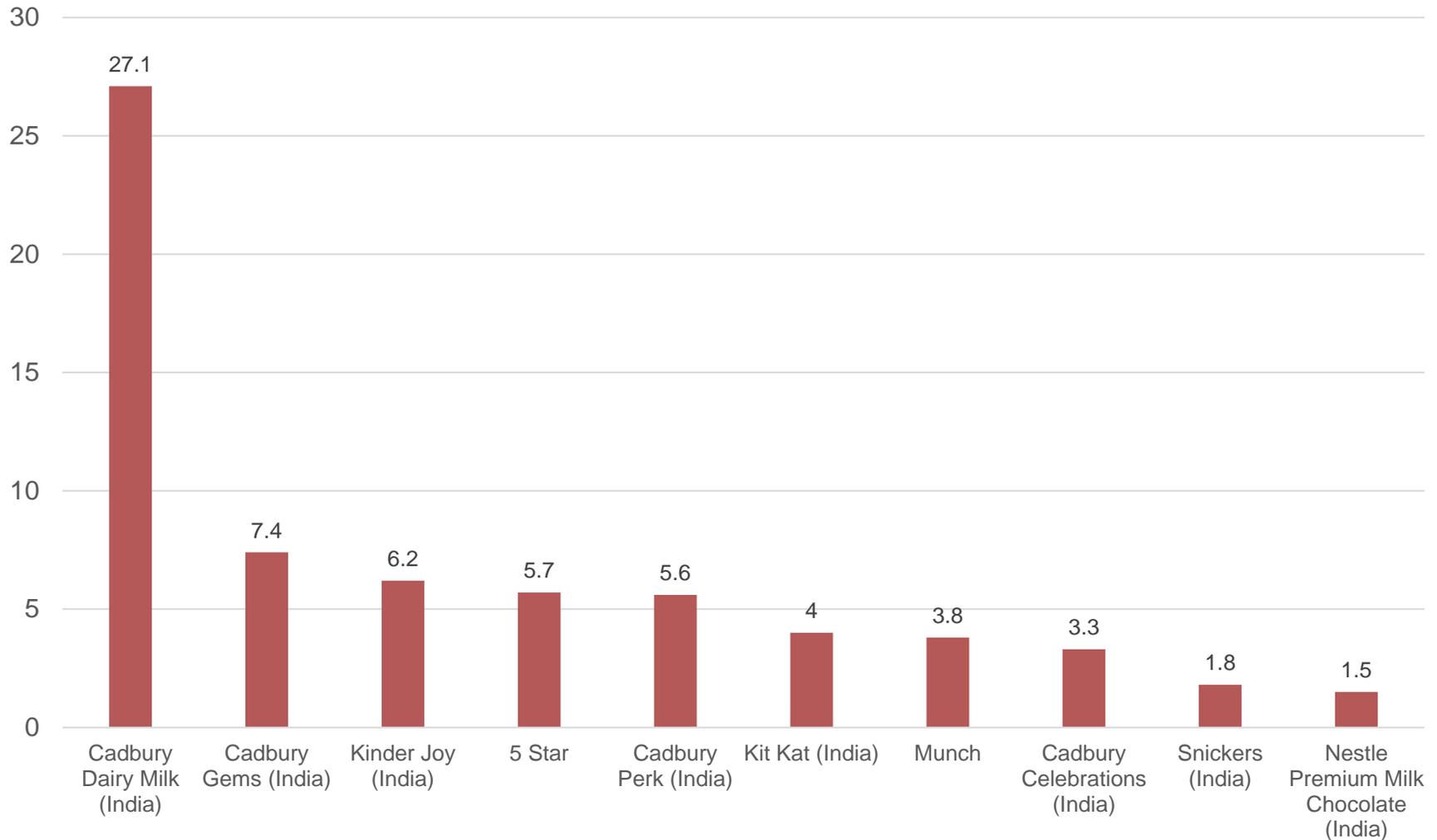
Indian confectionery brand market share %

(Source: Euromonitor)



Indian chocolate brand market share %

(Source: Euromonitor)



Indian market drivers – confectionery

- ❑ The following slides provide an insight into the confectionery market in India.
- ❑ The overall market value of the Indian confectionery market grew by 14.4% from 2017 through 2018, which is forecast to register a compound annual growth rate (CAGR) of 12.25% from 2018 through 2023.
- ❑ Overall confectionery includes sugar confectionery, chocolate and gum.

	2018	2019	2020	2021	2022	2023
Market Value INR	295,117	336,033	378,026	424,507	473,611	525,992
Year on year growth %	14.4%	13.9%	12.8%	12.0%	11.6%	11.1%

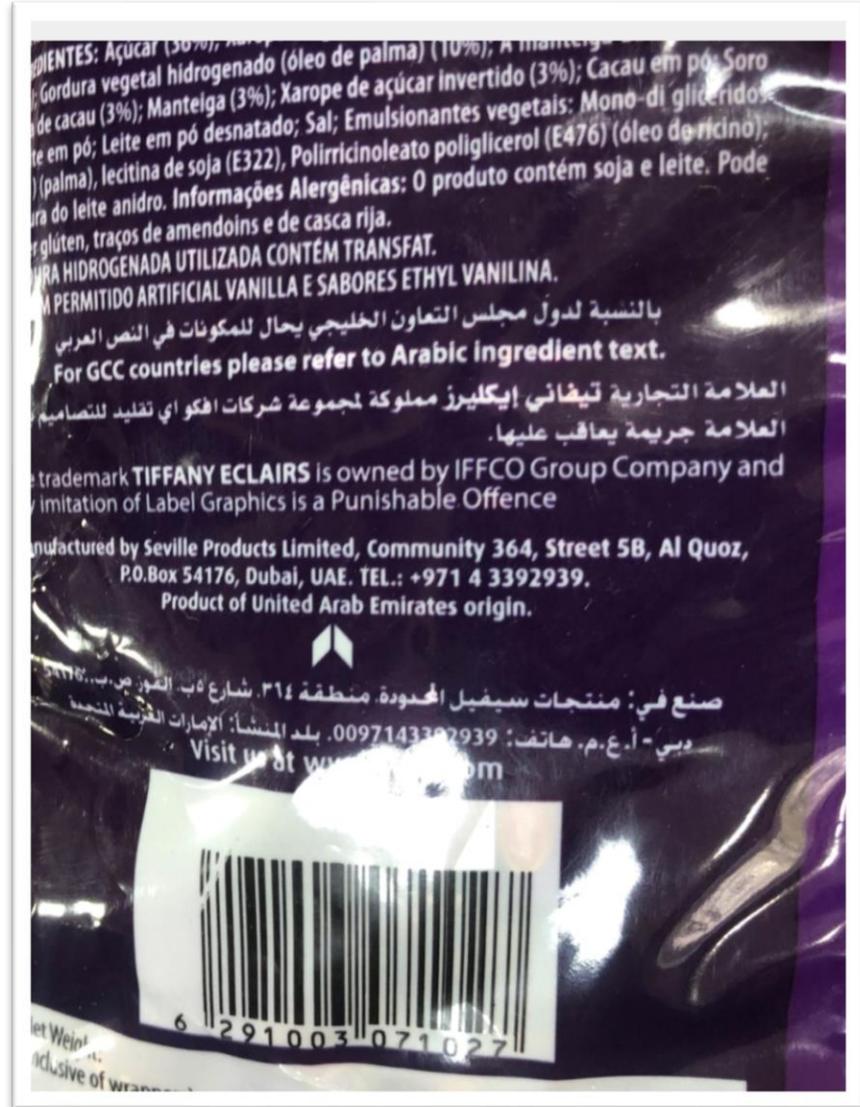
India confectionery market value and growth (YOY) 2018 - 23
Source: Global Data Market Snapshot Report, 2019

India market drivers – confectionery

- ❑ Retailers commented that almost half of Indians consume sweet or sugary snacks between meals.
- ❑ Confectionery as a gift is a rising trend, especially during festival periods - driving the sales of sharing packs and highly decorated gift tins.
- ❑ Product innovation is key. Many confectionery manufacturers in India are expanding their existing product ranges by offering organic, new flavours and “free from” products, following western trends as a consequence of consumer demand.
- ❑ Mintel reported almost 18% of consumers are interested in sugar free confectionery. At the time of our interviews however, there were very few brands in the market place with a sugar free offering.
- ❑ Retailers reported an increase in demand for individually wrapped confectionery products, as consumers were becoming more health conscious and wanted to be able to control their portion size - bite size was popular.

India market drivers – confectionery

- ❑ A number of big players have captured the majority of the mass confectionery market - Parle, Candyman and Cadbury's India, experiencing significant revenue growth over the last few years.
- ❑ India confectionery sales through online retail channels recorded an impressive CAGR of 59.8% during 2010 – 2018.
- ❑ The confectionery market in India is a crowded space, with a large volume of Indian and imported brands in direct competition with one another.
- ❑ There is significant market growth in high end and indulgent chocolate “bean to bar” style.
- ❑ Cereal bars have displayed strong growth over the last five years, with a CAGR of 19.1% and several retailers/importers expressing interest in the products during our interviews.



Imported Tiffany Eclairs manufactured in UAE on sale in Nuts and Spices, Chennai

India market drivers – confectionery

- ❑ Both retailers and importers highlighted that imported confectionery products really struggled to compete with Indian manufactured products on price, the addition of tariffs and taxes priced them out of the mass market.
- ❑ Many importers advised UK brands to consider in-country production to be able to access the market in a more competitive way.
- ❑ In the past, Indian consumers preferred to buy confectionery items only during festive seasons.
- ❑ Indian consumers now prefer to consume these products throughout the year and during the festive season, especially Diwali (during October or November) and Christmas.

India's leading confectionery brand

- ❑ Parle are the leading manufacturer of biscuits and confectionery in India.
- ❑ Parle's philosophy is centred around the consumer, providing products that are healthy, tasty, trustworthy and offer value for money.
- ❑ The produce confectionery – chocolate brands as well as Indian manufactured sugar confectionery using traditional flavours, particularly fruit.
- ❑ Parle's products are exported to various countries, including Australia, the UK, US and New Zealand.

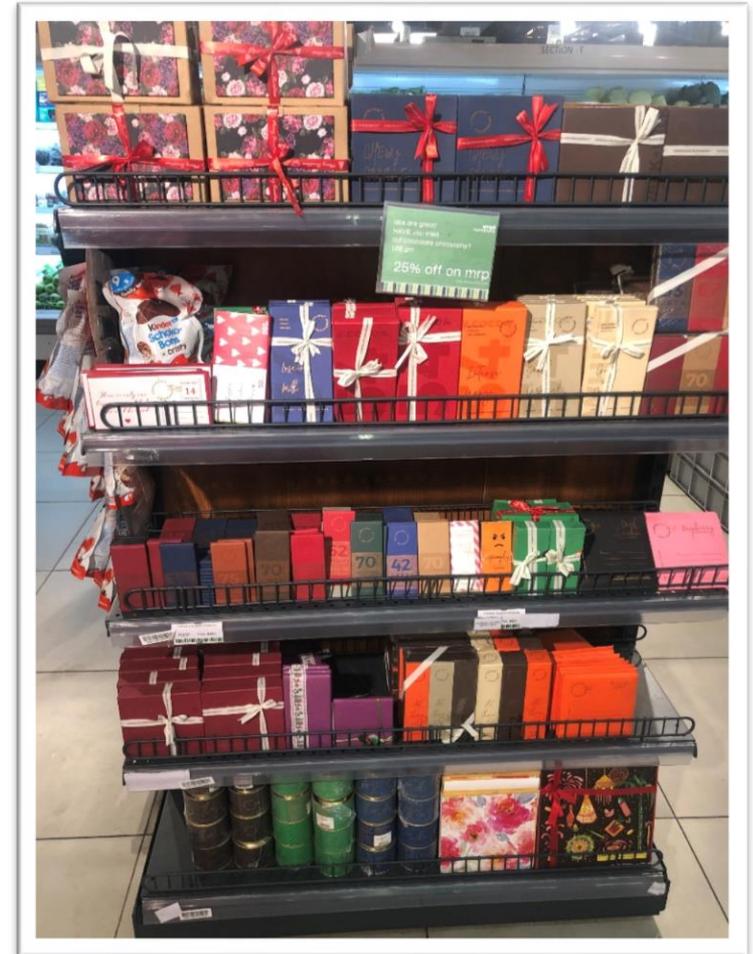




Growth of Indian “bean to bar” style chocolate - Simpli Handhari’s, Bangalore

Bean to bar chocolate

- ❑ This revolves around high end and premium packaging.
- ❑ Products available through retail were mostly produced in India.
- ❑ There are very few imported products on sale, this was mainly down to price when speaking to retailers.
- ❑ High end packaging and product concepts/flavours are similar to the range that is on sale in the UK.



Brand presence

Leading Indian brands

- Parle (India)
- Candyman(India)
- Cadburys (India)
- Minto (India)
- Pulse (India)
- Kismi (India)

Leading Imported brands

- Tiffany (UAE)
- Butlers (Ireland)
- Lindt (Swiss)

Indian confectionery retail pricing (MRP)

(Source: Promar, based on trade research)

Product Name	Pack Size	India MRP (INR) Inc Taxes
Cadbury Dairy Milk (India)	130g	100
Nestle Kit Kat (India)	126g	100
Snickers (Netherlands)	150g	149
Amul Fruit and Nut Chocolate (India)	150g	200
Amul Venezuela Twist	150g	150
Tiffany Eclairs (UAE)	700g	700
Tiffany Deluxe Toffee (UAE)	700g	319
Nestle Fox's Crystal Fruits (India)	180g	214
Lindt Chocolate Truffles (Switzerland)	200g	493

Packaging

- ❑ Multi-coloured and bright packaging is favoured as packaging for confectionery from a consumer, retailer and importer perspective.
- ❑ In the retail sector, multi pack sizes are common.
- ❑ Sharing and individually wrapped products are also present and appear to be gaining popularity.
- ❑ In the foodservice sector, snacking and bite size products are the most preferred pack size.
- ❑ There is also a good demand for highly decorated gift tins suitable for occasions, such as Diwali and Valentines.



Gift tins and celebration packs are popular amongst Indian consumers

8.5 Meat Alternatives

India market drivers – meat alternatives

- ❑ Cooking from scratch is popular in India and many families still make time everyday to cook a wholesome meal.
- ❑ Very few people buy ready made chilled or frozen meals. This was evident from the limited freezer aisles present in supermarkets.
- ❑ The freezer section in a typical Indian supermarket is relatively small compared to the UK.
- ❑ It is evident that Indian consumers preferred to buy fresh or chilled products over frozen.
- ❑ The meat alternative category in India is still very small and still at an embryonic stage.
- ❑ The Indian consumer perception of meat alternatives include tofu, paneer and fresh vegetables, not a meat textured substitute such as a sausage or a burger.
- ❑ There is more demand from high end HORECA for meat alternatives than from retail sector according to leading importers.

India market drivers – meat alternatives

- ❑ The main market for meat alternative products tends to be in northern India where there is a higher % of vegetarians.
- ❑ Meat alternative products tend to be offered in a frozen format, with a small amount of chilled product available in the market (limited to tofu blocks).
- ❑ A range of tinned meat alternative products were launched into the Indian market by an importer, but proved unpopular with consumers.



Meat alternative product produced in India by Veggie Champ

India market drivers – meat alternatives



- ❑ Vegetagold is a soya based meat alternative product that is produced in India using imported soya and mushroom proteins.
- ❑ It has limited retail sales, but more of a focus on HORECA. It is sold in bulk bags for hotel and restaurant consumers.

Indian alternative meat retail pricing (MRP)

(Source: Promar, based on trade research)

Product Name	Pack Size	India MRP (INR)
Murginns Tofu (India)	200g	85
Yummiez Paneer Nuggets (India)	300g	200
Yummiez Veg Packs (India)	600g	315
McCain veggie nuggets (India)	325g	124
McCain Aloo Tikka Burgers (India)	760g	160
ITC Vegetable Kebabs – peas and potatoes (India)	200g	45
ITC Spicy Tofu (India)	200g	45
Veggie Champ Hot Dogs	180g	205
So Lite Tofu (India)	200g	50
Vegetagold Soyato Lollipop (India)	100g	69
Vegetagold Soyato Slices (India)	100g	69

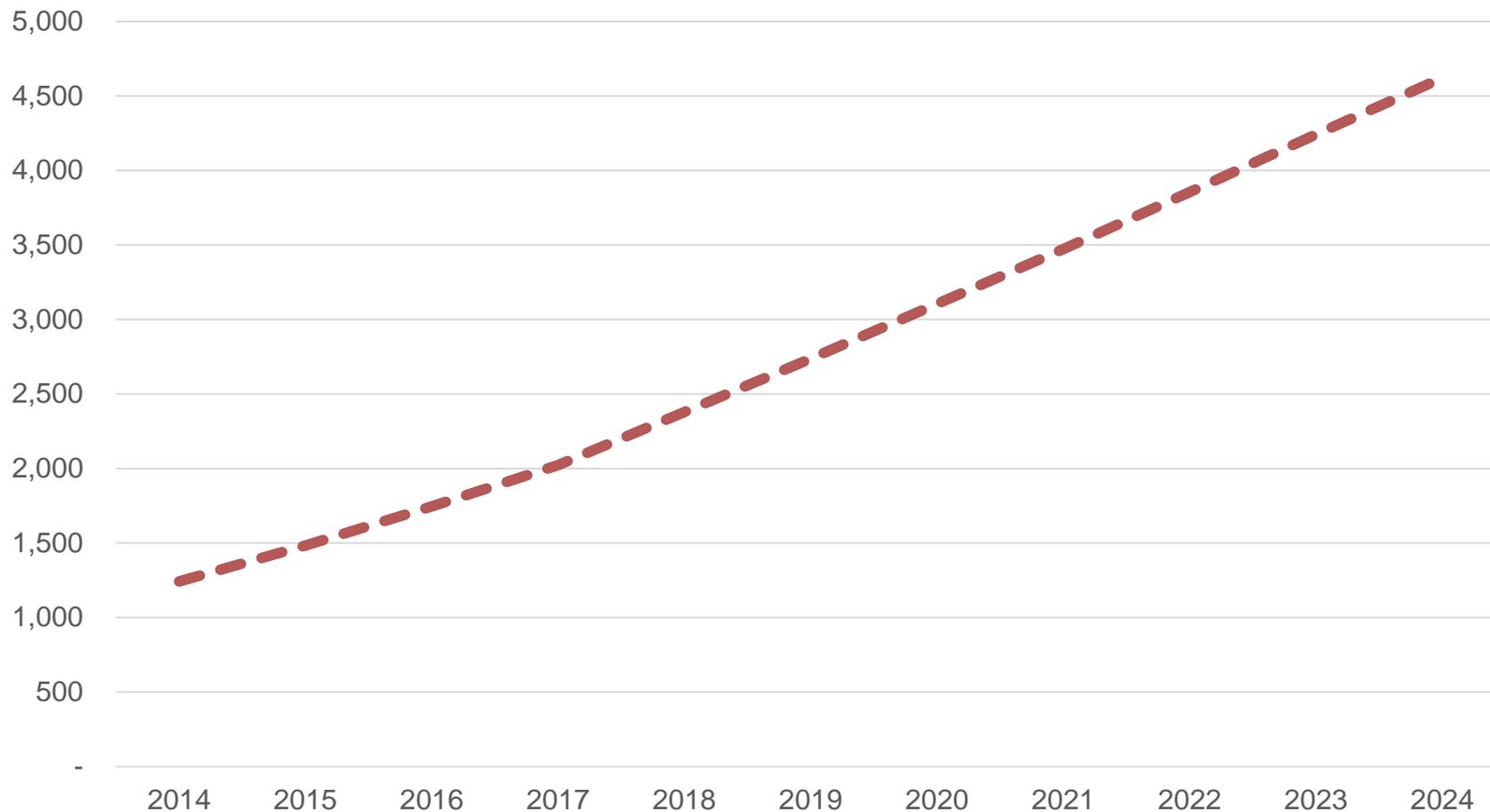
Packaging

- ❑ There was a mixture of clear and colourful packing visible in the retail sector.
- ❑ All products were in a frozen format, other than the tofu which was chilled.
- ❑ Retail packs can range from 100g – 8,000g size. There was no consistent pack size on offer.
- ❑ In the foodservice sector, products are sold in 1kg bags with individual portions for portion control inside.
- ❑ Many of the products had a “new to market” appearance, with rather basic packing styles, suggesting that further development was required to improve shelf appeal.

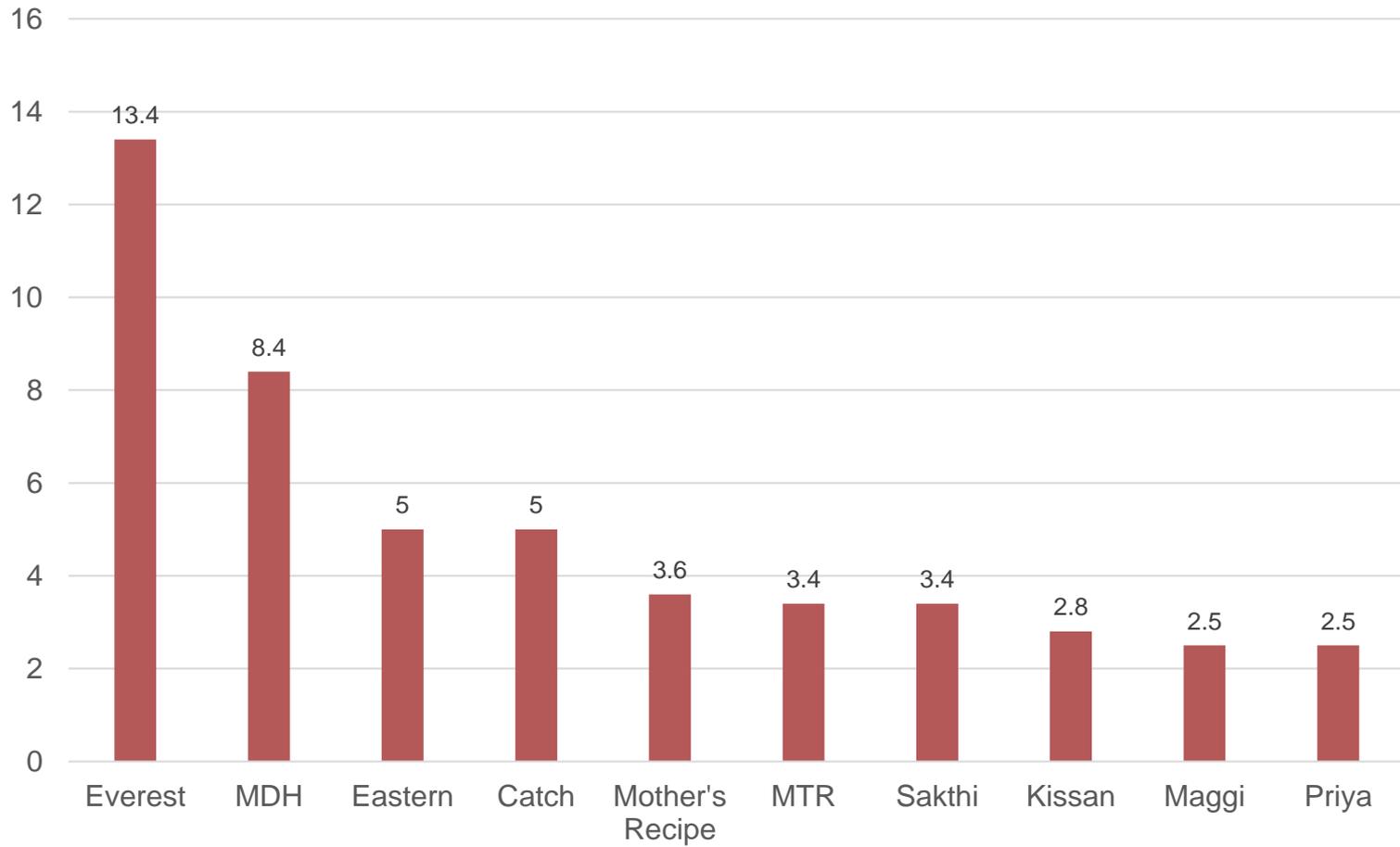


8.6 Sauces & Condiments

Indian sauces & condiments retail sales (US\$ millions) (Source: Euromonitor)



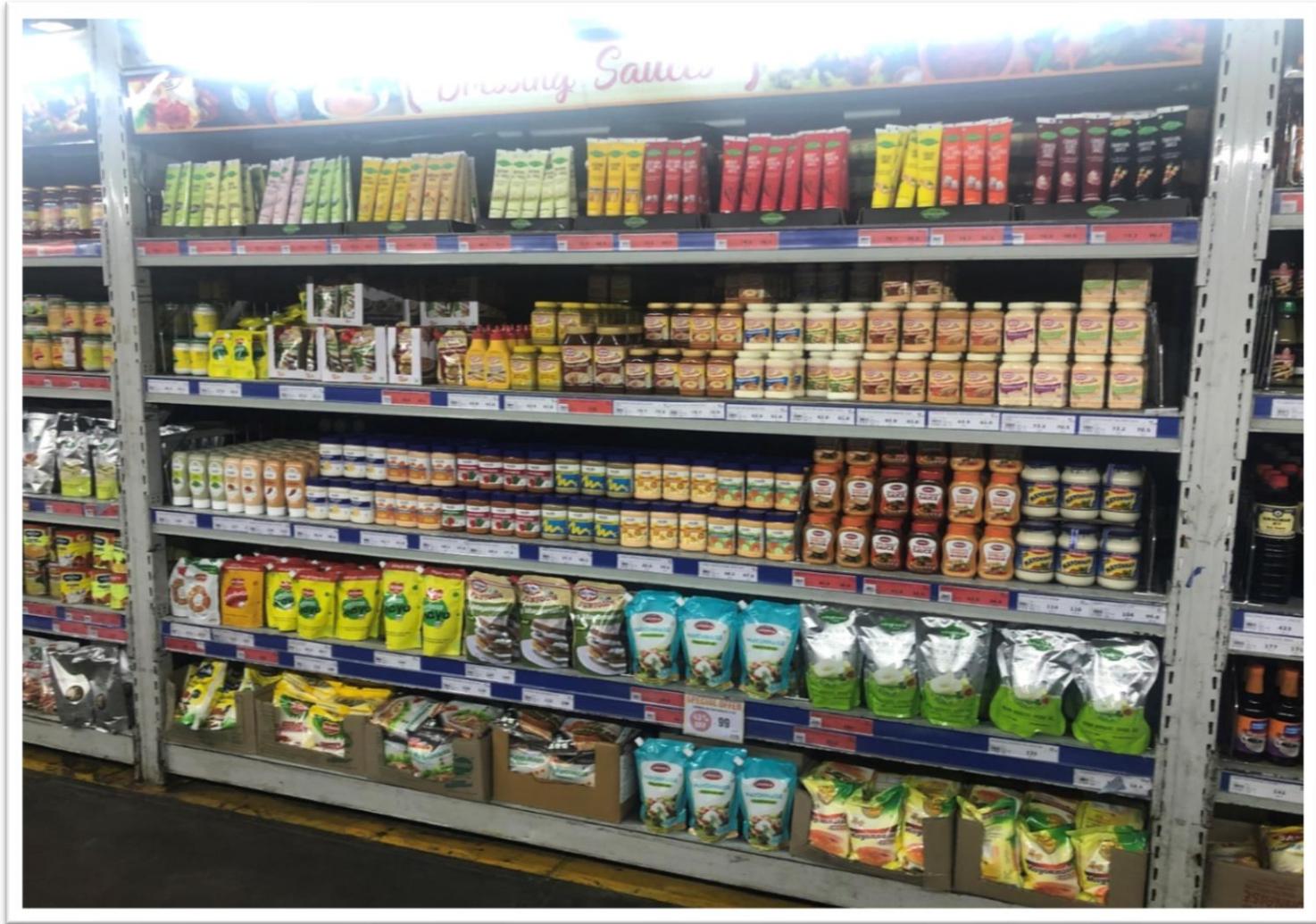
Indian sauces & condiments brand market share % (Source: Euromonitor)



Indian seasonings, dressings & sauces - market value & growth (INR) (Source: Global Data)

	2017	2018	2019	2022	2021	2022
Market Value	99,389	107,004	115,505	125,626	134,243	144,433
YOY Growth %	6.95%	7.18%	7.94%	7.90%	7.72%	7.59%

- ❑ Strong growth has been seen and is forecasted within the Indian sauces and condiments sector.



Sauces aisle in Metro Wholesale, Bangalore
A mixture of bulk and retail packs – all leading Indian brands

India market drivers – sauces & condiments

- ❑ Mayonnaise, ketchups and salad dressings have grown as a result of increased exposure to western style cuisine and cross-cultural interaction.
- ❑ Tomato based pasta sauces are displaying an increased growth across retail in India, matching the growth of dried pasta.
- ❑ Narendrakumar & Co is the most popular dry sauce brand due to its strong portfolio and high-quality standards.
- ❑ Dry sauces remained the largest category within the sauce category, followed by dressings and condiments, with strong double-digit growth in value sales.
- ❑ Another driver for growth is the trend for ready to use traditional blended products, making it easier to prepare dishes such as biriyani.

India market drivers – sauces & condiments

- ❑ One retailer had stocked a range of Jamie Oliver sauces, but due to price and supply issues, along with the increased availability of similar Indian manufactured products, they were considering delisting the product.
- ❑ There was a large volume of imported eastern style cooking sauces, with Thailand having a significant shelf presence in a number of stores.
- ❑ The majority of Indians still cook traditional recipes from scratch.
- ❑ This means there is little or no market presence of premade Indian sauces.
- ❑ HORECA use catering style and bulk packs are used for food service.



Jamie Oliver sauces for sale on Big Basket online. It is not uncommon for imported products to be out of stock

Brand presence on shelf

Leading Indian brands

- Maggi
- Tops
- Tasty Treat
- Veeba
- Del Monte (India)
- Dr Oeteker
- Kissan
- Wingreens
- Veeba

UK sauce brands

- Coleman's
- Heinz
- Hellman's
- Jamie Oliver
- Blue Dragon

Other imported brands

- American Garden
- Thai (various)
- Nando's
- Ragu

Leading Indian sauce brand - Veeba

- ❑ The Head Office is in Gurugram, Delhi.
- ❑ There is a strong focus on quality, innovation and “Better For You” products.
- ❑ Sauces are manufactured in ISO 22000 certified production facilities.
- ❑ They mainly supply the HORECA sector with catering packs.
- ❑ Products include sauces, ketchups and mayonnaises.



VEEBA[®]

Indian sauces retail pricing (MRP)

(Source: Promar, based on trade research)

Product Name	Pack Size	India MRP (INR)
Kissan Tomato Ketchup (India)	950g	120
Aamra Tomato Pasta Sauce (India)	400g	249
Del Monte Pasta Sauce (India)	400g	96
American Garden Traditional Pasta Sauce (USA)	397g	225
Jamie Oliver Pesto (UK)	190g	421
Hellmanns Mayonnaise	430ml	645
American Garden Mayonnaise	887ml	598
Veeba Mayonnaise	275g	84
Colemans Mustard	100g	395



Imported Coleman's Mustard in Food Hall, Mumbai with an importers label

Packaging

- ❑ There is a mixture of clear and multi coloured packing visible on retail shelves.
- ❑ Packaging varies widely and includes a mix of jars, bottles and pouches of varying sizes. No glass was used in Indian products, just imported products such as Coleman's mustard.
- ❑ Retail packs ranged in size from 100g upwards, with no consistent pack size on offer.
- ❑ Foodservice customers generally require 1kg (and larger) pouches or tubs which are fully resealable.



9. The Indian Service Package

The Service Package concept

- ❑ We have found that any export development and subsequent promotional activity, no matter how well it is funded, planned and carried out, will find it difficult to make the desired impact if some element of the overall *Service Package* is not quite right.
- ❑ In the past, we have seen *very good* export development and promotional programmes nullified by the export sector providing the wrong or sub-optimal varieties, poor logistics, incorrect packaging and inconsistent pricing etc., which weakens the overall export offer. This limits further market and/or promotional opportunities.
- ❑ There may also be a growing question of the source of supply's sustainability and all-round provenance credentials.
- ❑ To be successful, it is important to be able to compete across all aspects of the service package, a weak link in one area can impact other areas of strength and will limit the development of sales, or at least make this a much harder task.

Logistics & shipping

- ❑ The vast majority of food and drink imported from the UK is shipped by sea.
- ❑ Shipments from the UK can take up to 26 days before they reach an Indian port, compared to China and ASEAN countries who take typically 12 - 18 days.
- ❑ The main seaport for UK products entering India is Mumbai, mainly because of its proximity to urban populations.
- ❑ Products shipped from the UK to Mumbai take 19 days compared to 26 days if shipped to Chennai.
- ❑ Importers in Chennai recommend using Mumbai for imports, because of the reported stricter FSSAI regulations making it more difficult to get products through Chennai.
- ❑ A shipment can spend up to two weeks in customs before being released, because of these FSSAI regulations and the required product sampling that has to occur. These are especially stringent for high risk products – dairy, meat and plant based ingredients.

Logistics & shipping



- ❑ Products entering India for the first time require full product testing on arrival, along with the next 4 subsequent shipments.
- ❑ Product testing after 5 successful shipments is then undertaken on an ad hoc basis. The testing process can take up to a week to complete.
- ❑ Products are then distributed by lorry to the designated importer, which could be in any of the key cities in India, depending on demand and availability. Many of the importers have offices within each city.
- ❑ Food and drink products are often stored for up to 2 months by the importer/distributor, before being sent to the hotel, restaurant or retailer.

India transport infrastructure

- ❑ **Main ports of entry:** Chennai, Ennore, Haldia, Jawaharlal Nehru Port Trust (JNPT), Kolkata, Deen Dayal, Kochi, Mormugao, Mumbai, New Mangalore, Paradip, Tuticorin and Vishakhapatnam.
- ❑ **Airports:** Airports Authority of India (AAI) manages 137 airports in the country, which includes 23 international airports and 20 civil enclaves at military airfields.
- ❑ **International airports:** Ahmedabad, Amritsar, Bangalore, Chennai, Goa, Guwahati, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Thiruvananthapuram, Port Blair, Srinagar, Jaipur, Nagpur, Calicut.



Mumbai Port

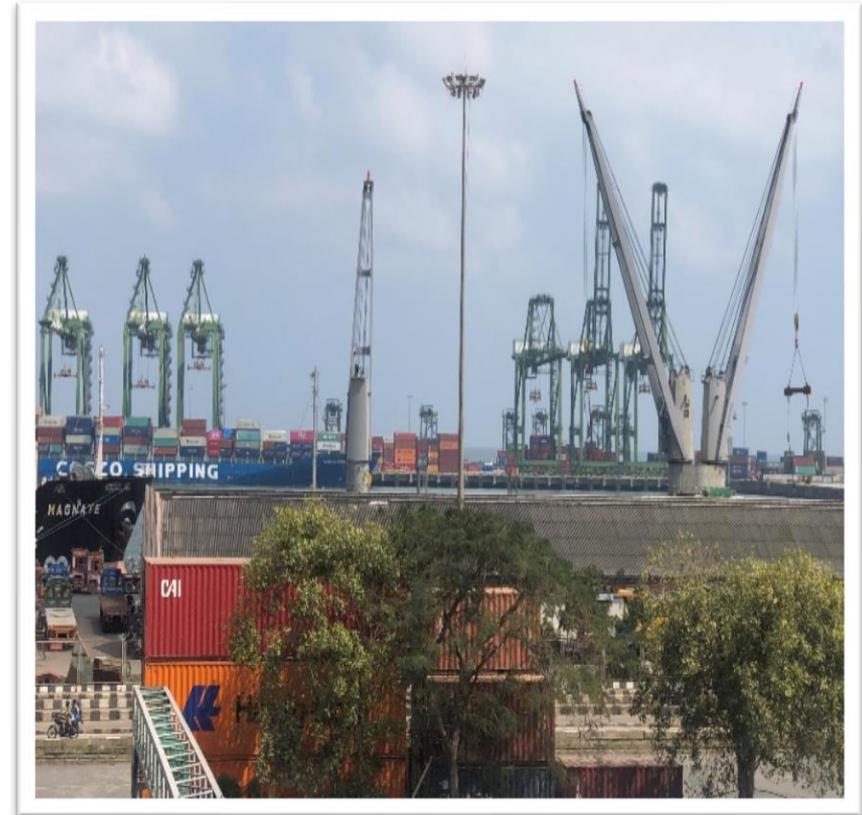
India transport infrastructure



- ❑ **Roads:** India's road network of 4.87 million km is the second largest in the world.
- ❑ With the number of vehicles growing at an average annual of 10.2%, Indian roads carry about 60% of freight and 87% of passenger traffic.
- ❑ **Railways:** The Indian railway network is spread over 108,706km, with 13,452 passenger trains and 9,141 freight trains daily from 7,172 stations carrying 23 million travelers and 3 million tonnes of freight daily.

Entry points - shipping

- ❑ As of 2019, there were around 578 points of entry into India, of which 417 points of entry allowed food consignments.
- ❑ Customs issue clearance certificates at 396 of the locations, while FSSAI officials handle and issue clearance at 21 of the more significant entry points, including Mumbai and Chennai (the main FSSAI offices are located in Mumbai Port).
- ❑ The preferred entry points for UK food and drink imports are Mumbai, Chennai and Kochi.
- ❑ This is due to better infrastructure to store, handle and test incoming products, along with proximity to urban populations.



Chennai Port, February 2020

Shipping & logistics – typical costs

Route & Mode of Transport	Shipping time	Shipping Cost
Felixstowe, UK - Mumbai (by sea)	22 days	US\$126 per CBM
Felixstowe, UK - Chennai (by sea)	26 days	US\$65 per CBM
Shenzhen, China - Mumbai (by sea)	17 days	US\$45 per CBM
Shenzhen, China - Chennai (by sea)	12 days	US\$40 per CBM
Phuket, Thailand - Mumbai (by sea)	9 days	US\$37 per CBM
Phuket, Thailand - Chennai (by sea)	7 days	US\$35 per CBM
London Heathrow - Mumbai (by air)	3 - 5 days	500kg - £845.00
London Heathrow - Chennai (by air)	3 - 5 days	500kg - £870.00

- ❑ CMB – Cubic meter in shipping. This measurement is calculated by multiplying the width, height and length of the required shipment.
- ❑ NB: International shipping freight rates are can fluctuate and change on a frequent basis.

Source: DFDS and Siam Shipping, Promar research

Packaging

- ❑ UK food and drink exporters must be able to meet latest FSSAI Food Packaging regulations. The latest version was issued in January 2019 (these are available and updated regularly online).
- ❑ The aims of the regulations are to protect the food contents from microbiological, chemical, physical and atmospheric contaminants, therefore protecting consumer health.
- ❑ The regulations ban both the use of recycled plastics in food packaging and the use of newspaper and such other materials for packing or wrapping of food articles. They also reference specific Indian standards for printing inks for use on food packages.
- ❑ Manufactures of products and importers need to be aware of these regulations and ensure packaging materials are compliant, especially with the drive in the UK to use more innovative and sustainable packaging sources.
- ❑ Further information of specific packaging requirements can be found in the individual product sections.

Cold chain

- ❑ India's main cold chain challenge stems from the size and topography of the country, lack of infrastructure and extreme heat.
- ❑ The standards of the cold chain cannot be compared to the infrastructure that exists in the Western world, but many of the interviewees commented that things are improving.
- ❑ Snowman is the largest temperature controlled logistics provider in India. Some of the importers reported using their services for transport, noting chill bags being used to keep the product cool for 4 - 5 hours within any single city's distribution schedule.
- ❑ The belief is that the majority of the issues occur at a retail level, as managers are not educated about keeping fridges running correctly, which at times are even switched off to save on electric costs.
- ❑ However, considering the length of time a shipment may spend at customs and in trucks throughout the country, there are other pinch points throughout the supply chain that could cause risk to a chilled product.

Cold chain

- ❑ Some Indian importers recognise these other 'pinch' points throughout the supply chain and have put measures in place to mitigate against them.
- ❑ These include having a dedicated staff member at the port to monitor the customs procedure and managing their own internal storage.
- ❑ Management of the cold chain is an area where UK suppliers of chilled products such as cheese and meat alternatives could offer advice and assistance to customers in India as part of an added value offer beyond just the supply of products.
- ❑ Some of the fridge and freezer units used in retail were tired and in poor condition. Temperature monitoring and in store hygiene is not as advanced as in the UK.
- ❑ Inspections of food and drink premises by FSSAI are not undertaken on a frequent basis. India is also known for its frequent power outages. Whilst in country there were several instances of power failure, again breaking continuity of the cold chain.

Typical supply chain margins in India – various channels

(Source: Promar, based on trade research)

Distribution Channel	Typical Margin Ranges
Clearing and forwarding agent	2 – 6%
Wholesaler	2 – 6%
Super stockist	3 – 7%
Distributor	7 – 12%
Importer	5 – 35%
Retailer	15 – 60%

Typical UK supply chain to India



Shipping: up to 1 month



Customs: 1 - 2 weeks



Truck: 2 - 5 days



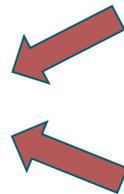
Importer storage: 1 - 2 months



Truck: <1 day



Distributor storage: 1 - 2 months



Retail/HORECA

Typical Indian supply chain & pricing



Terms & conditions of business

- ❑ As mentioned, the customs process can be lengthy for the importer (and UK exporter), especially in terms of the documentation and licences required.
- ❑ Each product must carry the correct labelling and be appropriately packed to clear customs.
- ❑ Some of the Indian importers mentioned that obtaining the money for a shipment before sending products should be a priority when dealing with Indian businesses, although this was not a requirement from either party.
- ❑ Credit terms for established trading partners can vary between 30 – 90 days.
- ❑ At times, getting paid from India can be an inconvenient process, but it is seen largely as part and parcel of doing international business.

Terms & conditions of business

- ❑ As volumes begin to increase, it is not unreasonable to assume that Indian importers will seek a more flexible approach from UK suppliers on payment terms.
- ❑ It is advised that secure terms payment are used across India through a letter of credit or documentary collection through a bank. Open account transactions are not allowed in India. When dealing with Indian importers, the terms of delivery and payment of goods should always be stated.
- ❑ Indian law does not regulate over late payments and legal settlements in India can be a lengthy and expensive process.
- ❑ Taxes in India are levied by the Central Government and by state governments. The national Goods and Services Tax (GST) unifies India's economy into a common market as GST replaces more than a dozen indirect taxes.
- ❑ The most up to date information can be found on the National Investment Promotion and Facilitation Agency website: <https://www.investindia.gov.in>

Other supply & contract stipulations

Retail

- ❑ Listing fees – these can vary from store to store and can range from £0 to £2,000 per product.
- ❑ The consistency of supply is important and needs to be guaranteed, especially in larger stores.
- ❑ Shelf life – a minimum 70% of total shelf life is required on the product. Customers are cautious of products with a short life.
- ❑ In store sampling is favoured by many retailers as a way of raising brand profile.
- ❑ Many retailers are willing to work with any size UK company, if they can meet the contractual obligations.

Foodservice

- ❑ Consistency of supply needs to be guaranteed as menus and drinks listings are often planned 12 months ahead by leading hotel groups.

NPD & technical support



Short shelf life product on the shelf in Nuts and Spices, Chennai

- ❑ Some importers offered technical advice and support to retailers where needed. NPD activity will be an important part of the Service Package in the future in a fast moving market.
- ❑ The information supplied on packaging tended to be adequate on UK imported products and met FSSAI requirements to trade in the Indian markets.
- ❑ The biggest concern raised by retailers and importers was shelf life, this was also mentioned during the interview with FSSAI. Products are required to have a minimum shelf life of 60 – 70% of the total on arrival.
- ❑ There were instances where imported products were reduced on shelf, due to a short shelf life.

Promotional support

- ❑ Store visits highlighted limited instore promotion activity.
- ❑ Some of the retailers interviewed mentioned that this was as a result of their 'premium' image that did not lend itself to this sort of activity.
- ❑ Introductory offers are liked by retailers – an initial 3 - 4 month support to raise brand awareness.
- ❑ A long-term commitment to support the brand in country is ideally required - those that are supported tend to do better than those that are not.



Laughing Cow sampling in Simpli Hamdhari's

How do Indian companies find new UK food & drink suppliers?

New suppliers are identified through a number of channels

❑ Retailers

- Importer pitches and product catalogues.
- Attend trade shows – international and in India (see overleaf for more details).
- Direct approaches.

❑ Importers

- Attend trade shows - international and in India (see overleaf for more details).
- Web searches & trade publications.
- Direct approaches made by overseas consolidators and manufacturers.

❑ Foodservice

- Attend hospitality trade shows and events - international and in India.
- Direct contact made by overseas consolidators and manufacturers
- Approached by importers.

Indian food & drink trade events

Trade Events	Location	About	Website
Anufood India	Mumbai	B2B trade for the food and beverage industry and retail market	http://www.anufoodindia.com/
Foodtech Asia	Srinagar and Nepal	Exhibition on bakery, food processing and food and hospitality sector	http://foodtechasia.in/
Nutrition Summit India	Mumbai	Innovation and advances in the functional foods, dietary supplements and health food sectors	https://nutritionsummitindia.com/
Food and Hotel India	Mumbai	Premium food and hospitality trade show	https://foodandhotelindia.com/
Chocolate and Bakery Expo	Mumbai	Exhibition covering the chocolate, confectionery and bakery sector	https://www.cbexindia.com/
Express Food and Hospitality	Various throughout India	B2B trade show for the food and hospitality industry	https://mumbaiexpo.foodhospitality.in/index.html
Craft Drinks India	Bangalore	Trade show and conference for the beer, wine and spirits sector	http://craftdrinksindia.com/
India HoReCa Expo	Coimbatore	B2B platform for buyers and decision makers in the hospitality and foodservice sector	http://www.indiahorecaexpo.com/
Hotel, Catering and Bakery Expo	Bangalore	Exhibition for hotel, restaurant and catering products	http://www.hrcexpo.com/
India Brand Expo	New Delhi	Multi sector product exhibition	http://brandexpo.in/index.php
India Foodex	Bangalore	International exhibition on food products, retailing, processing and packaging	https://www.indiafoodex.com/
Sial India	New Delhi	B2B networking and innovation exhibition	https://www.sialindia.com/
India Food Forum	Mumbai	Trade exhibition and conference for the retail and foodservice sector	https://www.indiafoodforum.com/
World Food India	New Delhi	Global platform for stakeholders in the food processing sector	http://www.worldfoodindia.gov.in/
Food Ingredients and Health Ingredients India	New Delhi	B2B event for food and health ingredients in the processing and packaging industry	https://www.figlobal.com/india/en/home.html

10. Key Market Drivers

Summary of key market drivers

- ❑ The key drivers in the Indian imported food and drink market can be summarised as follows:
 - The strong growth of high end retail and foodservice channels. This is driven by the huge increase in the numbers of consumers entering the middle class bracket over the next 10 - 25 years.
 - The uptake of imported products by the HORECA sector – cheese, biscuits and meat alternatives are all good examples.
 - A fresh drive by the Indian Government to promote ‘Make in India’, encouraging food manufacturing and processing activities to take place in-country.
 - The improvement in the overall so called “enabling environment” (market constraints are becoming less of a barrier to importers).

The “Make in India” campaign

- ❑ The “Make in India” campaign was launched in 2014 by the Indian Government with the aim of encouraging companies to manufacture their products in India, including companies from the UK.
- ❑ Food processing has been identified as a priority sector.
- ❑ This scheme was flagged in interviews by a number of importers and government officials.
- ❑ India is one of the largest food producing nations, with an export trade surplus in food.
- ❑ The Indian Government is actively encouraging FDI in food processing in areas such as confectionery and bakery: cookies and crackers, biscuits, bread, cakes and frozen dough.



Indian diets

- With a diverse culture, Indian dietary patterns vary, but a few key features of Indian food consumption are outlined below:
 - Dairy is an important constituent of many Indian diets and consumption has increased. Milk is a key source of nutrition. Cream, curd, dahi (yoghurt) and fresh cheeses such as paneer are widely used in traditional Indian cuisine.
 - Beef is not consumed in general (with the exception of a few States where Hindus are in the minority). Cows are sacred and the slaughter of cows is banned or subject to restrictions in most States.
 - Pork is not popular. India's Muslim population is forbidden to eat pork, but even among non-Muslims pork is considered a "low" form of meat.
 - Chicken is a growth area and widely available, as are eggs.
 - Lamb, mutton and goat are also consumed.
 - Fish is commonly consumed in coastal regions.

11. The Retail Market in India

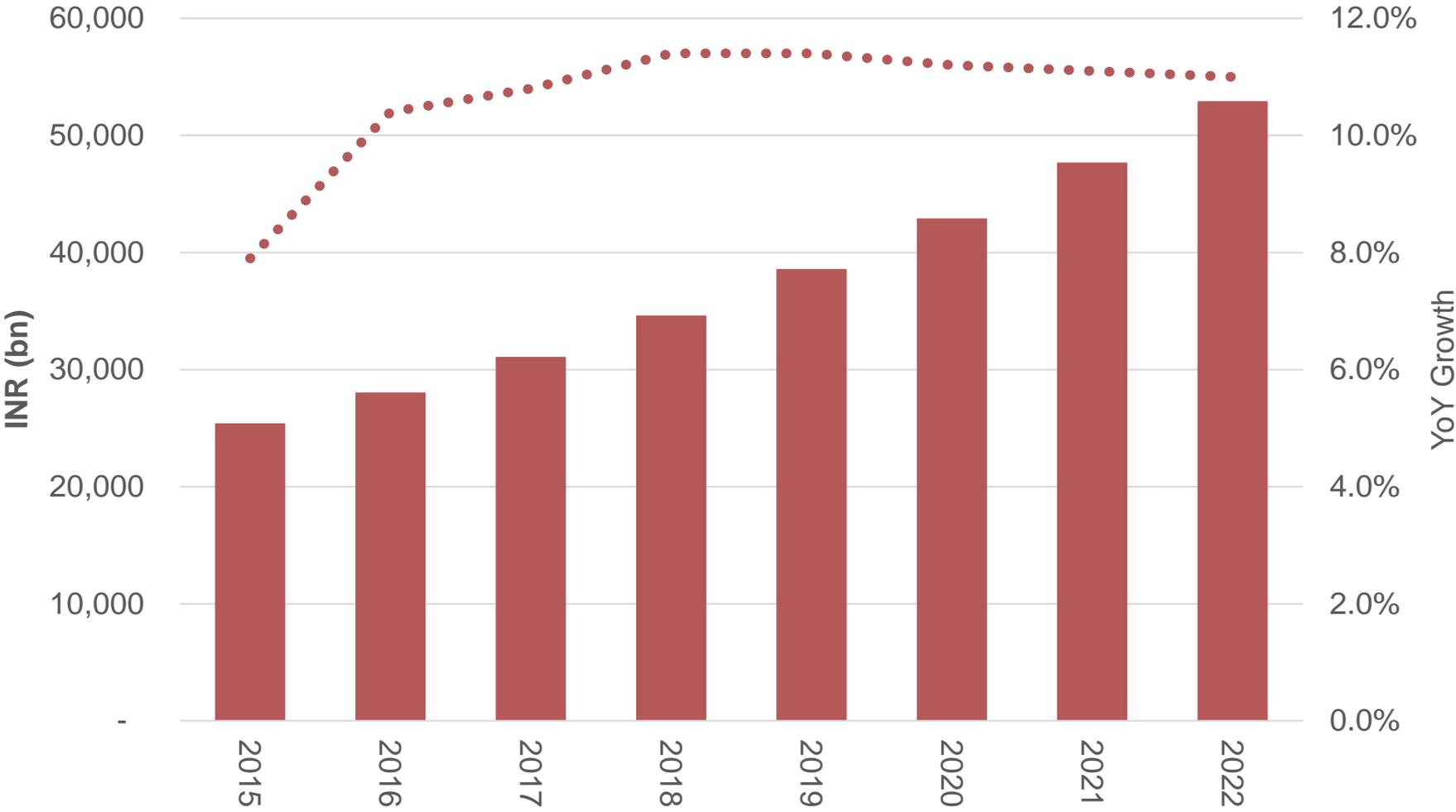
Retail overview

- ❑ The food and drink market in India is worth £305 billion and is expected to reach £500 billion by the end of 2020, according to Santander Insights and the FDF.
- ❑ The Indian grocery retail market is currently the world's sixth largest. The retail sector in India is emerging as one of the largest sectors in the economy. It contributes 10% of GDP and 8% of employment.
- ❑ Indians typically spend around >50% of their income on groceries.
- ❑ The retail sector remains highly fragmented and dominated by traditional and informal formats such as street vendors, stalls (kiranans), and independent shops (mom and pop shops). These formats account for 98% of the total retail market.
- ❑ However, modern retail formats, including supermarkets, hypermarkets, online and cash and carry's have been established in India for the last 15 years and are expanding quickly.
- ❑ Online food retail is still relatively new in India, with this platform restricted to larger cities such as Mumbai and Bangalore.

Retail overview

- ❑ Over the next couple of years, online sales are expected to double from both international players, such as Amazon Food entering the market, as well as local players, such as Big Basket expanding in other key cities.
- ❑ The IGD forecasts that the Indian retail sector is to grow rapidly over the coming years with a CAGR of 6.3% between 2017 and 2022. It will become the third largest grocery market in the world behind China and the US.
- ❑ This growth is driven by a strong economy, young population and rising disposable incomes.
- ❑ The gourmet food market has witnessed a major transformation in recent years. It is expected to grow at a CAGR of 20% in the coming years which provides opportunities for UK food and drink exporters.

The Indian retail sector (Source: IGD)

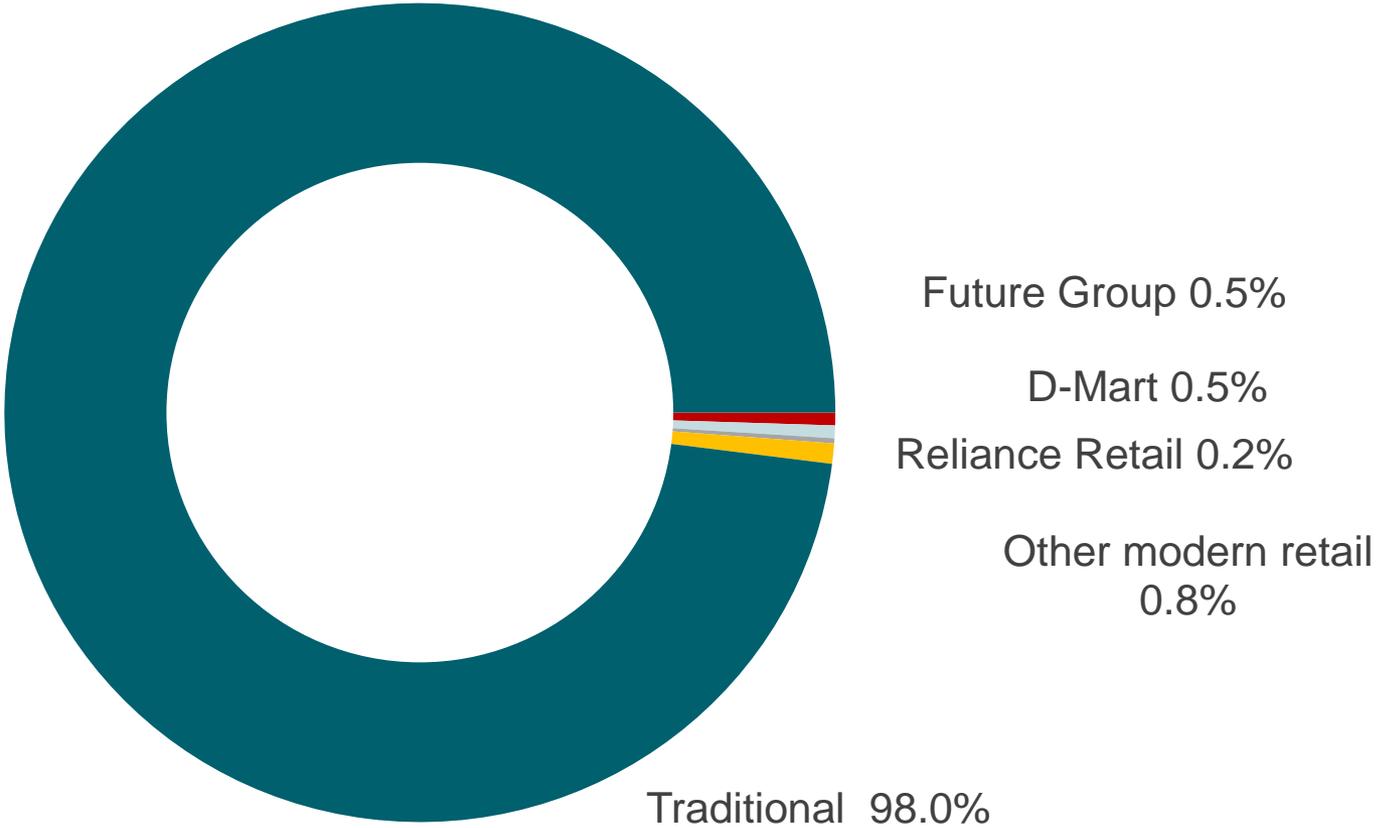


Retail channels of distribution

There are two main grocery retail channels in India:

- ❑ **Organised** also known as modern retail – supermarkets, hypermarkets and cash and carries (approximately 2%).
- ❑ **Unorganised** also known as traditional retail – street vendors, market stalls and “mom and pop” independent shops (approximately 98%).
 - The organised retailing sector is rapidly expanding its operations within India with the rise of modern retailing formats like supermarkets, hypermarkets, convenience stores and other forms, such as online and vending machines.
 - IGD forecasts that the Indian retail sector is to grow rapidly over the coming years with a CAGR of 6.3% between 2017 and 2022. Growth is driven by a strong economy, young population and rising disposable incomes.
 - The modern retail format is mostly dominated by Indian players, but recently due to the changes in the FDI policies and economic reforms introduced by the Indian government, foreign players have also entered the Indian retail industry.

The Indian retail sector (Source: IGD)



India main retail players - market share

- ❑ Future Group - 0.5%
- ❑ D-Mart - 0.5%
- ❑ Reliance Retail - 0.2%
- ❑ Aditya Birla Retail Ltd - 0.1%
- ❑ RPG Enterprises - 0.1%
- ❑ Big Basket (online) - 0.1%
- ❑ SPAR International - 0.05%
- ❑ Foodworld Supermarkets - 0.03%
- ❑ Trent Ltd (part of Tata Group) - 0.03%
- ❑ Lu Lu Group International - 0.01%



Case Study - Future Group

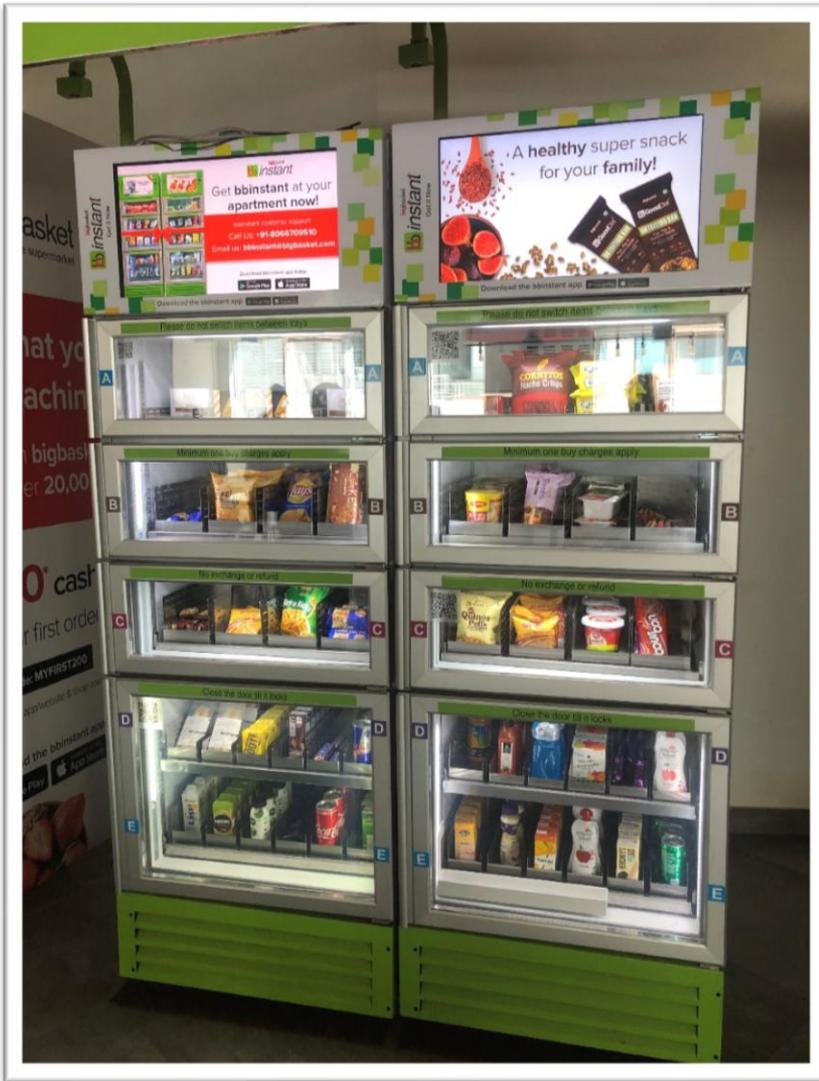
- ❑ Head office in Mumbai.
- ❑ Future is the leading food retailer in India with 1,388 stores in over 400 locations, which accounts for approximately 15% of the India's organised grocery market.
- ❑ The Group owns a mix of middle and high end food retail outlets including Big Bazaar, Food Bazaar and Food Hall, along with convenience stores, such as 7-Eleven.
- ❑ Future also owns a number of leading food and drink brands, such as Tasty Treat, Golden Harvest and Sunkist.
- ❑ Future is in the process of establishing an online partnership with Amazon, using each other's networks to sell food and drink products online. 22 stores are currently involved with a pilot scheme.



Case Study - Big Basket

- ❑ Big Basket was established in 2011, with the head office in Bangalore.
- ❑ They are India's leading online food and drink megastore with over 20,000 products listed and sales increasing by 60% in 2019.
- ❑ Big Basket currently delivers to 25 cities across India with approximately 12 million customers signed up to their online shopping service.
- ❑ They are in partnership with Chinese e-commerce giant Alibaba (signed in 2020), with the focus to improve logistics and delivery capacity across India.
- ❑ Big Basket currently lists a limited number of UK products, including Jamie Oliver Sauces and Walkers shortbread.
- ❑ They previously stocked more UK products, but due to lack of supply consistency, they dropped the product lines.





BBInstant vending machines, Bangalore

- ❑ Big Basket also owns BBInstant - who sell via serviced vending machines in communal accommodation areas.
- ❑ There are machines in over 200 locations with plans to expand to 3,000 locations by the end of 2020.
- ❑ Groceries and “on the go” food can be purchased 24/7, using a mobile phone app.
- ❑ BBInstant can vend chilled, hot and ambient groceries and snack foods.

Case Study - Reliance Retail

- ❑ Reliance Retail has become India's largest retail chain since opening their first store in 2006. They operate 10,900 retail stores across grocery, personal care, electronics and fashion.
- ❑ In 2019, the Group's revenue in India was equal to £14.6 billion.
- ❑ Reliance Fresh core principles are freshness and savings for the consumer. Reliance have expanded this mantra into other formats including "Smart" and "Market".
- ❑ Reliance Smart provides a convenience format offering their consumers a one stop shop for all their daily needs, whilst still providing great savings. They have also established an online shopping platform (Smart.In), to make the concept even more convenient; however this is currently only available in Mumbai and Pune.
- ❑ Reliance Market is a portfolio of wholesale cash and carry stores, where consumers can pick up a wide range of products from groceries to electronics.

The logo for Reliance Fresh features a blue circular icon with a white flame-like shape inside, positioned above the word "Reliance" in red and "fresh" in green.The logo for Reliance SMART features a blue circular icon with a white flame-like shape inside, positioned above the word "Reliance" in red and "SMART" in blue.The logo for Reliance MARKET features a blue circular icon with a white flame-like shape inside, positioned above the word "Reliance" in red and "MARKET" in blue.

The Indian retail sector - opportunities

- ❑ Local manufacturers cannot compete with the quality and range offered by the imported brands, in particular cheese, high end biscuits and confectionery – this includes the UK.
- ❑ Indian retailers are often keen to explore new ranges that they would previously be unaware of through most Indian importers – products that show genuine innovation and are new to market.
- ❑ Increased sales can be achieved through investment and brand activity in India (e.g. sampling, promotions, marketing resources, advertising). This was visible in many of the stores we visited.
- ❑ To sustain growth, a UK brand needs to be patient and be willing to invest in market development activities, including spending considerable time in country.

The Indian retail sector - constraints

- ❑ Often, Indian importers are not doing the brand full justice, because they are unable to offer the expertise and product understanding required by the customer. As a result, UK suppliers that take the time to visit India, both to understand the market and undertake promotional activities tend to do better.
- ❑ Retailers are heavily reliant on importers for supply, and as such availability vs demand is often a challenge.
- ❑ Out of stock lines for imported products are common within retail. This is often down to the length of time and unexpected pinch points in the supply chain.
- ❑ Imported food and drink products are more commonly found in high end, gourmet food stores and not in the mass market retail.
- ❑ Retailers are also looking to reduce costs for their customers, whilst retaining the same quality products.
- ❑ The shelf space for categories, such as confectionery and biscuits, is very crowded.
- ❑ Being able to stand out in this sector is therefore a challenge, but potentially lucrative, for any UK supplier that can do this.

Selected retail quotes

- ❑ *'The average consumer will compromise on quality and flavour ahead of price - they are not brand loyal'*
- ❑ *'UK products are trusted and known for their high quality and integrity'*
- ❑ *'Consistency of supply is essential to us – importers and suppliers need to work hard to maintain this'*
- ❑ *'The Indian duty structure is too high, a cost that the consumer absorbs at the end of the supply chain – this effects the appeal of some imported products'*
- ❑ *'We're always interested in new products and have been known to stock requests from our international customers'*
- ❑ *'Suppliers must be committed to investing in supporting their brand in India - sampling, shelf promotion, community awareness'*

12. The Foodservice Market in India

Indian foodservice insight

- ❑ India has a dynamic and fast paced food and drink hospitality sector and as such is full of potential opportunities for UK exporters.
- ❑ There is strong growth in domestic and international tourism. This is in part due to increase in the availability of affordable domestic flights.
- ❑ The pace of urbanisation, rising income levels and the application of technology have all boosted the hospitality sector. This has been driving a demand for non-home cooked food, such as Italian, Japanese and Chinese cuisine
- ❑ India has one of the highest millennial populations, whose food habits are more adventurous than of previous generations.
- ❑ Eating out mid week has become more of the norm, as opposed to it being only a weekend activity, especially in up and coming urban areas like Bangalore.
- ❑ The HORECA sector is often supplied by cash and carries, such as Metro and Reliance Market.

Indian foodservice insight

- ❑ In particular, younger Indian consumers are becoming increasingly willing to experiment with restaurants serving international food.
- ❑ There is growth in the Indian food service industry using technology – digital menus, interactive smart tables, etc.
- ❑ The use of restaurant delivery apps are becoming the norm in urban areas: good examples are Swiggy, Uber Eats, Pizza Hut and Zomato.
- ❑ Healthy options and a strong interest in specialist diets – gluten free, vegan, organic are in growth. This is due to consumer preference and demand.
- ❑ The largest sector within the foodservice market is affordable casual dining restaurant (ACDR), followed by quick service restaurants (QSR) and then premium casual dining restaurant (PCDR).
- ❑ Business travel is an important and growing sector, although it only accounts for 5% of total tourist expenditure, it tends to be high spend.

Indian foodservice insight

- ❑ It is also worth noting the expansion of international hotel chains across India:
 - of the leading international hotel groups, Marriot is reporting to open an additional 20 hotels in India by 2021, on top of its existing portfolio of 98.
 - the Hilton Group will add a further 18 hotels to its present 15 properties and Berggruen Hotels (operating in India under the Keys Hotels brand) a further 20.
 - the Louvre Hotel Group (reportedly the 5th biggest hotel group globally), plans to double earnings in India to account for 10 - 15% of its overall business.
- ❑ These hotel chains will be keen to source international products, including UK products, to service their guests.
- ❑ There are potential opportunities, as a result, for cheese, beer, meat alternatives and biscuits.

Indian foodservice & the UK insight

- ❑ There is an interest in high end UK products suitable for buffet style catering, especially in the more international hotels where there is evidence of UK brands, such as Colliers Cheese being used.
- ❑ High end five star hotels offer room gifts and high end mini bars. UK products are often used for this purpose (see overleaf for more details).
- ❑ Individual hotels have little control of purchasing food and drink products. Purchasing is nearly always coordinated on yearly contracts through the Head Office.
- ❑ Price, quality and product availability were considered as important factors, as menus and drink offerings are generally planned for the year ahead.

Indian foodservice & the UK - snapshot

- ❑ Many high end five star hotels offer room gifts and individual snack offerings. UK biscuits are a popular choice. Brands such as Borders Biscuits and Walkers Shortbread both have a presence in a number of these and other establishments.



Border's biscuits offered as room gift in the Taj Connemara, Chennai

Foodservice Case Study - ITC Chain

- ❑ ITC runs a chain of luxury hotels and resorts. They are regarded as one of India's leading hotel chains.
- ❑ They have over 100 hotels in 70 destinations across India. They operate under four district brands, with future plans to expand across India.
- ❑ Their award winning restaurants serve authentic and traditional Indian cuisine, along with extensive international cuisine, including Italian and Japanese.
- ❑ ITC operate a group purchasing system and model – food and drink is purchased across the whole group.
- ❑ Imported products from the EU, UK, Australia and the Far East are used across the chain.
- ❑ UK products used include beer, cheese and biscuits.



13. Appendices

Appendix I – List of Contacts

List of contacts

Company Name	Location	Importer (I), Retailer (R), Hospitality (H), Store Visit (SV) Government (G)
Big Basket	Bangalore	I & R
Spar	Bangalore	R & SV
Food Hall	Mumbai	R & SV
Sweet Stuff	Mumbai	I
Star Bazaar	Mumbai	R
Metro	Bangalore	SV
ITC Hotel Chain x 2	Bangalore	H
Simpli Hamdhari's	Bangalore	SV
Customs Chennai	Chennai	G
Nishan International	Chennai	I
Amma Naana	Chennai	R & SV
Modern Bazaar	Delhi	SV

List of contacts (continued)

Company Name	Location	Importer (I), Retailer (R), Hospitality (H), Store Visit (SV) Government (G)
Nuts and Spices	Chennai	SV
Bio Track	Chennai	I
Simrutha Enterprises	Chennai	I
FSSAI	Chennai	G
Sunbeam Ventures	Cochin	I
TASMAC	Chennai	SV
Taj Hotel Chain x 2	Chennai Bangalore	H
Chenabim	Mumbai	I
Bajoria Foods	Mumbai	I
Natures Basket	Mumbai	SV
Crawford Market	Mumbai	SV
Big Bazaar	Delhi	SV
Reliance Fresh	Delhi	SV

Appendix II – List of Tariff Codes

India – tariff rates

Product	UK/ EU rate	WTO	UAE/Middle East	US	China & ASEAN
Cheese	30 or 40% (040690)	30 or 40% (040690)	30 or 40% (040690)	30 or 40% (040690)	0% (Asia-Pacific Trade Agreement) & ASEAN – India FTA
Craft Beer	100%	100%	100%	100%	
Sweet Biscuits	45%	45%	45%	45%	
Meat Alternatives	30% (210610) 150% (210690)	30% (210610) 150% (210690)	30% (210610) 150% (210690)	30% (210610) 150% (210690)	
Sauces & condiments	30%	30%	30%	30%	
Confectionery	30% (1806 and 170490) 45% (170410)				

Source: World Trade Organisation

Tariff code description (source: WTO)

Craft Beer

- 2203 - Beer made from malt

Sweet Biscuits

- 190531 - Sweet Biscuits
- 190532 - Waffles and Wafers

Meat Alternatives

- 210610 - Protein concentrate and textured protein substances
- 210690 - Other

Cheese

- 040610 - Fresh (unripened or uncured) cheese, including whey cheese and curd
- 040620 - Grated or powdered cheeses, of all kinds
- 040630 - Processed cheese, not grated or powdered
- 040640 - Blue veined cheese and other cheese containing veins produced by *Penicillium Roqueforti*
- 040690 - Other cheese

Tariff code description (source: WTO)

Sauces and Condiments

- 210310 - Soya Sauce
- 201320 - Tomato Ketchup and other tomato sauces
- 201330 - Mustard Flour and meal and prepared mustard
- 210390 - Other

Sweet Confectionery

- 170410 - Chewing gum, whether or not sugar coated
- 170490 - Other
- 180610 - Cocoa Powder, containing added sugar or other sweetening matter
- 180620 - Other preparation in blocks, slabs or bars weighing more than 2kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings of a content exceeding 2kg
- 180631 - Filled
- 180632 - Not filled
- 180690 - Other