



Which Markets Are Driving Growth for the Beverage Alcohol Industry?

by The IWSR Drinks Market Analysis, www.theiwsr.com

IWSR data shows that the growth shift from mature to developing alcohol markets is continuing and is, if anything, intensifying.

Developing beverage alcohol markets are set to be the major growth engines in value terms for beverage alcohol over the next five years, spearheaded by India, China, Brazil and Mexico. However, gains from mature markets will prove more elusive — the U.S. being a notable exception — with many seeing marginal growth or even contracting.

Following a tough year in 2023 when global TBA (total beverage alcohol) value rose by only +1%, future value gains will be led by India, China and the U.S., which are expected to add a combined \$30bn in incremental value (at 2023 prices) by 2028. Of this, India and the U.S. will each add incremental value of approximately \$7.6bn.

Meanwhile, the five next most value-adding TBA markets (excluding Russia) are expected to be Brazil, Mexico, South Africa, Vietnam and Nigeria, which will add a combined \$14.4bn by 2028.

“The shift that’s been happening over a fairly long period of time from developed to developing alcohol markets is continuing and is, if anything, intensifying,” said Emily Neill, COO Market Research, IWSR.

While India and the U.S. are expected to add a similar amount of value in absolute terms between 2023 and 2028, there is a strong contrast in anticipated growth rates. In the U.S., value is expected to grow at a CAGR of +0.8% between 2023 and 2028, while India’s anticipated CAGR over the same timescale is more than +4%.

“Given that the U.S. beverage alcohol market is four times larger than that of India in volume terms, and almost six times larger in value terms, the growth that’s expected to come out of India is quite remarkable,” said Neill.

A shift to developing markets

Of the other value-adding markets, TBA value in Mexico is expected to grow at a CAGR of +3% between 2023 and 2028, alongside solid value gains for South Africa (+3%) and Brazil (+2%). Meanwhile, China’s anticipated 2023-28 value CAGR of +1% (excluding national spirits) equates to an incremental gain of nearly \$5bn because of the scale of the market.

By contrast, mature alcohol markets are characterized by sluggish value performance: either marginal 2023-28 CAGR increases of +1% or less (the U.S., Spain, Australia, Italy and the Netherlands); essentially flat performances (France, Poland); or value declines (the U.K., Japan, Germany and Canada).

Underlying factors

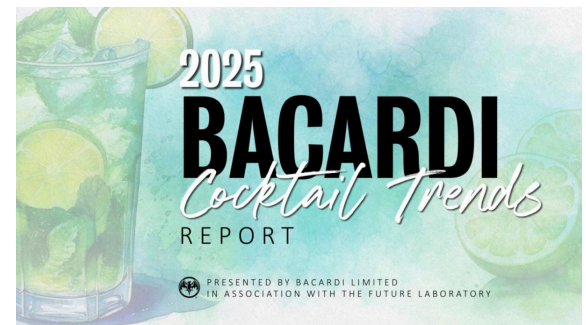
A number of factors underpin this shift in the anticipated sources of value gains — the most significant being LDA population growth and increases in GDP.

Strong LDA population gains are predicted for most developing alcohol markets (China is an exception), while mature markets are expected to record marginal gains or even reductions. India is expected to add 65 million LDA consumers over the next five years.

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Bacardí’s Sixth Annual 2025 Cocktail Trends Report

Bacardí has partnered again with trend forecasters, The Future Laboratory, for insights from top industry leaders, global data and an extensive network of brand ambassadors, to compile spirits trends, anticipated cocktail experiences and flavors for the new year.



The trends report highlights some of the macro and key trends for 2025 including:

- **Premium Fans:** Luxury cocktail experiences are evolving, with next-gen fandoms driving premiumization through experiential events and customized activations.
- **In-the-Know Imbibing:** A shift from “show” to “know” sees consumers embracing expert-led, knowledge-sharing cocktail experiences, prioritizing craft and authenticity.
- **New Cocktail Frontiers:** Multi-sensory experiences are emerging as consumers seek immersive cocktail moments that incorporate sound, visuals and unique atmospheres.
- **Culinary Connoisseurs:** Inspired by the culinary world, mixologists are integrating flavors and techniques from gourmet cuisine, pushing the boundaries of traditional cocktails.
- **The Future Spirit:** Sustainability, inclusivity and purpose-driven brand actions are at the forefront as spirits brands embrace long-term industry advancements that align with consumer values.

“As 2025 approaches, consumers are redefining how they connect and using cocktails as a bridge to new experiences, perspectives and deeper relationships,” said Mahesh Madhavan, Chief Executive Officer for Bacardí Limited. “At Bacardí, we’re embracing this shift from consumption to curation, where consumers are

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