



The Eight Drivers of Change for Beverage Alcohol in 2023 & Beyond

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

The trends that have previously shaped the global beverage alcohol marketplace will be transformed over the next five years as the world emerges from the Covid-19 pandemic and into a period of growing economic instability. The effects of these shifts will be wide-ranging, from the growing importance of the home premise occasion to a moderation trend increasingly driven by the need to cut household spending.

1 - Premiumization driven by broader base of “mass affluent” consumers

As the world enters a period of growing economic fragility, those with financial stability — typically consumers with lower levels of debt and secure employment — will provide increasing opportunities for premium-and-above spirits and wine brand owners.

This is a notable shift from the situation during the Covid-19 pandemic, when Millennials led the global consumption bounce-back in 2021 in key markets such as the U.S., the U.K., France, Germany and Brazil.

This phenomenon was driven by their higher levels of disposable income and embracing of more sophisticated home consumption occasions — but this trend is now likely to be reversed by economic instability, leaving younger consumers of legal drinking age with less secure finances and employment prospects in the years ahead.

In China, for example, IWSR consumer data shows that there has been a shift in the alcohol drinking population, with fewer 18–24 year-olds, possibly connected to 20% unemployment among graduates.

2 - China’s risk profile evolves as the U.S. & India are positioned for strong spirits growth

China’s leadership of the luxury spirits market will come under threat from the U.S. in the next few years. The U.S. status spirits market, spearheaded by high-end agave spirits, is forecast to add the most value to the status spirits category of any individual market over the next five years, bringing it almost level with China. Growth in the U.S. luxury spirits market is a continuation of a longer-term pre-pandemic trend.

India is also poised to make strong spirits gains thanks to its booming economy, rising consumer incomes, market recovery and growth post-pandemic and strong consumer confidence.

A number of key factors may dampen further spirits gains in China, such as a proposed government cut down on conspicuous consumption, falling consumption rates amongst younger LDA drinkers, and lower GDP expectations compared to the last five years. However, China has not yet experienced a proper post-Covid boom. When it does take place, it could help to counteract the impact of these headwinds in the short-term.

This outlook follows a period of strong growth for high-end spirits in China, boosted by e-commerce gains during Covid-affected 2020, as well as the establishment of Hainan as a key duty-free destination.

3 - Pockets of growth for beer across select markets

The most promising growth opportunities for beer in the coming years will be focused on India, Latin America and Africa. IWSR expects global volumes

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Three Companies Join DISCUS Partner Membership Program in Q4 2022

Three companies have joined The Distilled Spirits Council of the United States (DISCUS) as Partner Members in the fourth quarter of 2022.

“We are thrilled to welcome these three innovative companies to our Partner Member Program, as they bring a wealth of expertise and resources to the table,” said Joe Donadoni, chief of member services and business development at DISCUS and Responsibility.org. “Their contributions will greatly enhance our advocacy efforts and help shape the future of the distilled spirits industry. We look forward to working together to drive growth and success for all stakeholders in the industry.”

New Partner Members

Edinburgh Whisky Academy: A leading provider of certified (SQA) Scotch Whisky education. The academy provides online and in-person courses that equip employees with the knowledge and confidence to excel in a variety of roles.

Steric Systems: Steric Systems has developed a patent-pending electromagnetic process for spirits that dramatically reduces “burn” and harshness, while opening up flavors. The system uses both portable or installed high-volume machines to process from 300 gallons to over 1,000 gallons per hour. Steric Systems has a variety of cost-effective solutions for producers of all sizes.

Council of Whiskey Masters: An education and certification non-profit focused on education for scotch, bourbon and all global whiskies. The advisory board includes top names from across the global whiskey industry.

Donadoni said that in the past year, more than 100 representatives of Partner Member companies have participated in high-profile thought-leadership opportunities including Ask the Expert sessions, the DISCUS Annual Conference, industry-wide webinars and DISCUS Academy.

Partner Members also receive discounted member pricing and early access to sponsorship opportunities for the DISCUS Annual Conference.

The DISCUS Partner Membership Program features different membership package options and is offered to persons, firms, corporations

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