



No- & Low-Alcohol Category Value Surpasses \$11 Billion in 2022

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

New IWSR data shows no/low-alcohol consumption will increase by a third by 2026, spearheaded by the growth of no-alcohol products.

Driven by increasing consumer demand, no- and low-alcohol beer/cider, wine, spirits and ready-to-drink (RTD) products grew by more than +7% in volume across ten key global markets in 2022. The pace of growth is expected to surpass that of the last four years, with forecast volume CAGR of +7%, 2022-26, compared to +5%, 2018-22. No-alcohol will spearhead this growth, expected to account for over 90% of the forecast total category volume growth.

Among the ten focus markets examined in the December 2022 release of the *IWSR No- and Low-Alcohol Strategic Study* (Australia, Brazil, Canada, France, Germany, Japan, South Africa, Spain, the U.K. and the U.S.), the market value of no/low alcohol products in 2022 surpassed \$11 billion, up from \$8 billion in 2018.

"The dynamic no/low-alcohol category presents opportunities for incremental sales growth as consumers are recruited from drinks categories such as soft drinks and water. Brand owners have an opportunity to recruit non-drinkers of alcohol," said Susie Goldspink, Head of No- and Low-Alcohol, IWSR Drinks Market Analysis. "As more people opt to avoid alcohol on certain occasions — or abstain from it altogether — no-alcohol is steadily increasing its share of the no/low category."

No-alcohol products spearhead overall category growth

No-alcohol volumes grew 9% in 2022, increasing their share of the overall no/low-alcohol space in the world's ten leading no/low markets to 70%, up from 65% in 2018.

"No-alcohol is growing faster than low-alcohol in most markets," said Goldspink. "The countries where this does not apply, such as Japan and Brazil, are early-stage low-alcohol markets with a small volume base."

Improved taste, production techniques and a diversification of consumption occasions, are driving no-alcohol's dominance over low-alcohol in many markets. IWSR expects no-alcohol volumes to grow at a compound annual growth rate (CAGR) of +9% between 2022 and 2026.

Germany remains world's largest no/low-alcohol market; others show more dynamic growth

The maturity of the no/low-alcohol category varies widely by market. Germany, the world's largest and most mature no/low-alcohol market, will see relatively slow growth due to beer market maturity and lack of innovation.

Meanwhile, more dynamic growth will come from markets including Australia, Canada and the U.S., which will all see double digit volume compound annual growth rates, 2022-26. The world's most valuable no/low-alcohol markets are Germany, Japan, Spain, the U.S. and the U.K.

No-alcohol beer/cider spearheads growth

No-alcohol beer/cider will contribute nearly 70% of the overall no/low-alcohol growth between 2022 and 2026. Almost all of the no-alcohol RTD growth will come from the U.S. and Japan, whereas no-alcohol wine growth

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Barr & McGarvey to Co-Chair the Congressional Bourbon Caucus

U.S. Reps. Andy Barr (R-KY) and Morgan McGarvey (D-KY) renewed the Congressional Bourbon Caucus as an official Congressional Member Organization for the 118th Congress.

The caucus was founded in 2009 and is made up of a bipartisan group of members that are dedicated to strengthening the bourbon industry in the U.S. and educating other members on legislative and regulatory issues impacting the industry. Barr and McGarvey will serve as Co-Chairs of the caucus.

"I am proud to welcome my friend, Rep. Morgan McGarvey, to the Congressional Bourbon Caucus and look forward to working together to protect this signature Kentucky industry," said Rep. Barr. "In the last Congress, I was proud to lead the Aged Distilled Spirits Act, which was included in the Craft Beverage Modernization Act. Now, the Bourbon Caucus will work to maintain zero-to-zero tariffs with the European Union (E.U.) to boost the industry in the years ahead."

The E.U. and U.K. imposed 25% tariffs on American whiskey in 2018, with the E.U.'s tariffs set to increase to 50% in June of 2021. Rep. Barr led a letter to U.S. Trade Representative Katherine Tai with over four dozen members of Congress encouraging the Administration to negotiate a suspension and elimination of the tariffs. While the tariffs were suspended, the E.U. is set to reimpose a tariff of 50% in 2024 if there is no agreement in the dispute.

"It's an honor to join my colleague, Congressman Barr, as Co-Chair of the Congressional Bourbon Caucus," said Rep. McGarvey. "Bourbon is a vital industry in the Commonwealth of Kentucky, providing countless jobs and stimulating our economy. I'm proud to be a leader for this bipartisan caucus and work across the aisle to protect and promote distilled spirits at a national and international level."

"The Bourbon Caucus has been instrumental in the growth of distilleries across the country," said Distilled Spirits Council President and CEO Chris Swonger. "Since the formation of the Caucus, the number of distilleries has grown from approximately 100 to more than 2,600 nationwide. From supporting historic legislation to reduce the tax burden on small distillers to urging the removal of debilitating tariffs on American whiskey exports, Bourbon Caucus members have helped

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