



Global Beverage Alcohol Rebounds with Value Reaching \$1.17 Trillion

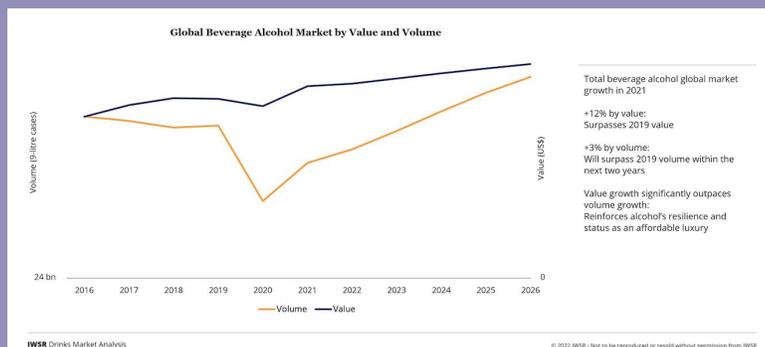
by The IWSR Drinks Market Analysis, www.theiwsr.com

New IWSR data reinforces alcohol's resilience and status as an affordable luxury, as value growth significantly outpaces volume growth.

Global beverage alcohol value grew by +12% last year to reach \$1.17 trillion, making up for Covid-driven value losses of -4% in 2020. Total alcohol volume grew by +3% in 2021 after losses of -6% the year prior.

Examining the industry from across 160 countries throughout the world, IWSR forecasts compound annual volume growth of just above +1% for total beverage alcohol over the next five years as Covid restrictions continue to ease.

"Our latest data shows encouraging signs for the continued recovery of beverage alcohol," said Mark Meek, CEO at IWSR Drinks Market Analysis. "The market rebounded far more quickly than expected and, in value terms, 2021 is now above 2019. Premiumization continues unabated; beverage alcohol e-commerce also continues to grow, although at a more moderate rate; and the trend towards moderation continues, with no/low-alcohol products seeing ongoing growth from a relatively low base. Despite the industry's current and future challenges — ongoing supply-chain disruptions, inflation, war in Ukraine, travel retail's slow return to pre-2019 levels and China's zero-Covid policy — beverage alcohol is in a strong position."



Has the beverage alcohol market fully recovered from the pandemic?

The global beverage alcohol market is expected to surpass 2019 volumes within the next two years. While beer, cider and international spirits have not yet reached 2019 volumes, they have all met or surpassed 2019 levels in value terms. Wine has also surpassed 2019 value levels, though overall global category volumes are expected to continue on a downward trajectory.

Where are the growth markets for beer?

Beer rebounded strongly in several major markets once Covid restrictions ended and is forecast to add significant value to total beverage alcohol over the next five years, especially in Asia-Pacific and Africa, which combined will add close to \$20 billion to the beer category by 2026. Ongoing volume growth will be seen in Brazil, the strong rebound in Mexico and Colombia that began last year will continue and there will be some recovery in China.

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WSWA Responds to Wine Industry Advisor Op-Ed: Myth vs. Fact: Direct-To-Consumer Alcohol Shipping

From WSWA:

In a recent op-ed in *Wine Industry Advisor*, author Alex Koral misleads readers by attempting to define the realities facing the direct-to-consumer (DTC) wine marketplace as "myths." Rarely is Koral able to use facts to back up his opinion, rather he relies on anecdotal narratives and rhetoric to ultimately make the case that DTC alcohol shipping should "happen because it's popular."

Wine & Spirit Wholesalers of America (WSWA) respects the 21st Amendment and the powers it grants each state to regulate the distribution of alcohol as they see fit. However, as responsible distributors of alcohol for nearly a century, it is incumbent upon us to point out weaknesses that impede the state's ability to effectively regulate a socially-sensitive product or collect taxes on products purchased within its borders.

To an industry that has spent hundreds of millions of dollars on social responsibility efforts and campaigns, it's most concerning that DTC wine shipping privileges may expand to include spirits as argued by Koral, compromising the public health and safety of Americans.

Below we explore Koral's "myths:"

1. Minors Will Buy DTC

In his attempt to discredit the very real (and recorded) occurrences of minors making illegal DTC purchases or being delivered DTC shipments without ID checks, Koral relies on a 2003 FTC report that found that the "market wasn't conducive to sales to minors." And, to be fair, nearly 20 years ago, it wasn't — the iPhone and smart phones didn't exist, "WiFi" wasn't recognized in the dictionary and the largest e-commerce platform in the world had barely expanded its product pool past textbooks. The reality is that today's e-commerce marketplace is unrecognizable to a 2003 18-year-old with a flip phone, rendering the findings of that FTC report nearly useless.

In a more recent study published in the *Journal of Pediatrics and Adolescent Medicine*, only 12% of online alcohol orders placed by underage purchasers

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