modern Distillery Age

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The Next Frontier: Opportunities & Challenges in Sub-Saharan Africa

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

There is no doubting the demographic potential of countries such as South Africa, Nigeria and Kenya, but navigating these markets is highly complex thanks to structural volatility, distribution challenges and the dominance of local and artisanal products.

Sub-Saharan Africa represents one of the most compelling long-term growth opportunities for beverage alcohol spearheaded by fast-growing, young and urbanizing populations and expanding middle classes. However, markets are far from homogeneous, and trading conditions can be complex and difficult, challenging even the industry's most established players.

Total beverage alcohol (TBA) volumes in Sub-Saharan Africa increased by +1% in 2025, according to IWSR data, and they are forecast to expand at a CAGR of +2% between 2025 and 2035. All major categories are expected to grow over the next decade.

Regional standouts in 2025 included the performance of RTDs, which grew volumes by +11%, and spirits (+6%). Beer rose by +1%, but wine declined by -3%. Agave spirits were up by +8% and are expected to grow at a CAGR of +5% to 2035.

"Africa is often cited as beverage alcohol's next frontier, and the demographics justify the attention," said Russell Menezes, Research Director - Africa and Middle East. "The population is young, fast-growing and rapidly urbanizing, a structural tailwind for beverage alcohol demand across multiple markets. Aspirational consumption is a recurring motif. Alcohol brands serve as symbols of social mobility for emerging middle classes even during periods of economic strain. South African consumers demonstrably trade up selectively for special occasions, and the same is true for other African countries, such as Nigeria, Tanzania, Ghana and Ethiopia."

However, these countries are also faced with economic challenges that are not temporary headwinds, but structural features of the trading landscape, and alcohol consumption is restricted or prohibited in some markets for religious or cultural reasons.

Downtrading — rather than premiumization — is the dominant consumer behavior, particularly in recent years, leading people to migrate from spirits to beer, from imports to local brands and from commercial products to artisanal or informal alternatives. Smaller, cheaper pack formats are enjoying explosive growth for affordability reasons.

Across Sub-Saharan Africa, locally produced products dominate, accounting for 97% of beer volumes in 2025, according to IWSR data, 80% of spirits, 87% of RTDs, 59% of wine and 71% of cider.

"There is no doubting the scale of the opportunity for beverage alcohol in Sub-Saharan Africa, but the path to capturing that opportunity is complicated by structural volatility, a persistent dominance of low-priced local and artisanal products and route-to-market challenges," said Menezes.

IWSR analyses the opportunities presented by three key Sub-Saharan Africa markets: South Africa, Nigeria and Kenya:

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NABCA & NLLEA: Inaugural Alcohol Compliance Training Program in Vermont

In an innovative partnership bringing together industry professionals and law enforcement, the National Alcohol Beverage Control Association (NABCA) and the National Liquor Law Enforcement Association (NLLEA) have initiated their inaugural Alcohol Compliance Training (ACT) program in Vermont.

The Vermont Department of Liquor and Lottery (VDLL) hosted this historic first training with NLLEA Executive Director Carrie Christofes welcoming attendees and introducing Commissioner Wendy Knight of the Vermont Department of Liquor and Lottery and Director of Public Policy Terrance Merriweather of NABCA.

Commissioner Knight delivered opening remarks: "I am grateful for Vermont to be the first state to officially host ACT Training," she said. "We appreciate the tough job of law enforcement and are proud of the important work you do in keeping your communities safe. This collaboration between NABCA and NLLEA marks a significant milestone in our ongoing efforts to promote responsible alcohol regulation and compliance."

"We are grateful to Commissioner Knight and to Vermont for hosting this inaugural training," added NABCA President and CEO Neal Insley.

Strong Nationwide Participation

ACT drew more than 50 attendees representing alcohol control and enforcement agencies from across the country:

- Colorado Liquor and Tobacco Enforcement Division
- Idaho State Police Alcohol Beverage Control
- Maine Bureau of Alcoholic Beverages and Lottery Operations
- Massachusetts Alcoholic Beverages Control Commission
- New Hampshire Liquor Commission Division of Enforcement
- New Jersey Department of Law and Public Safety, Division of Alcoholic Beverage Control
- South Carolina Law Enforcement Division
- Vermont Department of Liquor and Lottery

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