

Distillery Age



JANUARY 24, 2025 | MODERN DISTILLERY AGE

VOLUME 16 | NUMBER 2

Global Beverage Alcohol Market Set for Moderate Recovery in 2025

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

India, China and the U.S. will be key value growth drivers, adding \$30bn in incremental value by 2028; brand owners will have to navigate an increasingly complex macroeconomic and regulatory landscape.

Following declines in 2023 and continued challenges in 2024, global beverage alcohol is expected to begin its recovery in 2025, according to comprehensive new data and forecasts from The IWSR, the global authority on beverage alcohol data and intelligence.

For the first time in nearly 30 years, IWSR recorded a decline (-2% in 2023) in the volume of spirits sold in the key U.S. market. Meanwhile, global total beverage alcohol (TBA) declined —1% by volume and rose +2% by value (\$, variable exchange rate) in 2023. Excluding national spirits such as baijiu and shochu, global volumes were down -1% and value increased by +3%.

While some more positive signs are starting to emerge in 2024, the global TBA market remains subdued after several years of above-trend growth, with challenges expected to continue until 2025 as household spending rebalances after strong inflationary pressures of the past two years. TBA volumes are expected to edge up by only +0.4% this year.

When recovery comes, growth is expected to be relatively modest, with volume and value both rising at a CAGR of +1% between 2023 and 2028 with the main value growth coming from India, China and the U.S., the latter the only mature market forecast to add substantial TBA value in the coming years.

Together, India, China (including national spirits) and the U.S. are expected to add \$30bn in incremental value (at 2023 prices) by 2028 as the TBA growth axis continues to shift towards developing economies. The next two most value-adding markets are Brazil and Mexico.

Beverage alcohol's 2023 difficulties were driven by a rapid softening of demand as cost-of-living pressures mounted across major consumption markets combined with a strong rebound in inventories weighing on key categories.

The major volume growth market in 2023 was India. All major beverage alcohol categories (except rum and wine) increased their volumes here with both Scotch and U.S. whiskeys recording +7% volume gains. Elsewhere, markets including Colombia, the Philippines and Thailand all posted volume and value increases.

The U.S. spirits market (volumes down -2%) declined for the first time in nearly 30 years in 2023, and every major TBA category saw volume declines, except for tequila, some U.S. whiskey segments and RTDs. Looking forward, tequila is poised to add the most incremental value to the U.S. spirits market by 2028 driven by premium-and-above expressions.

China experienced volume declines across a number of categories amid concerns over slowing economic growth and rising unemployment among younger LDA consumers. International spirits grew by +2% as the on-trade reopened, but volumes of both Cognac (-3%) and malt Scotch (-11%) suffered falls.

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National Restaurant Association Appointments

The National Restaurant Association and the National Restaurant Association Educational Foundation (NRAEF) have announced their 2025 board officers, directors and trustees.

Richard "Rich" Schneider, Chief Development Officer of Areas USA, will serve as chair of the National Restaurant Association Board of Directors, and William "Bill" Kohl of Greenwood Hospitality Group, will serve as chair of the NRAEF Board of Trustees.

Vice Chair Mike Axiotis, CEO and president of Lehigh Valley Restaurant Brands, and Treasurer Jeanne Cretella, co-founder and president of Landmark Hospitality, complete the Association's 2025 Board leadership.

"The restaurant industry is a \$1.1 trillion driver of the U.S. economy. The opportunities for business and workforce growth within the restaurant industry have a significant impact on the strength of the U.S. economy," said Michelle Korsmo, president and CEO of the National Restaurant Association and CEO of the NRAEF. "The incoming leadership of our Association and Foundation Boards bring extensive experience in successful industry growth and passion for community connections that will ensure our Association and Foundation are indispensable partners to the restaurant industry in its success. Along with our new chairs, Rich and Bill, the newly elected Board members collective knowledge, experience and passion for the restaurant industry will be critical as we advance a thriving restaurant and foodservice industry."

Other NRAEF officers include Vice Chair Carrie Leishman, president and CEO of the Delaware Restaurant Association, and Treasurer Susannah Ryan, Head of Sales, National Restaurants for PepsiCo Foodservice.

"With jobs for more than 15.5 million Americans, the restaurant industry is America's training ground and a source of long-term career opportunities," said Rob Gifford, president of the NRAEF. "I look forward to working with Bill Kohl and the entire 2025 Board of Trustees to utilize the strength of our industry to build the restaurant workforce now and into the future."

Each of the officers serves a one-year term.

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