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Global growth of premium alcohol shows strength across categories

The global premium-and-above spirits market gained 6.7m nine-litre cases in 2015 versus 2014, a 5% uplift, according to the recently released IWSR 2016 database, showing a continued rise of consumers' appetite for quality over quantity.

Total spirits grew 0.5% globally in 2015 versus 2014, which equated to an additional 14.1m cases. However, excluding growth from national spirits* (+22.3m cases, +1.6%), the market shrank by 8.2m cases overall (-0.5%), with significant declines from vodka (-8.6m, -1.8%), brandy (-7.3m, -3.7%) and flavoured spirits (-4.3m, -2.7%). Whisk(e)y (+11.4m, +3.0%), gin and genever (+1.16m, +2.2%) and tequila (+1.15m, +4.2%) all grew.

The largest-growth spirits categories in the premium segment were whisk(e)y, gin, vodka, rum and tequila.

For whisk(e)y, the premium-and-above category added 3.9m cases between 2014 and 2015 (+7.3%). In comparison, standard whisk(e)y grew by 2.5m cases (+3.1%). Value whisk(e)y added 5.9m cases (+2.6%), but if you exclude India, the world's largest whisk(e)y market, value whisk(e)y declined by 2.3m cases. Premium whiskies grew strongest in the US (+2.5m, +14.6%), but also saw good growth in France (+169k, +11.0%), the UK (+136k, +7.6%), Canada (+130k, +8.5%) and Mexico (+126k, +10.0%).

The premium market for North American whiskies is booming. Total US whiskey was up 1.9m cases (+4.8%) in 2015 (+1.6m case growth in the premium segment, +8.5%), total Canadian was up 2.1m cases (+8.6%) (+1.5m in the premium segment, +26.2%). Scotch whisky declined -0.2% globally in 2015 (-166k), growth of the standard-and-above market fell just shy of the decline in the value segment. The largest growth came from the super-premium (+193k, +4.1%) and premium (+119k, +0.6%) segments.

The US market is driving growth of premium vodka, rum and tequila, while the UK is the key growth market for premium gin, where a revival of the gin and tonic trend and the ever-growing range of craft gins entering the market continue.

The top markets for super-premium spirits growth are the US (+435k, +3.3%), UK (+163k, +19.0%), Mexico (+141,000, +23.1%), Duty Free (+93.1m, +3.7%) and France (+64,000, 14.5%). The top growth markets for premium spirits growth are the US (+3.9m, +8.6%), UK (+422,000, +11.6%), Canada (+253,000, +8.2%), France (+250,000, +10.7%) and Australia (+176,000, +11.0%).

The premium segment is not only doing well for spirits; premium still light wine saw the largest growth of any category and premium sparkling wine has the third-largest growth behind premium whisk(e)y. Total wine consumption overall declined by -3.5m cases (-0.1%), whereas the premium-and-above market gained 13.8m cases in 2015 (+4.7%). Premium still light wine contributed 11.9m cases to this growth (+5.3%). The US posted growth of 4.8m cases (+8.7%) in the premium still light wine market and China added 4.1m cases (+35.5%). Even mature-market UK increased premium still light wine sales by more than 600,000 cases (+2.8%)

In 2015 global beer consumption declined by -0.6% (-122.8m) following a levelling-off of volumes in 2014. The top three growth markets were Mexico (+47.0m, +6.3%), Vietnam (+25.8m, +7.3%) and India (+10.5m, +4.0%). The largest declines were in China (-200.0m, -3.6%), Ukraine (-41.1m, -15.0%) and Brazil (-19.0m, -1.3%).

Cider continues its strong upward trend as new markets are established and innovation and flavours help drive growth in mature markets, with a 3.1% growth to reach 242.3m cases. The mixed drinks** category also remains in growth, adding 1m cases in 2015 (+0.3%) to reach 383.7m cases.

The overall picture was not looking so rosy for travel retail in 2015. Spirits declined -3.3% to 21.8m cases, wine declined -2.9% to 7.5m cases and mixed drinks declined -11.4% to dip below 250,000 cases.

*National spirits is dominated by baijiu and soju.
**FABs, pre-mixed cocktails and long drinks.

Total global beverage alcohol market

Category	Volume 2011	Volume 2014	Volume 2015	% change 2015 on '14	% CAGR 2010-'15
Beer	20,564,154.1	21,088,918.3	20,966,098.9	-0.6%	0.8%
Wine	3,428,067.7	3,472,644.2	3,469,124.8	-0.1%	0.9%
Spirits	3,038,242.3	3,113,868.1	3,127,982.2	0.5%	1.9%
Mixed Drinks	329,027.2	382,703.3	383,728.7	0.3%	4.1%
Cider	187,781.8	235,115.0	242,285.4	3.0%	6.0%

All volumes in 000's nine-litre cases

Source: the IWSR Database 2016

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About the IWSR
The IWSR is the leading source of analysis on the alcoholic beverage market. The IWSR's database, essential to the industry, quantifies the global market of wine, spirits, beer and mixed drinks by volume and value, and provides insight into short- and long-term trends. Our data is used by all of the largest multinational wine and spirits companies, as well as many more local companies.
The IWSR's unique methodology allows us to get closer to what is actually consumed and better understand how markets work. The IWSR conducts face-to-face interviews with 1,500 companies in 118 countries each year, with further input from 350 companies. The IWSR tracks overall consumption and trends at brand, quality and category level.