

Alcohol suffers global downturn in 2025

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By Oli Dodd

Total beverage alcohol (TBA) saw global declines in 2025, driven by "high inflation, political polarisation and international conflict", preliminary data from IWSR has revealed.

In total, TBA volume fell by 2% and value by 4% in 22 markets that account for 75% of the global alcohol market.

The declines were driven primarily by a drop in consumption of national spirits, particularly baijiu in China. With the national spirits category removed, the year-on-year TBA value was flat.

"2025 was a particularly difficult trading environment for the beverage alcohol industry," said IWSR president and managing director, Marten Lodewijks.

"In addition to continued economic challenges, the imposition of sweeping US tariffs and subsequent retaliatory measures caused severe disruption across the sector.

"Continued increases in the cost of living also put further pressure on discretionary spending, which includes beverage alcohol purchases, while a growing consumer focus on health, wellness, and moderation added further to the difficult market conditions."

Of the major categories, spirits performed the worst, declining by 4% in volume and 9% in value.

Wine continued its downward trend, dropping by 4% in volume and 2% in value, while beer consumption declined by 2% in volume but remained flat in terms of value.

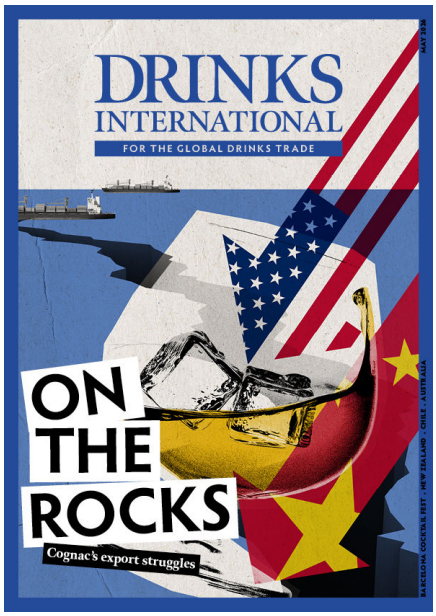
In rare positive cases, the RTD category continued its growth trajectory, growing by 2$ in volume and 4% in value, while non-alcoholic beer surged with volume growth of 8% and value growth of 12%.

"The long running trend of customers upgrading to higher quality products, known in the beverage alcohol industry as premiumisation, has been overshadowed by rising prices, alongside a consumer focus on optimising value for money spent," said IWSR head of global consulting, Luke Tegner.

The IWSR preliminary data, which accounts for roughly 75% of the global market by volume, has been released ahead of the analyst's full-year data for 160 markets, which will be published in the second quarter of fiscal 2026.

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