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India’s Growth Keeps the Global Whisky Market Afloat in 2026

A new industry review says rising demand for Indian and Irish whiskey is offsetting weakness in the United States, Europe and China’s luxury segment.

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The global whisky market is moving through a reset in 2026, not a collapse, as growth in India, Irish whiskey and some emerging markets offsets weaker demand in the United States, Europe and the luxury end of China, according to an international industry review dated July 17.

The report, based on trade data, company results and market research, describes a category that is still large and active but more selective than it was during the years when premiumization seemed almost automatic. Consumers are still buying whisky, but they are drinking less often and consuming fewer drinks on each occasion. That shift is putting pressure on higher-priced bottles, especially in mature markets, while helping more accessible products, cocktails, ready-to-drink formats and standard expressions with clear value.

One of the clearest signals comes from IWSR, the drinks market research group, which said global beverage alcohol volume fell 2% in 2025, the third straight annual decline. In its comparable reading of 22 markets that account for about 75% of world volume, spirits fell 4% in volume and 9% in value. Excluding domestic spirits, the decline was just 1% in both measures. Within whisky, Indian whisky rose 2% in volume and 3% in value in 2025, while Irish whiskey increased 2% in both.

That split helps explain why producers and distributors are treating 2026 as a two-speed year. India remains the main engine of growth by volume. The United States is still one of the most important pools of value for Scotch and a core market for American, Irish, Canadian and Japanese whisky. China remains important, but its role has changed as gifting and banquet-driven luxury demand no longer define the market the way they once did.

Trade figures show how concentrated global whisky commerce remains. The United Kingdom continues to dominate cross-border value through Scotch. According to World Bank WITS and UN Comtrade data for HS 220830, the U.K. reported $7.02 billion in whisky exports in 2024, compared with $1.53 billion for the United States and $1.13 billion for Ireland. Japan, Canada and India form a second tier by export value.

Those numbers do not reflect final consumption. India consumes huge volumes domestically through local brands. Some countries act as re-export hubs. And customs data measure shipments rather than what drinkers actually buy at retail or order in bars. Even so, the trade picture shows how strongly Scotch still shapes the international market.

Scotch exports reached £5.3 billion in 2025, equal to 1.34 billion bottles of 700 milliliters, according to the Scotch Whisky Association. That was down 1.8% in value and 4.3% in volume from a year earlier. The gap between value and volume suggests that pricing and mix helped cushion weaker demand. Single malt was hit harder than blended Scotch, with single malt export value down 6%, reflecting softer luxury spending and less gifting.

The United States remained Scotch's largest export destination by value in 2025. India became its third-largest destination by value and its largest by volume. That matters because India is already the world's biggest whisky market by consumption volume, though most of that demand is met by domestic producers.

India's total beverage alcohol market grew 4% by volume in 2025, according to IWSR data cited in the report, and whisky accounts for more than half of servings there. Imported spirits have also been growing quickly over time. But access remains uneven because taxes, licensing rules and distribution systems vary from state to state.

That complexity did not stop one of the year's biggest trade developments. On July 15, a trade agreement between Britain and India took effect, cutting India's tariff on U.K. whisky from 150% to 75% at the start of the deal, with a path to 40% by year 10. For Scotch producers, it is one of the most important access changes of the year. Still, lower tariffs alone will not guarantee immediate gains at retail because local taxes and route-to-market costs remain significant.

China also changed its tariff regime this year. On Feb. 2, it lowered its import tariff on whisky from 10% to 5%. That improves relative pricing for imported whisky, especially Scotch, which accounted for 84% of China's whisky imports by value in 2025, when total imports reached $445.5 million. But analysts caution that lower tariffs will not restore the old luxury model on their own.

The report says China's whisky opportunity now lies more in personal consumption, smaller groups, home drinking, small formats and fast delivery than in formal banquets or expensive gifting. That means producers may need different packaging, pricing and channel strategies if they want to grow there.

In the United States, another major policy shift came on April 30 when tariffs on Scotch were removed. That should help normalize shipments during the second half of the year because distribution is already established. But analysts warn that shipments can rebound faster than actual consumer demand if importers restock too aggressively.

American whiskey faces a more difficult balance between supply and demand than most other categories right now. U.S. exports fell 19% to $1.08 billion in 2025, according to DISCUS, the Distilled Spirits Council of the United States. The European Union was down 35%, Canada fell 57%, and Japan dropped 28%, though exports to the rest of the world rose 13%. Some of that decline reflects front-loading in earlier periods before trade deadlines, but inventory pressure is also a structural issue.

Domestic supplier sales for American whiskey held up better than exports but still slipped to $5.1 billion in 2025, down 0.9%. The report points to unusually high maturing inventory as one of the category's biggest risks. DISCUS estimated American whiskey inventories at close to 1.5 billion proof gallons at the end of 2024, roughly three times the level seen in 2012.

That does not mean all of that stock is surplus because much of it needs years of aging before release. But it does mean producers face higher capital costs and greater pressure to manage production carefully if demand stays soft or if discounting spreads.

Irish whiskey stands out as one of the cleaner demand stories this year. IWSR recorded growth of 2% in both volume and value across its tracked markets in 2025, even though sales were down 3% in the United States. Growth in India, Japan and Poland helped offset weakness elsewhere. At the same time, Irish whiskey exports fell 5% to €930 million, according to Bord Bia.

That apparent contradiction is not unusual in spirits because export data can diverge from consumer sales due to inventory timing, currency effects and differences between shipment data and sell-through at retail or on-premise accounts.

Japanese whisky remains smaller by export volume but strong in unit value and long-term ambition. WITS data show Japan exported $288 million worth of whisky and 11.3 million liters in 2024, below earlier peaks but still significant for a premium category

with limited aged stock. Producers continue to invest despite current uncertainty elsewhere in global spirits.

Nikka has committed ¥7 billion to its Yoichi distillery and plans to expand storage and maturation capacity by about 30% compared with 2019 levels as it pursues longer-term growth targets through 2034. That strategy reflects confidence that Japanese whisky can keep building internationally even if short-term conditions remain uneven.

Canadian whisky presents a steadier but slower picture. WITS recorded $219 million in Canadian whisky exports in 2024. At home, Statistics Canada said spirits sales fell 3.2% in fiscal year 2024-25 to C$6.7 billion, with whisky accounting for 29.6% of spirits value. The category remains important across North America but is also showing signs of moderation.

Europe offers scale but mixed momentum for imported whisky. Scotch exports to the European Union fell 9% by volume in 2025 while value slipped less sharply at 1.8%. France weakened while Germany grew; Spain improved by value despite lower volume; Türkiye stood out with a sharp rise of 43% in Scotch export value.

Markets such as Brazil, South Africa, Mexico, Nigeria and parts of the Middle East are also drawing attention from producers looking beyond mature economies. But analysts say those opportunities come with higher macroeconomic volatility, currency risk and regulatory uncertainty.

Consumer behavior helps explain why growth is becoming harder to capture even where interest remains strong. IWSR Bevtrac data for the first half of 2026 found that Gen Z had not abandoned alcohol consumption as some narratives suggested: participation was 74%, compared with 76% for adults overall. Millennials led at 81%, followed by Gen X at 77% and baby boomers at 71%.

The bigger change was intensity rather than participation. Average drinks per occasion fell to 3.9 from 4.4 a year earlier or so across comparable readings cited by the report. For whisky brands that means fewer occasions but more competition for each purchase decision.

Analysts say that environment favors products that can clearly justify their price through age statements, origin stories or service experience while also opening entry points through cocktails, highballs, miniatures or tasting packs. Among Gen Z drinkers surveyed by IWSR across multiple markets, 84% said they had consumed cocktails during the previous six months.

That trend matters because it suggests whisky cannot rely only on neat pours or collector appeal if it wants to recruit younger drinkers globally. Bars, travel retail shops and convenience-led channels may play a larger role when they turn whisky into an experience rather than simply shelf presence.

The report also stresses how difficult it is to put one reliable dollar figure on the size of the global whisky market this year. Six public estimates reviewed ranged from $62.29 billion to $131.9 billion for 2026 depending on methodology and scope. Grand View Research put it at $82.1 billion; Fortune Business Insights estimated $99.73 billion; Future Market Insights projected $131.9 billion.

That spread of roughly 2.1 times reflects major differences in what firms count: consumer sales versus supplier revenue; business-to-business versus business-to-consumer channels; alcoholic versus nonalcoholic products; geography; pricing assumptions; and whether inventory values are included indirectly through modeling choices.

For that reason, analysts behind the review avoided averaging those figures into one headline number and instead focused on comparable observations such as customs data, official export reports and company disclosures.

Corporate results released so far this year reinforce the uneven picture across spirits groups with large whisky exposure. Brown-Forman reported whiskey growth of +3% on a reported basis or +1% organically for fiscal year ended April 30 while ready-to-drink products rose faster at +11% reported or +7% organically. Pernod Ricard said India was up +11% reported or +6% organically while China was down -7% reported or -24% organically; its RTD business rose +26% reported or +16% organically through its latest period cited in the review.

Diageo said first-half organic sales were down -2.8%, with guidance for fiscal year organic sales down -2% to -3%, reflecting pressure especially in North America and China along with weaker volume expansion overall.

Trade policy remains one of the biggest variables for the rest of this year because tariffs affect pricing immediately while uncertainty can change ordering patterns before consumers alter their habits at all.

For American whiskey exporters especially, attention is focused on Europe ahead of Aug. 6 because a proposed EU tariff of up to30% on U.S.-made spirits remained suspended as of July 17 but could return if negotiations fail or political conditions change.

Canada also remains difficult for U.S.-made spirits because provincial restrictions have limited access even where tariffs are not the main issue; Alberta and Saskatchewan reopened earlier than other provinces cited by DISCUS.

Taken together, those factors lead analysts to a central scenario for full-year 2026 that calls for global whisky volume roughly flat within a range of -1% to +1%, with nominal value growth between0% and +3%. In that view, India and Irish whiskey continue to offset weakness in mature markets while Scotch benefits gradually from improved trade access without seeing an immediate surge everywhere.

A stronger outcome would require faster pass-through from tariff cuts into shelf prices and availability in India, steadier recovery in U.S. sell-through without heavy discounting and better performance from China without relying on old gifting patterns or luxury banquet spending.

A weaker outcome would likely involve renewed EU tariffs on U.S.-made spirits, continued restrictions in Canada, deeper consumer trading down across mature markets and broader discounting as producers try to clear excess stock.

For distillers and distributors alike, one message runs through nearly every part of this year’s market picture: shipments alone no longer tell enough of the story. In a slower-growth environment shaped by tariffs, inventory swings and more cautious consumers,

companies are being pushed to watch depletion rates, retail sell-through and stock levels much more closely than headline export totals or supplier sales might suggest on their own.

That shift may prove especially important over the next several months as producers decide whether recent trade openings represent real new demand or simply temporary restocking after policy changes took effect across some of whisky’s most important corridors this year.