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The high-end spirits market fell 10% worldwide in 2025

IWSR said the second yearly decline reflected a 25% drop in China, rising buyer skepticism toward manufactured scarcity.

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The global market for high-end spirits shrank for a second straight year in 2025 as buyers became more cautious, demanded clearer proof of value and turned away from what they saw as weak claims of rarity, according to a new study from IWSR.

The market research group said Tuesday that the global value of status spirits, excluding baijiu, fell by 10% in 2025. IWSR defines the category as spirits with a globally weighted average retail price of more than $100 a bottle. The decline followed another difficult year for producers and distributors that had already been dealing with slower luxury spending in major markets.

IWSR said the downturn deepened as economic and geopolitical pressures weighed on consumer confidence. The group pointed to tariffs imposed by the United States during 2025 as one factor that added to uncertainty. It also said the conflict in Iran has since added to the sense of instability affecting global spending on luxury goods.

The biggest weakness came from China, where the value of the status spirits market dropped 25%. The United States was more resilient, with a 6% decline, while duty-free sales fell 3%. IWSR said smaller and less mature markets gained share as buyers and brands shifted attention away from some of the most established luxury centers.

Performance also varied by category. Cognac fell 17% in value, hurt largely by weakness in China. Scotch whisky declined 9% but maintained its market share. Agave spirits were the only category to post growth, rising 2% in value. IWSR said agave spirits and Japanese whisky both found pockets of stronger demand in travel retail and in newer, less established markets.

Guy Wolfe, IWSR’s senior insights manager for status spirits, said the buyer base is changing even as the market contracts. He said producers are seeing more millennial and Gen Z buyers, especially in Asia, along with growing groups of newly wealthy consumers in Southeast Asia, Latin America and the Middle East.

Wolfe said those buyers have not abandoned expensive spirits, but they are asking tougher questions before they spend. In his view, high prices alone no longer signal desirability. Buyers want a rational and transparent explanation for why a bottle costs what it does.

That shift is reshaping how producers position premium releases. IWSR said one of the clearest changes is that buyers now respond better to products with verifiable scarcity than to limited editions launched mainly to create buzz. The study said skepticism has

grown around what it described as manufactured scarcity, especially when supply appears ample or when bottles quickly enter volatile resale markets.

In that environment, demand has held up better for private casks, bespoke bottlings and products backed by strong records of provenance and production quality. IWSR pointed to Sotheby’s Distillers One of One charity whisky auction as one example of continued appetite for truly rare spirits. The 2025 sale raised $3.1 million across 39 lots, beating expectations.

The report also said age statements have become a stronger signal of trust, especially as buyers search for simple and concrete markers of quality. Among consumers spending at the lower end of the status category, that behavior reflects pressure on disposable income. IWSR said those buyers are leaning more heavily on recognizable brand names, clearly stated age claims and smaller bottle sizes that reduce the upfront cost.

That trend has also shown up in Scotch whisky releases. IWSR said the number of status Scotch launches without an age statement has fallen over the past two years, while releases carrying age statements of 18 years or less have increased sharply. At the higher end of the market, distillers have expanded their permanent ranges with older expressions, helped by larger supplies of aged stocks.

Wolfe said the increased focus on age should not be read simply as nostalgia or a preference for tradition. He said it reflects a wider desire for features that can be checked and understood at a time when trust in broader claims of exclusivity has weakened.

Another major shift is the move beyond the bottle itself. IWSR said high-end spirits buyers are placing more value on access, experiences and community. Distillery visits, tasting sessions, private clubs, cask-owner groups and charity auctions are becoming more important parts of the luxury offer as buyers look for closer ties to producers and other collectors.

The study said this is one of the areas where brands are changing fastest. Instead of relying only on packaging or a higher age statement, companies are building programs that give buyers entry into networks and events. IWSR said the trend mirrors broader changes in the luxury market, where spending on experiences has been gaining ground against spending on physical goods alone.

The report also found that provenance is becoming more important than traditional pedigree, particularly in whisky. Producers from countries outside the industry's long-dominant origins of Scotland, the United States, Ireland and Japan are increasingly selling bottles above the $100 threshold. IWSR said those whiskies are now coming from places including India, Taiwan, China, South Korea, Australia, New Zealand, Israel and Denmark.

Without generations of heritage behind them, those newer producers are relying on other forms of proof to justify premium pricing. IWSR said the strongest tools include detailed local storytelling, tropical aging conditions, indigenous cask types, international awards and tightly controlled supply. Packaging is also being used to emphasize regional materials and local craftsmanship.

Wolfe said the common thread across the market is that buyers are responding to cues that can be independently verified. That could be an age statement, a private-cask pedigree, a competition medal or a provenance story tied to a specific place and production method. As the market adjusts to slower growth and more selective demand, IWSR said brands that cannot make that case clearly are likely to face a harder fight for luxury buyers' money.