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Traditional alcohol markets weaken as consumer habits evolve

Younger consumers drive demand for moderation and convenience over tradition

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The global alcoholic beverage market faced another year of contraction in 2024, with volume declining by 1% according to a new report from Vinetur titled "Analysis of the Global Alcoholic Beverage Market 2024: Trends, Segmentation, and Future Perspectives." Despite signs of economic stabilization, the market continued to struggle with inflation, changing consumer habits, and persistent pressures on traditional categories.

The report shows that while total global volume fell, the market's overall value rose modestly in 2023, with a 2% increase. However, this trend did not continue into 2024, as early indicators suggest value growth has been largely flat, with gains driven mainly by inflation rather than organic expansion or increased premium sales. Forecasts point to a moderate recovery beginning in 2025, with IWSR projecting a compound annual

growth rate of 1% in both value and volume through 2028.

One of the major changes noted in the report is a slowdown in the premiumization trend that has defined much of the beverage sector over the past decade. Premium wine and spirits have lost momentum, while premium beer remains resilient. The ready-to-drink (RTD) category and no/low-alcohol (NoLo) products continue to be among the fastest-growing segments, reflecting a shift in consumer demand toward convenience and moderation.

Geographically, the axis of growth is moving away from traditional powerhouses like the United States and China, both of which posted weak performance in 2024. Instead, emerging markets such as India, Brazil, and Mexico are becoming the main engines of value growth. This is accompanied by an increasingly complex trade environment, where low production levels, particularly in the wine sector, and high prices have created export challenges.

The wine segment continues to face the steepest structural decline. In 2024, global wine production dropped to 225.8 million hectoliters, the lowest figure since 1961. Consumption also fell to 214.2 million hectoliters, marking a 3.3% decline from the previous year and continuing a trend that began in 2018. Falling demand in China and the United States contributed significantly to the downturn. Europe remains the largest consuming region but has also experienced sustained decreases.

International wine trade has also weakened. In 2024, export volumes were flat at 99.8 million hectoliters, still below the five-year average, while export value dipped slightly to €35.9 billion. Bottled and sparkling wines accounted for most of the value, but bulk wine exports grew in volume and value, indicating increased demand for lower-cost alternatives.

Beer showed slightly more stability but still declined by 1% in volume in the top 20 markets. Production and consumption figures indicate a mature market with regional disparities. Asia and Europe posted declines, while Africa and Latin America recorded modest growth. Premiumization, especially in emerging markets, helped buoy value, with premium and super-premium beers gaining share. In the U.S., craft beer peaked, with more brewery closures than openings in 2024, indicating a shift toward market

consolidation.

The spirits sector, excluding national liquors such as baijiu and shochu, remained flat in 2023 and showed a small decline in 2024. The U.S. spirits market experienced its first decline in nearly three decades, with a 1.1% drop in revenue. Growth in RTDs offset some of this, but excluding premixed cocktails, revenue and volume both fell. Tequila, Indian whisky, and premium agave spirits remained notable exceptions, showing resilience or growth.

Trade in spirits also slowed, with EU exports falling by 7% in value to €9.07 billion in 2023. The U.S. remained the top destination for European spirits, despite a 27% drop in imports from the EU. American whiskey continued to dominate U.S. exports, which reached $2.23 billion. The growth of RTDs globally, especially spirit-based ones, has blurred category lines and forced traditional producers to adapt quickly to new consumption habits.

Overall, the global alcoholic beverage industry in 2024 reflects deepening structural shifts. Traditional consumption patterns are being reshaped by health-conscious younger consumers, economic constraints, and the demand for convenience. The industry's future appears tied to innovation, strategic investment in emerging markets, and adaptation to new consumer expectations.