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Global spirits market value hits $811 billion

Tequila, RTDs, and NoLo beverages drive growth in a shifting spirits landscape

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According to the latest report by Vinetur, published on May 7, 2025, titled "Analysis of the Global Distilled Spirits and Liqueurs Market 2024: Trends, Trade, Consumption, Production, and Competitive Landscape", the global market for distilled spirits and liqueurs in 2024 is experiencing recalibration and transformation. Following a slight contraction in global alcoholic beverage volume by 1% in 2023 and modest value

growth of 2%, preliminary figures for 2024 suggest a continued slowdown. Global volume is expected to contract by another 1% in major markets, excluding national spirits, placing global consumption volumes 2% below pre-pandemic levels from 2019.

Global trade in distilled spirits, classified under HS code 2208, reached a value of $42.9 billion in 2023, a 1.79% increase from 2022. The United Kingdom, France, and Mexico remained the primary exporters, driven largely by products like Scotch whisky, Cognac, and Tequila. The United States, China, and Singapore led imports, with the U.S. importing $10.8 billion worth of spirits. The threat of renewed trade wars and tariffs is a lingering concern for 2025, which could impact future trade flows.

The consumption landscape reflects complex dynamics. The total retail value of the spirits market was estimated at $811.261 billion in 2023, with a volume of 38.108 billion liters. In 2024, major international markets saw a slight decline of less than 1% in volume, continuing the subdued trend. Premiumization, once a major driver of growth, appears to be stagnating as consumers focus more on value. However, Tequila, spirits-based ready-to-drink cocktails (RTDs), and craft spirits continue to show strong growth. No- and low-alcohol (NoLo) beverages are also gaining momentum as part of broader health and wellness trends.

Global spirits production was valued at $128.9 billion at the manufacturing level for 2024/2025, but rising input costs are placing pressure on margins. Europe, especially the United Kingdom with €14 billion in production value in 2023, remains a key hub alongside the United States, China, and India. Sustainability initiatives and technological innovations are increasingly prioritized by producers as they seek to adapt to environmental and economic pressures.

The number of spirits-producing companies worldwide rose to 16,703 in 2025, representing a compound annual growth rate (CAGR) of 6.7% from 2020. Despite this increase, particularly in the craft segment, the market remains dominated by multinational corporations. Merger and acquisition (M&A) activity in the sector rebounded in 2024, driven by strategic shifts toward high-growth segments like Tequila, RTDs, and NoLo products.

Future projections indicate a modest recovery, with global total beverage alcohol (TBA) expected to grow by a CAGR of 1% in volume and value between 2023 and 2028. India, China, and the United States are projected to be the primary drivers of this value growth. However, the industry faces ongoing challenges, including economic uncertainty, geopolitical instability, and evolving consumer habits.

The report offers a detailed breakdown of global trade, noting that global exports of spirits grew steadily despite external pressures. U.S. spirits exports, driven largely by American whiskey, reached a record $2.4 billion in 2024. In imports, Hong Kong stood out with a 55% increase year-over-year in 2023, highlighting the importance of re-export hubs in global trade.

Average export prices have been rising over recent years, supported by premiumization and increased production costs. Yet, a slowdown in the super-premium segment is putting some downward pressure on prices. For instance, although the value of Scotch whisky exports decreased by 3.7% in 2024, the volume rose by 3.9%, suggesting a shift toward lower-priced offerings or a broader product mix.

The United Kingdom, France, and Mexico remain the top exporters by value, with products like Scotch, Cognac, and Tequila respectively forming the backbone of their trade surpluses. Conversely, the United States and China are the largest net importers, reflecting strong domestic demand for imported spirits. Tariff policies remain a significant factor in shaping trade flows, as demonstrated by the impact of EU tariffs on American whiskey exports between 2018 and 2021, and the recent recovery following the suspension of these tariffs.

In terms of consumption, although the spirits market remains resilient in value terms, volume trends show a slow decline or stagnation. Consumer behavior is shifting, with younger drinkers in particular embracing moderation and healthier lifestyles. This has resulted in a growing demand for NoLo alternatives, which are projected to expand at a CAGR of 4% between 2024 and 2028, with no-alcohol spirits expected to lead the category's growth.

The premiumization trend, once a key driver of value growth, is now fragmenting. While some categories like premium Tequila and craft spirits continue to perform well, traditional super-premium segments are facing headwinds. Consumers are increasingly looking for value — not necessarily lower prices, but a better quality-to-price ratio — and are showing willingness to switch brands if they perceive better offers.

Tequila and spirits-based RTDs are standout categories. In the United States, spirits-based RTDs grew 11% by volume in the first half of 2024. Tequila sales grew 2.9% by value during the same period, making it the only major spirits category to register volume growth. Craft spirits, particularly craft whiskey and gin, also show strong momentum, buoyed by consumer interest in authenticity, local production, and innovative flavors.

Production remains robust but faces rising challenges. Inflationary pressures on key raw materials and energy have increased costs. The supply chain remains vulnerable to disruptions, and climate change is starting to affect agricultural inputs like grains and agave. Producers are responding with greater investments in sustainable practices and technological innovation, including more efficient distillation processes and digital tools for quality control and supply chain management.

The competitive structure of the industry is changing. While the number of small distilleries is increasing, global volume and value are still heavily concentrated among a few multinationals. Diageo and Pernod Ricard continue to lead international sales, while Chinese giants like Kweichow Moutai dominate revenue through the massive domestic market for baijiu.

M&A activity in 2024 reflects the strategic priorities of major players, with acquisitions focused on high-growth segments like Tequila, RTDs, and NoLo beverages. Notable transactions include Diageo's full acquisition of DeLeón Tequila and its move into the no-alcohol spirits sector with Ritual Zero Proof. Private equity interest has also surged, with 41.5% of beverage sector M&A targets in 2024 being spirits-related.

Looking ahead, the global spirits market is projected to experience moderate but steady growth. The United States, China, and India are set to drive most of the value growth through 2028. However, companies must navigate a range of challenges,

including economic volatility, shifting consumer preferences, regulatory changes, and climate-related production risks.