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Global alcohol sales fell as consumers cut back

Premium drinks lost momentum in 2025, while no-alcohol beverages and RTDs posted gains in a weaker market

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The global beverage alcohol market weakened in 2025 as consumers pulled back on spending, premium products lost momentum and volume growth outpaced value for the first time in recent history, according to preliminary data from IWSR.

Across the world’s leading 21 markets, plus global travel retail, total beverage alcohol volumes fell 2% in 2025, while value dropped 4%. The shift marked a notable break from the long-running premiumisation trend that had helped lift the industry for years. Beer volumes declined 1%, spirits fell 1% excluding national spirits and 4% including them, and wine dropped 4%. Ready-to-drink beverages were the exception, rising 2% in volume and 4% in value.

IWSR said the downturn reflected a mix of high inflation, political instability, trade disruption and weaker consumer confidence. Marten Lodewijks, managing director and president of IWSR, said volatile political and trade conditions continued to shape drinking habits in 2025, while consumers became more selective about when and what they drank. He said people were going out less often and buying fewer categories when they did.

The pressure on household budgets was visible across most major markets. IWSR’s consumer research found that recalled spending on alcohol fell in every T21 market except China and India, where the research covers urban middle-class consumers. On-trade visits also remained weak, with no clear sign of recovery.

The slowdown hit premium products especially hard. Beverage alcohol value excluding RTDs fell 1% last year, and premium-and-above products matched that decline. Nearly half of the T21 markets recorded drops in those higher-priced tiers. In spirits, the premium-and-above segment lost share more sharply than lower-priced products. Super-premium-and-above spirits fell 15% in value in 2025 including national spirits, while standard-priced spirits declined 7%. Value-and-below spirits fell 4%, and premium spirits were down 5%.

Lodewijks said falling disposable incomes and weak sentiment had slowed or reversed premiumisation in many markets. He said shoppers were being cautious across both spirits and beer, with premium-plus segments performing worse than lower tiers.

The United States was one of the markets most affected by trade policy. IWSR said sweeping tariffs and retaliatory measures disrupted the drinks business in 2025, with exports of U.S. wine and spirits falling sharply, especially to Canada. Canadian retailers boycotted some products and removed them from shelves, while imports into the U.S.

were also hit.

The changing tariff environment created supply chain problems as well. Some importers stopped shipments while goods were still in transit, while others rushed to stock up before deadlines changed again.

Still, some emerging markets offered growth. India stood out with TBA volume up 4% and value up 5%, driven by gains across nearly all categories. IWSR said new trade agreements with the UK, European Union and New Zealand, along with an interim deal with the U.S., could support further growth there.

Other markets also posted gains, including South Africa, Thailand, Colombia and Mexico. Those results gave brand owners some of the few opportunities for organic expansion in an otherwise difficult year.

RTDs remained one of the strongest parts of the market. The category grew broadly across regions, with only China and Germany posting value declines. The biggest gains came in South Africa, Canada and Japan, with solid performances also in Mexico and Brazil. In the U.S., RTD value was flat overall because declines in hard seltzers offset growth in other segments such as pre-mixed cocktails. Wine-based drinks also benefited from tax advantages over spirit-based products.

No-alcohol drinks continued to gain ground as consumers looked for lower- or no-alcohol options tied to health and moderation trends. No-alcohol beer volumes rose 8% in 2025 even as the overall beer category fell 1%. No-alcohol spirits grew 7%, while alcohol-free wine variants gained in the UK, U.S., Canada and France despite weakness in the broader wine market.

Lodewijks said mindful consumption and wellness concerns supported growth across no-alcohol categories last year, with growth rates generally stronger than those of full-strength drinks.

Among international spirits categories, Irish whiskey and agave were rare bright spots. Irish whiskey volumes rose 2%, while agave increased 1%, even though both faced declines in their largest market, the U.S. Irish whiskey gained ground in India, Japan

and Poland. Agave grew in Mexico, Colombia and the UK. In both cases, growth came mainly from standard and premium price bands.

Local spirits played an important role in shaping category performance. Domestic Indian whisky added another strong year of growth, expanding by 5 million cases and nearly $500 million in value. Gin’s global performance was helped by local low-priced products in markets such as the Philippines and India.

National spirits such as baijiu in China and shochu in Japan continued their long-term volume decline. Baijiu also saw a sharper fall in value as China’s economic slowdown and new government restrictions weighed on high-end products.

Wine remained under pressure overall. Still wine volumes fell 5%, with notable declines in China, France, Germany, Italy, the U.S. and the UK. Even so, higher-end wines proved more resilient than affordable ones, suggesting some consumers continued to trade up despite weaker overall demand. No-alcohol wine also posted gains in several major markets as product quality improved through better technology.

IWSR said its value calculations used a fixed 2024 exchange rate to reduce distortions from U.S. dollar volatility.