

Gin and Japanese Whisky Post Double Digit Percent Growth in Global Travel Retail

Total Spirits Volume Increased 2.5% in Duty-Free Last Year

London – Overall spirits volume and value in global travel retail increased in 2018, strengthened by gains in several categories. In total, spirits volume grew 2.5% in the channel last year, to reach 24.5m nine-litre cases, with a value of US\$9.2bn.

The spirits categories which posted the largest volume increases in duty-free were Japanese whisky (up almost 20% vs. 2017), gin (15%), Scotch (4.9%), and U.S. whiskey (4.3%).

Over the next five years, IWSR forecasts that global travel retail volume will grow by 2%, led by cane spirits (6.7%), Japanese whisky (6.4%), and gin (6.2%). By region, spirits volume is expected to grow 3.6% in Africa and the Middle East, 2.4% in Asia Pacific, 2.3% in the Americas, and 1.2% in Europe (all figures compound annual growth rate 2018-2023). The retail value of spirits in duty-free is estimated to reach almost US\$10.4bn by 2023.

“Spirits growth in travel retail softened slightly in 2018, compared with the year before, but the positive news here for duty-free operators and spirits suppliers is that the channel continues to perform well,” says Sandra Newman, Travel Retail Research Director at IWSR Drinks Market Analysis.

Spirits in Global Travel Retail:

| Category | Region | Volume 2018 | Retail Value 2018 | % Change Volume 2017 to 2018 | CAGR Volume 2018 to 2023 |
|----------------|-------------------------------|-----------------|----------------------|------------------------------|--------------------------|
| Spirits | Total Global Duty Free | 24,509.5 | \$9,238,950.6 | 2.5% | 2.0% |
| Spirits | Duty Free Europe | 11,236.2 | \$3,091,954.0 | -0.7% | 1.2% |
| Spirits | Duty Free Americas | 5,385.8 | \$2,077,035.8 | 4.4% | 2.3% |
| Spirits | Duty Free Asia Pacific | 5,114.2 | \$3,215,560.7 | 6.5% | 2.4% |
| Spirits | DF Africa & Middle East | 2,773.3 | \$854,400.1 | 5.0% | 3.6% |

Units: 000's of nine-litre cases; 000's of USD

Source: IWSR Drinks Market Analysis 2019

Johnnie Walker, which for more than 30 years has been the top-selling brand in global travel retail, grew by almost 8% last year. Rounding out the rest of the top-5, in terms of 2018 volume, were Jack Daniel's, Chivas, Absolut, and Hennessy. Also interesting to note is the continued success of Aperol and Jägermeister in the bitters/aperitifs category. These brands posted the second- and third-highest increases in the channel (behind Johnnie Walker) in terms of absolute volume growth last year.

Top-Selling Spirits Brands in Global Travel Retail, Ranked by 2018 Volume:

| # | Brand | % Change Volumes 2017 to 2018 | CAGR Volume 2013 to 2018 |
|----|-----------------------|----------------------------------|-----------------------------|
| 1 | Johnnie Walker Scotch | 7.8% | 3.0% |
| 2 | Jack Daniel's Whiskey | 1.8% | 3.8% |
| 3 | Chivas Scotch | 4.5% | 1.5% |
| 4 | Absolut Vodka | -1.9% | -4.3% |
| 5 | Hennessy Cognac | -2.3% | 5.7% |
| 6 | Ballantine's Scotch | 5.9% | 1.8% |
| 7 | Baileys Cream Liqueur | -2.1% | 0.0% |
| 8 | Bacardi Rum | -3.3% | -4.0% |
| 9 | Smirnoff Vodka | -13.5% | -3.2% |
| 10 | Martell Cognac | 2.9% | 12.1% |

Units: 000's of nine-litre cases

Source: IWSR Drinks Market Analysis 2019

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About the IWSR

The IWSR is the leading source of data and intelligence on the alcoholic beverage market. The IWSR's database, essential to the industry, quantifies the global market of wine, spirits, beer, cider, and mixed drinks by volume and value in 157 countries, and provides insight into short- and long-term trends, including five-year volume and value forecasts. The IWSR tracks overall consumption and trends at brand, price segment and category level. Our data is used by the major international wine, spirits and beer companies, as well as financial and alcoholic beverage market suppliers. The IWSR's unique methodology allows us to get closer to what is actually consumed and better understand how markets work. Our analysts travel the world in order to meet over 1,600 local professionals to capture market trends and the 'why' behind the numbers.