

Travel retail sales of US whiskey jump 14% in 2017, says IWSR

By **Jas Ryat** on November, 22 2018 | Spirits & Tobacco



Travel retail was the third-biggest US whiskey export market in 2017 with annual sales growing by 13.9%, according to a new report.

Data from the IWSR and just-drinks showed that the international whiskies category as a whole (all whisky except Scotch) continued to grow in 2017.

From volumes of just over 270 million cases in 2013, sales broke through the 300 million case barrier in 2016 and rose 2.3% in 2017.

The revival of the US whiskey category continues to gather momentum, the report said. Global sales increased by 6%, led by the surging sales in the domestic US market, which rose 5.5% in 2017. The category's growth profile continues to attract new brand entrants, both multinational and craft.

Four of the top five US whiskey export markets posted growth in 2017 over 2016, with the fifth market – Australia – relatively flat at -0.8%.

The highest growth came from travel retail, the third-biggest US whiskey export market, at 13.9%.

Germany continues to lead the export markets, showing modest growth of 1.7%. The UK follows close behind and is showing such strong year-on-year growth it is forecast to surpass Germany as the top export market by 2020.

Irish whiskey sales are booming, rising by 10.6% in 2017. The category continues to show vast potential, growing in 42 of its top 50 markets in 2017, and at double-digits in 23 of those. Growing from a smaller base than other whisky styles such as Scotch, US, Canadian or Indian, it means there remains considerable headroom for growth.

There was less movement in the Canadian whisky category in 2017. Canadian whisky derives 94% of its sales from only two markets – the US and Canada. Sales in the US, which account for 80.7% of the global market, increased by 2.1% in 2017. Only five of the top 20 Canadian whisky brands posted growth in 2017 on 2016, so talk of a Canadian revival is premature, the IWSR said.

One of the hottest spirits trends in recent years, Japanese whisky, is still largely consumed in its domestic market (more than 95%). Consumption in Japan was up 9.2% on 2017.

While less than 6% of domestically consumed Japanese whisky is premium-and-above, the share of exports is over two-thirds. Export prices are higher, reflecting the premium image of Japanese whisky abroad where it is growing in leading markets France, the US, travel retail and the UK. However, growth prospects will be somewhat constrained by restricted supply for now, the report said.

While Indian whisky dominates the category in volume terms, it was flat in 2017 on the subcontinent, with consumption falling marginally. Despite this, the IWSR expects renewed robust growth for the category.