

Gin and Japanese whisky post double-digit growth in travel retail - IWSR

By **Jas Ryat** on July, 23 2019 | Spirits & Tobacco



Overall spirits volume grew 2.5% in the travel retail channel last year to reach 24.5 million nine-liter cases with a value of US\$9.2 billion, according to IWSR Drinks Market Analysis.

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

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

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\$10.4 billion 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,” said 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 Scotch whisky, 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 five by volume in 2018 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," noted Newman.