IWSR

drinks market analysis

2023 Methodology and Definitions

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Methodology

IWSR is the industry standard for tracking brand, market and category performance globally, with a database used by every international drinks company to follow market trends, both for competitive analysis and strategy and planning. IWSR has the widest industry buy-in of any research company, with more companies not only using our database but also sharing their data. This means that our clients can be confident that they are looking at the same figures as their peers.

IWSR is the only research company to interview the key players (importers, producers, distributors, retailers, Duty-Free operators) in around 160 countries globally each year. This builds a far better understanding of the dynamics of a market, and helps us to explain why certain trends occur and to adjust official statistics to match reality. It also allows us to cross-check other companies' claims, as local experts have a much better grasp of what is actually being sold, rather than shipped, in each country. Furthermore, in certain markets, by interviewing industry insiders, IWSR is able to reveal what may not be in official reports, but which is significantly impacting the market, such as grey market operators.

Our database enables users to see the major importers/distributors and their portfolios.

Retail Value

Historical pricing data is taken from our store checks across all our reporting markets. IWSR's price segments are based on a brand's retail price relative to other brands.

These price checks are the basis of our retail value data.

We have also released a 'net of tax value' database. Using data on taxes and duties on alcoholic beverages for each country, we deduct this from the retail value data.

This database therefore shows brands without the distortion of widely varying tax rates, allowing effective comparison across markets.

Please note that the value data in our database is calculated from the off-premise price (RSP) only, which is applied to total volumes (all channels). This is because on-trade pricing is very difficult to measure accurately, and by using the off-trade prices we have a consistent read which is more transparent to clients. In addition, the off-trade price is a reasonable proxy for the sell-in price to on-trade outlets.

This means that IWSR retail value understates total consumer expenditures, since it is in effect missing the on-trade outlet margin. IWSR offers on-premise pricing for certain countries as custom research.

Forecast

IWSR 2023 Forecast Assumptions

Inflation and Cost-of-Living Crisis

- In each market, we consider how inflation will impact consumers' disposable incomes, and what effect this will have on premiumisation vs down-trading, as well as on channel trends.
- Inflation tends to affect low-price/value brands the most, as consumers in those price segments are most sensitive to price rises. In higher-income countries, standard and particularly premium-and-above products are generally more insulated from inflationary pressures.
- IWSR has undertaken extensive data modelling to determine the sensitivity of beverage-alcohol consumption (in volume terms) to changes in inflation and GDP, plus considered these findings when determining individual country/category forecasts.

War in Ukraine

As well as the global impact of the war in Ukraine on energy and commodity prices, we also factor in the following:

- Potential consumer boycotts of Russian products that are likely to affect Russian brands, including Russian-sounding brands or even the vodka category as a whole.
- Disruption to Russian and Ukrainian outbound tourism, affecting markets such as Turkey and Cyprus.
- Disruption of shipments into Russia/Ukraine potentially alleviating allocation issues elsewhere.

Other Factors Considered

- Any residual supply-chain issues, where supply of a particular brand continues to be restricted; this is now believed to be fairly category- and country-specific.
- Covid-19 – applies to China in the early part of 2023, but all countries are now assumed to be free of restrictions. Phasing of post-Covid recovery also affects trends.
- Tourism – in countries with high incoming/outgoing numbers of tourists, any shifts in the nature of tourism post-Covid will impact beverage alcohol consumption, and we also factor in any swings between domestic Duty Paid and Duty-Free sales.

Forecast Methodology, Domestic Markets – May 2023 Release

(For Travel Retail forecast methodology, please see separate Travel Retail document)

IWSR's forecast methodology for FY 2023–27 for major markets uses a model that incorporates channel splits and seasonality by category, sub-category and price band.

- Historical data, including 2022 confirmed FY figures, is used as the base.
- We assess 'normal' seasonality between the on-premise and take-home sector, by month and by category (to surface seasonal hotspots).
- We consider the likely impact of inflation and the rising cost-of-living on the on-trade and off-trade (bricks and mortar and ecommerce), whether or not coinciding with seasonal hotspots.
- We also consider the sensitivity of beverage alcohol consumption to changes in inflation and GDP, determined through data modelling (multivariate analysis).
- Consumer read: we analyse the latest consumer data (Q1 2023) by category/sub-category and price segment, for an indication of latest market trends.
- This is then cross-checked and calibrated with Q1 2023 indications from brand owners, earnings results and other input information, and a FY 2023 forecast constructed.
- The 2024–27 annual assessment is done at sub-category and price-band level, based on: the likely return to long-term trends post-Covid and depending on the inflation/GDP outlook by market; plus other supply-chain, geopolitical or macro-economic factors as given above.
- Minor market forecasts essentially use the same framework and logic, but are built up at a less granular level.

Value Forecasts

Value forecasts are driven from the volume forecasts, with an average price per litre applied per category and price band. The price per litre is fixed at the current year rate, for all future years. We have chosen this simple approach because it is the clearest for our clients and considered the most robust approach by IWSR experts. This also enables clients to clearly see the impact on a category of changes in volume by price band – premiumisation vs down-trading.

Therefore, we have not added inflation to the value forecasts by way of a CPI multiplier. This is available on request (please contact your account manager). However, as stated in the Assumptions section, the impact of inflation on consumption volumes has been taken into account in our forecasts.

Why We Conduct Local Research

- It is essential in most countries to supplement and improve existing official figures and PR claims, and to refine central company shipment figures when given.
- In every country, we use any official/quasi-official statistical sources available, although these need refining to provide the detail required.
- Import statistics, as well as exporting country/trade body statistics, such as those of the SWA (Scotch Whisky Association) or CIVC (Comité Interprofessionnel du vin de Champagne), invariably do not match actual local consumption due to onward shipments, inclusion of Duty-Free, redirected goods in transit, or parallels/contraband

coming into the market, as well as stocks remaining in the trade.

Copies of country reports are sent to the companies we interview. This has led to many using the report locally and, as a result, providing feedback to improve each country report. This has helped to correct errors, as well as ensure continued co-operation in compiling the reports.

Demographic Data

- Per capita consumption is based on population data from the US Census.
- Unemployment data (used in the creation of forecast reports) is sourced from the International Monetary Fund (IMF).

Exchange Rates

Exchange rates are based on the annual average rate for each year, sourced from the UK's HM Revenue & Customs.

The one exception to this is Venezuela where price and value historic trends are volatile due to hyperinflation and the political and economic crisis. We have, therefore, applied unofficial (black market) exchange rates for 2011–18 instead of the official rates. 2019 prices are in US dollars as the economy unofficially switched to the dollar.

For Argentina, please note that we use the official US dollar/peso rate but, due to currency controls and a high local inflation rate, this means that the US dollar price and value data for Argentina appears over-inflated.

In Sub-Saharan Africa, local currencies are used in all countries.

It is also possible to use, for example, the 2019 exchange rates for all years by selecting 'Use fixed exchange rates' from the settings options in the online database.

IWSR Definitions

Consumption

IWSR tries to measure actual consumption in all countries – not shipments, imports or production.

In most cases, this means sales into the trade. All figures, official or otherwise, are adjusted where known stock, parallel, contraband or re-export issues occur.

As an example, the figures in our report on Paraguay are considerably lower than widely available import figures suggest. While we do use these figures, we only use them as a building block to arrive at Paraguayan consumption – after having taken into account the volumes at both brand and category level that are re-exported to Brazil and elsewhere. In turn, the Brazilian consumption figures use not only locally available figures, but also figures ex-Paraguay, among other sources (Uruguay, Duty-Free arrivals, etc). Please contact us where individual problems occur in reconciling your market data with ours.

Units

All volume data for wine, spirits and RTDs is given in thousands of nine-litre cases (000s 9LC) in reports, and by default on the IWSR website (theiwsr.com). These can be converted easily into other units of measurement in the settings.

Note: in the country reports (PDF files), units of beer and cider are displayed in thousands of hectolitres (000s hL) due to the enormous size of some of the markets.

Per Capita Data

Our online platform allows users to calculate per capita consumption, based on both entire population and population of legal drinking age (LDA).

Historical Data

The data available on IWSR's online platform starts in 1990 for most countries, otherwise data starts when countries came into existence or opened up to imports. Pre-1990 data is available for around 40 of the largest countries. If you require older information, please be aware that much of this data is not directly comparable with current data due to changes of methodology.

Country of Origin

All brands have a country of origin, which is where the brand is produced. Brands that are produced in more than one country are shown as 'international' (see definition below). **Please note that where a brand has been produced in more than one country historically and production has subsequently been consolidated into a single country, this indicator will continue to show as 'international'**. We apply this convention to avoid overloading the database with duplicate brand lines and to continue reflecting the historic situation of the market.

Forecasting by country of origin is only done when the relevant category is broken down by country of origin. If the category is not broken down by country of origin (all beer, cider and RTDs, and some categories within wine and spirits), then country of origin for all forecasts is assigned to 'international'.

Distributor

IWSR defines the distributor as the company that handles the distribution of each brand in any given market. In some cases, this is the brand owner; in others, it is a separate company. The exception is in the US, where a brand can have many different distributors due to the size and structure of the market, so in most cases, IWSR records the brand owner as the distributor in the US market.

International

To be considered an 'international' brand under IWSR's definition, a brand must:

- Sell in 30 countries or more. These 30 countries must include:
    - The United States;
    - At least three of the following European countries: France, Germany, Greece, Italy, the Netherlands, Poland, Spain, Sweden and the UK.
    - At least two countries from any two of the following regions: Asia-Pacific; CIS (includes Russia), Rest of Americas[†]; Rest of World[‡]; Travel Retail.

One brand is included in the list despite not selling in the US: Havana Club.

[†]Canada, Caribbean, South America.

[‡]Africa, Gulf, Middle East.

Local vs Imported

The origin of a beverage is defined as where the liquid comes from, not where it is bottled. The main exceptions are RTDs that are produced from imported bulk Scotch or Bourbon, for example, which can be local because much of the production is local (mixing, etc). Bulk-imported then locally bottled (for still wine, for example) is considered imported.

No/Low-Alcohol Products

The following no- and low-alcohol categories are included in the relevant major categories, from 2014 onwards:

- No-alcohol still wine; low-alcohol still wine.
- No-alcohol sparkling wine; low-alcohol sparkling wine.
- No-alcohol beer; low-alcohol beer.
- No-alcohol cider; low-alcohol cider.

Note: No-alcohol spirits are included under spirits as of 2019.

No- and low-alcohol product thresholds by category are as follows:

Category	No-Alcohol	Low-Alcohol
Still and Sparkling Wine	0.0 – 0.5% ABV	>0.5 – 7.5% ABV
Spirits and Spirit Alternatives – Liqueurs	0.0 – 0.5% ABV	>0.5 – 10.0% ABV
Spirits and Spirit Alternatives – Non-Liqueurs	0.0 – 0.5% ABV	>0.5 – 30% ABV
Beer	0.0 – 0.5% ABV	>0.5 – 3.5% ABV
Cider	0.0 – 0.5% ABV	>0.5 – 3.5% ABV
RTDs	0.0 – 0.5% ABV	>0.5 – 3.0% ABV

Specifically, by category, no- and low-alcohol products include:

- **Still and Sparkling Wine** De-alcoholised wine and reduced-alcohol wine products that are explicitly marketed on this basis.

- **Spirits** Distilled non-alcoholic spirits; reduced-alcohol spirits explicitly marketed on this basis.

- **Beer** De-alcoholised beer; reduced-alcohol beers; clear malt beverages; opaque malt beverages; beer/fruit mixes such as radlers.
- **Cider** De-alcoholised cider; reduced-alcohol cider (excludes apple juice).
- **RTDs** Reduced-alcohol RTDs explicitly marketed on this basis.

Ownership

'Owners' refers to the ultimate parent company. Changes are made to the database as soon as regulatory approval has been received for a merger/acquisition/disposal. Ownership is based on majority ownership (>50%) and reflects the position at the point when the data is released each year (end-May).

The ultimate parent company is the **corporate entity operating in the beverage alcohol or related industry**. If the ultimate holding company is a finance house such as a private equity company, the parent company in the IWSR database is the **beverage alcohol (or related) industry entity** owned by the finance company.

- For example, the parent company of Whyte & Mackay is Emperador, the Philippines drinks business (not Alliance Global Group, the ultimate holding company, which is a conglomerate).
- The parent company of Loch Lomond, Glen Scotia and Littlemill is Loch Lomond Group and not Hillhouse Capital, its private equity investor.

Others Brand Lines

Depending on the market and the category, 'others' can refer to multiple smaller brands where we are unable to track individual brand volumes; private labels or tertiary brands; or direct-to-consumer (D2C) sales (from vineyards, for example), etc. We also use 'others' to make up known category totals, for example where we have reliable trade and in-market information.

Private Label

- A private-label product is manufactured by a contract or third-party manufacturer and sold under a retailer's brand name. The retailer specifies all the product parameters – ingredients, packaging, labelling – and pays to have it produced and delivered to the stores.

- The retailer brand can be the retailer's own name (eg, Tesco Gin) or a name created exclusively by that retailer (eg, Glen Orchy, the Lidl own-brand whisky). In some cases, a retailer may belong to a wholesale group that owns the brands that are available only to members of that group.

Pricing Data

The pricing data in the reports is based on store checks conducted in each of the countries visited by our researchers. They are usually taken from the largest supermarkets. In a large consumer country, they are conducted across three to five stores, usually super- or hypermarkets, as well as a specialist store. In smaller consumer countries, they are likely to be taken from between one and three stores. In countries where ecommerce is widespread, store checks may be conducted on key online retailer websites. For 2020 prices, where market visits were not possible, prices were researched from local ecommerce sites.

Wherever possible, the same stores/websites are visited at roughly the same time each year to give some degree of consistency. The prices given in the report reflect the lowest price found for a brand, excluding promotional pricing. No pricing information is available for any on-premise sector, due to the very wide range of prices, as well as the difficulties involved in measuring this.

Prices in reports are given in local currency. Via theiwsr.com, these can be converted into US dollars or euros. The bottle sizes to which they refer are shown in centilitres (cl) alongside the price.

Note that, in Venezuela, the local currency used for retail prices in 2019 is the US dollar, as the economy unofficially switched to the dollar following years of hyperinflation.

Be aware that the store checks are part of the research process, so that we can check what is on sale and determine how the market might segment.

These price checks allow us to calculate the retail value. Estimations are made for the price of ‘others’.

Net Tax

The purpose of our net tax data set is to show data that better represents value of beverage alcohol to the producer and/or seller, by removing the proportion of retail price that is directed to tax. The collection of net tax data began in 2013.

VAT/sales tax, excise duty on alcohol and import tariffs (on imported goods) are the main additions to price and value. In some markets there are additional other taxes that apply, such as port fees and special taxes applied to certain products, which are also accounted for where relevant.

IWSR data without tax is calculated by establishing the rates for these taxes/duties as applied to each beverage-alcohol category in each market. These rates are used to calculate the proportion of retail value for each brand that is accounted for as tax, and removing that from the retail price attributed to each brand in the database. This leaves a value figure that has been stripped of the proportion lost to tax.

The RTD category is not covered in the net tax data set due to the diverse nature of the category. Standard tax rates for products falling within IWSR's RTD category are not often specified. Tax rates often vary within the category and in most markets, taxes are calculated according to the alcohol base.

On/Off-Premise Methodology and Notes

On/off splits for volume are available online via the IWSR database from 2015 onwards and are updated every year. Splits were initially given at brand-line level but, as of the 2020 data release, splits are available at price-segment level only, in order to provide a more reliable measure. The core source of this information remains meetings with local companies in markets.

Notes:

- Often this sort of information is not readily available in the interviews. In these cases, the generally perceived on/off split of the category is applied by IWSR.
- Often those interviewed quote percentages from other sources or provide very vague numbers based on generally perceived category splits.
- In the largest market of all, the US, very few companies think in terms of on/off at a country level, or, if they do, only in the vaguest way.
- There are some grey areas of definition. Very loosely, IWSR's numbers are based on point of purchase, not point of consumption. Different outlet types are classified as follows:
    - **On-premise** Bars/pubs, nightclubs, hotels, clubs, restaurants, outdoor venues/events.
    - **Off-premise** Hyper- and supermarkets, specialist stores, traditional retail, Cash & Carry (see below), discounters and online sales. Duty-Free/Travel Retail purchasing for domestic consumption is treated as off-premise.
    - Buying in off-trade outlets for on-premise consumption (at Cash & Carrys, discount stores, etc) is generally treated as off-premise as it is impossible to treat in any other way. However, we cannot be sure that all providers of information do so.
    - Ecommerce (see below).

Ecommerce

- Ecommerce, also known as electronic commerce or internet commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions. For alcoholic beverages, this covers the ordering of products online, with delivery direct to the consumer, or via collection from a designated point (usually a supermarket), described as Click & Collect.
- Currently, most alcoholic beverage ecommerce occurs in the off-premise channel, ie, consumers ordering for drinking at home. However, some sales by ecommerce are on-premise venues purchasing to sell in the on-premise, and it is also possible for consumers in the on-premise channel to make ecommerce transactions, for example by pre-ordering drinks via an app to drink later at a bar. Overall, on-premise sales by ecommerce are believed to be very small, so for the purposes of the data we assume all ecommerce to be off-trade.

The IWSR sub-divides ecommerce into the following channels:

- **Omnichannel** Digital turnover element of omnichannel operators (retailers with B&M sales at the forefront). Includes both home delivery and Click & Collect. Retailers can be general grocers (eg, Tesco, Carrefour) or specialist beverage alcohol players (Majestic, Total Wine).
- **Online Specialists** Digital turnover element of retailers with a predominantly online presence. Can be general grocers (Ocado) or specialist beverage alcohol players (Master of Malt, Wine.com). Includes online subscription clubs (Naked Wines, Craft Gin Club).
- **Marketplaces** Digital turnover element of retailers that permit and/or facilitate selling by third parties. Includes sales by the retailers themselves and by third parties. Can be generalists (eg, Amazon, eBay, JD, Mercado Libre) or specialist beverage alcohol players (Vivino).
- **On Demand** Operators acting as middle-man between retailer and consumer that facilitate the online payment and delivery of goods. These do not typically hold stock or maintain their own warehouses. Can be generalists (Deliveroo, Rappi, Uber Eats, Glovo) or specialist beverage alcohol players (Drizly).
- **Direct to Consumer (D2C)** Digital turnover element of direct-to-consumer sales by alcoholic drinks producers.

The following general points should also be noted:

- To count as ecommerce, the commercial transaction (payment) must take place online.
- While some retailers sell both directly and via other channels (such as marketplaces or on-demand), these sales are included only once, in the channel that ultimately serves the consumer.
- Implied or overt reselling (eg, auctions, C2C sales) that does not constitute real consumption is excluded.

Ecommerce Research Methodology

In order to be able to accurately size the ecommerce channel by alcoholic beverage category, and to capture the trends in this very dynamic part of the market, we blend a number of research methods:

- Retailer interviews are conducted by our experienced country researchers. These are supplemented by further in-market interviews with drinks industry suppliers and distributors.
- For the top 10 markets, consumer research is undertaken by the IWSR using our trusted panel partner in Q3 2022. This will be updated in Q3 2023 as part of our Ecommerce Strategic Study series.
- Our team of analysts undertakes extensive additional research across a broad spectrum of publicly available sources, including published company reports, trade press and specialist ecommerce sources.
- This comprehensive range of sources is then analysed by our country experts to size the ecommerce channel in alcoholic beverages down to category level, and determine both historic and future trends.

Ecommerce Values

- Ecommerce values are included for the major spirits, wine and beer categories (whisky, vodka, rum, still wine, sparkling wine, Champagne, etc). The ecommerce values for the most important ecommerce categories in each market are provided in local currency, euros, and US dollars. Less important categories will be included in ‘other spirits’, ‘other wine’, etc.

Grey Market Definitions

Parallel Importing Where large margins between official supplier and distributor/retailer are undercut by a third party. Parallels pay local taxes in the country where they are bought and sold.

Contraband/Smuggling Covers goods that pay no tax or duty on entering a country.

Carryback There are two types of carryback. The first is essentially Arrivals Duty-Free, where goods are bought in Duty-Free/travel retail outlets to be consumed or sold in domestic markets. This can be organised, or simply done by individuals. The second is cross-border shopping, such as the cross-Channel business and purchasing across borders in Scandinavia/Germany.

Leaks from Duty-Free Covers supply direct from a Duty-Free supplier back onto the local markets.

Product Definitions

Wine

Still Wine

Still wine is defined as wine that is made by the fermentation of grapes up to a strength of 15% ABV. Total market volumes are broken down by country of origin, but not by grape type or age. The markets are split by colour, and each country of origin by price point. Wine splits by colour are sourced from a combination of official statistics (export and local where relevant) and estimates based on local market consensus and feedback.

The following enhancements to the still wine data were first added in the 2019 release:

Organic Wine

Organic wine by volume is included for 2012 onwards.

The definition of an organic product is specific to the local market. The two most significant guidelines are the US and European Union (EU):

- **EU** A wine can be defined 'organic' when it is produced according to the Regulation of the European Commission (EC) No 203/2012, that is: (in the vineyard) produced from 'organic' grapes; (in the cellar) produced using only products and processes authorised by the Regulation (EC) No 203/2012. Until 2012, there were no EU rules or definition of 'organic wine'. Only grapes could be certified organic, and only the mention of "wine made from organic grapes" was allowed. In February 2012, new EU rules were agreed. The new regulation has identified oenological techniques and substances to be authorised for organic wine, including a maximum sulphite content (set at 100mg per litre for red wine and 150mg per litre for white/rosé).
- **US** Before wine can be sold as organic, both the growing of the grapes and their conversion to wine must be certified. This includes making sure grapes are grown without synthetic fertilisers and in a manner that protects the environment and preserves the soil. Other agricultural ingredients that go into the wine, such as yeast, also must be certified organic. Any non-agricultural ingredients must be specifically allowed on the National List of Allowed and Prohibited Substances and cannot exceed 5% of the total product. And, while wine naturally produces some sulphur dioxide (sulphites), they cannot be added to organic wine. Sulphites are commonly added to wines to stop the fermentation process or preserve the flavour profile.

Wine by Region and Varietal

These are the individual wine regions, relevant in export markets, that are identified by volume for 2014 onwards. Please note that within Old World country reports, there may be more regions included that are relevant to that particular country.

Old World

Alsace	France	Toscana	Italy
Beaujolais	France	Trentino, Alto Adige and Friuli	Italy
Bordeaux	France	Veneto	Italy
Burgundy	France	Dão, Bairrada and Douro	Portugal
Languedoc	France	Vinho Verde	Portugal
Loire	France	Cariñena	Spain
Provence	France	Catalunya	Spain
Rhône	France	Navarra	Spain
Mosel	Germany	Penedès	Spain
Pfalz	Germany	Rías Baixas	Spain
Rheinhessen	Germany	Ribera del Duero	Spain
Tokaj	Hungary	Rioja	Spain
Lazio	Italy	Rueda	Spain
Piemonte	Italy	Valdepeñas	Spain
Sicilia	Italy	Valencia	Spain

New World

The following wine varietals are identified at a global level for the key New World exporters (Argentina, Chile, Australia, New Zealand, South Africa and the US). Please note that, within New World country reports, there may be more varietals included that are relevant to that particular country.

Cabernet sauvignon	Pinot noir
Carménère	Pinotage

Chardonnay	Sauvignon blanc
Chenin blanc	Shiraz/Syrah
Malbec	White grenache
Merlot	White zinfandel
Pinot gris/Pinot grigio	

Sparkling Wine

Sparkling wine covers Champagne and other sparkling wine. All markets are broken down by country of origin, but not colour/grape type or age.

- **Champagne** The generic term referring only to sparkling wines from the Champagne region of France.
- **Other Sparkling** Covers all wines not classed as Champagne, and would cover wines usually produced by one of the following methods:
  - **Traditional Method (Méthode Champenoise)** – where fermentation has taken place in the bottle.
  - **Transfer Method (Cuvée Close/Charmat)** – bulk fermentation, which is then subsequently bottled.
  - **Carbonated** – where wine has had gas added to make it sparkle. (Inevitably in some markets, such as Italy, where no clear statistics exist, some carbonated wine is included under still wine.)
  - **Other Other Sparkling** – is split between flavoured sparkling wine, Prosecco, Cava, Asti, Lambrusco, semi-sparkling (bottled under lower pressure) and other sparkling wines. In Italy 'slightly sparkling' wines are commonly known as 'frizzante'.

Fortified Wine

These wines are still wines which have had alcohol/spirits added to fortify them, ie, increasing their strength to 16–22% ABV.

- **Sherry** Fortified wine made in, and only in, the Jerez region of Spain, eg: La Guita; Muyfina Manzanilla; Tio Pepe.
- **Sherry-style** Wine made in a similar way to sherry, not from Jerez. The key countries producing this sort of wine are the US, Australia, South Africa and New Zealand, eg: Fairbanks; Taylor; McWilliam's; Ship; Cellerman.
- **Port** Fortified wine made in the Upper Douro region of Portugal, shipped from the port of Oporto, and fortified by the addition of Portuguese grape brandy, eg: Cruz; Cálem; Cockburn's.

- **Port-style Wine** Made in a similar way to port, not from the Douro region. The key countries producing this sort of wine are the US and Australia, eg: Fairbanks; Stanley Cask Port; McWilliam's Royal Reserve Port.
- **Madeira** Wine produced on the island of Madeira, perceived as a similar, but distinct product, eg: Cruz; Blandy's; Barbeito.
- **Other Fortified Wine** Comprises all other fortified wines, often defined by their region of origin. Some of the major types are (see over):

Other Fortified Wines	Country of Origin
Hanepoot A fortified dessert wine made from Muscat of Alexandria grapes eg Jonkershoek; Lombards.	South Africa
Kommandaria A dessert wine produced from sun-dried grapes, eg: Altar Wine; Commandaria St John.	Greece; Cyprus
Marsala A dessert wine produced in the Marsala area of Sicily. Available in dry, semi-sweet and sweet versions. Examples include Pellegrino; Florio; Lombardo.	Italy
Malaga A sweet fortified wine originating from the Spanish province of the same name. Examples include: Malaga Larios; Cruz Malaga.	Spain
Malmsey Also known as Malvasia and Malvazia; was historically grown in the Balearic and Canary Islands and on the island of Madeira, but for a time was produced in many winemaking regions. The term 'Malmsey' is now almost exclusively used for the sweet variety of Madeira.	Portugal
Mavrodaphne A traditional dessert wine from the Peloponnese region. Brand examples include: Kourtakis; Boutaris.	Greece
Montilla Produced in the Montilla and Moriles areas of Spain. Brand examples include: Alvear CB Fino; Gran Barquero.	Spain
Muscat A dessert wine traditional to Samos and to Portugal – known as Moscatel de Setubal.	Samos (Greece); Setubal (Portugal)
Pineau and Flocs A 'vin de liqueur' made by adding grape must to Cognac EV. Produced in western France, brands include: Reynac; Jules Gautret; Hardy.	France
Vin de Liqueur Made by adding fruit must to a high-strength regional spirit, eg: Calvados in the Pommac area. Examples include: Domaine Labet Macvin du Jura.	France
Vin Doux Naturel (VDN) Naturally sweet wine originating from France (Languedoc-Roussillon and Southern Rhône regions). Fermentation is halted early by adding grape spirit to kill the yeast. Can be red, white or rosé.	France

Light Aperitifs

Covers a range of drinks that are drunk as aperitifs, but are wine-based rather than spirits-based, though they are often fortified. There are three groups:

- **Vermouth** An aromatised, fortified wine that must be flavoured with at least one herb from the Artemesia wormwood family, with an ABV of at least 14.5% and not more than 22% ABV. Vermouth is most closely associated with Italy and France, and includes brands such as Cinzano, Martini, Noilly Prat and Riccadonna, among others.
- **Wine Aperitifs** Other aromatised wines, usually fortified and based on botanicals other than Artemisia, such as chinchona bark (quinine), gentian root, fruit, etc. Includes brands such as Lillet, St Raphael, Dubonnet, Byrrh, Ambassadeur and Rosso Antico. ABV is around 13.5–18%.
- **Fruit-based Aperitifs** Similar to wine aperitifs, but fruit- rather than grape-based. Scandinavia and France are key markets, with brands such as Caprice Kir; Red Gold; Cherry Rocher Guignolet. ABVs typically around 15%.

Other Wine

Refers to all other wine products that have been fermented, not distilled. Such products include:

- **Flavoured Wine** Made from the fermentation of grapes to which a flavour has been added. Includes wine flavoured with fruits/spices, such as glühwein, ginger wine and tonic wine. Major markets are Spain, the US, France and Germany.
- **Rice Wine** Typically made in various Asian countries, but most notably sake in Japan and similar products in South Korea (eg, cheongju) and China (eg, huangjiu). ABVs of 14–22%.
- **Fruit Wine** Made from berries (usually) or cherries. Includes fortified fruit wine (eg, the Blossa Glögg brand in Sweden), sparkling and still fruit wines.
- **Other Base Wine** A 'catch-all' for products not easily categorised in any of the above definitions.

Spirits

Agave-Based Spirits

Spirits produced from agave, a succulent native to the Americas. Most closely associated with Mexico, though some are now made in other countries.

- **Tequila** Produced in the Mexican state of Jalisco from the blue agave species (Agave tequilana). Regulations allow for the addition of non-agave-sourced sugars to the mash, up to 49% of the total fermentable sugars, in which case the tequila is called **Mixto**. If made from pure agave, it is designated **100% Agave**. ABV must be at least 35% ABV.
    - **White Tequila** (aka blanco, silver or plata) – a clear spirit aged for no more than 60 days.
    - **Gold Tequila** Includes **Joven** (can be a blend of aged and unaged tequilas but more commonly unaged tequila treated with caramel, glycerine and oak extract to alter the colour and flavour), **Reposado** (aged at least two months), **Añejo** (aged at least one year) and **Extra Añejo** (aged at least three years).

- **Cristalino** A new category of tequila that has been aged and then filtered through charcoal to remove colour. Can be Reposado, Añejo or Extra Añejo.
- **Flavoured Tequila** Has been flavoured with a non-regular source of flavour, usually fruit or spice. Age band is Joven. Examples include:1800 Coconut Tequila; Gran Centenario Baby Mango, etc.
- **Mezcal** Can be produced from over 30 agave variates and species in several Mexican states that fall under the 'Mezcal Geographical Origin'. For mezcal, the agave plants are cooked in fire pits in the ground, while for tequila, the blue agave is steamed in industrial ovens. Although not normally aged, mezcal can be aged, in which case the same terms and maturation durations used for tequila are applied. ABV ≥40%.

- **Other Agave-Based Spirits** Includes non-mezcal Mexican spirits such as (classified as Joven):
  - **Bacanora** Produced 100% from the Agave Pacifica plant, which is native to Sonora, Mexico. Brand examples include: Batuq; Mazot; Santo Cuviso. ABV 40%.
  - **Raicilla** Regional to the south-western Mexico, Raicilla has two geographical types: coastal (comprising primarily Agave Angustifolia and Agave Rhodacantha); and mountain (primarily Agave Maximiliana Baker and Agave Inaequidens). Brand examples include: Estancia; Manik; Balam; La Venenosa. All raicilla is 100% agave. ABV ≥40%.
  - **Sotol** Produced from the Desert Spoon (Dasylirion), a wild-harvested relative of the agave plant, as well as agave-based spirits produced outside Mexico. Brand examples include: Oro de Coyame; Desert Door; Clande. ABV typically 38%. Products may be aged, using the same duration times as for tequila.

Brandy

Brandy in the broadest sense refers to any distilled fruit wine, though it is most closely associated with distilled grape, which for most production. It is usually, though not always, aged.

- **Cognac/Armagnac**
  - **Cognac** Refers only to brandy made in the delimited areas of the Charente and Charente-Maritime provinces of western France, and which meets certain criteria relating to grape types and ageing. Must have an ABV of at least 40%.
  - **Armagnac** Comes from the Armagnac region in south-west France. Must have an ABV of at least 40%.
- **Other Brandy** is divided as follows:
  - **Grape Brandy** Covers traditional aged brandy made outside Cognac or Armagnac, ie (other) French, Spanish, Italian, Armenian, South African brandy, etc. To segment this category, use 'Country of origin' in the online database or look in the individual sections of the country reports. There is a flavoured sub-category to cover flavoured versions of some brands.

- **Grape EDV (Eaux de Vie)** Usually distilled using pot stills or short column stills to produce a characterful spirit. It is not usually aged, although can be in some cases. Often produced from the remnants of the grape once it has been pressed and the juice extracted (ie, the grape skins and pips), in which case it is known as pomace brandy or marc. Italian **Grappa** and Greek **Tsipouro** are examples. It can also be produced from wine in the case of **Pisco** and **Singani**. Other grape EDV includes grape spirits produced in Eastern Europe and the Balkans and collectively knowns as **Rakia/Rakija**.
- **Spirit Brandy** refers to brandies that include non-fruit derived neutral spirit in their manufacture. This includes **Cut Brandy** (aka Brandy Verschnitt, Dutch Vieux brandy) in which grape spirit has been stretched through the addition of neutral spirit, popular in the Philippines and India, and **Ersatz Brandy**, which is a brandy-styled spirit that does not use any grape at all in its production, mostly found in Brazil.
- **Other Other Brandy** Refers to drinks that do not strictly fit into the above, but nevertheless compete directly with brandy. These drinks usually have brandy as a base or flavour eg **Vinjak** in Croatia and Serbia.
- **Fruit Brandy** refers to brandy produced from fruit other than grape. This includes: Calvados (a French aged apple brandy produced in the region of Calvados, in Normandy) and Other Fruit Brandy, typically aged non-grape fruit brandies.

Cane

Cane is usually produced from sugar cane juice rather than molasses, and is divided between cachaça – the Brazilian-made cane spirit (38–50% ABV) – and cane spirits made elsewhere in the world, such as aguardientes found in other Latin American countries (29–60% ABV).

Flavoured Spirits – Aniseed

'Aniseed flavoured' refers to the underlying flavour of aniseed. This set of drinks is split between dry and sweet sub-categories.

- **Dry Aniseed** Includes **Pastis/Anis** of French origin, **Ouzo** of Greek/Cypriot origin, **Raki** (which is Turkish), **Absinthe**, and **Arak**. They taste very similar and are usually drunk with water.
- **Sweet Aniseed** Much more liqueur-type drinks. **Sambuca** is of Italian origin but can be made elsewhere. **Anis/Dulce** is essentially anisette. **Pacharán** is a Spanish product, which is aniseed- and sloe-flavoured.

Flavoured Spirits – Bitters/Spirit Aperitifs

This category comprises spirits flavoured with bark, roots and herbs, which can be of widely varying alcoholic strength; the unifying factor is their bitter taste. Further categorisation is made based on the respective roles that different brands fulfill, with some generally drunk before a meal as an aperitif and others generally drunk afterwards as a digestif. The most widely known bitters are Underberg, Fernet-Branca, Gammel Dansk, Becherovka and Jägermeister.

Well-known aperitifs would include Aperol, Campari, Picon, Suze and Martini Bitter. The category also includes spirit aperitifs such as Pimm's.

Flavoured Spirits – Fruit Eaux de Vie

Fruit EDV Refers to drinks distilled directly from fruit. Includes all other distilled fruit products. In some countries, the category also includes some products that are neutral spirits flavoured with fruit essence.

Flavoured Spirits – Liqueurs

Advocaat/Egg Liqueurs Thick, egg-based liqueurs, normally with ≤18% ABV, eg Warnicks. These are normally made with brandy and egg yolk.

Amaretti Liqueurs are traditionally of Italian origin (eg Disaronno) and refer to drinks made or flavoured with almonds. Contain 21–28% ABV.

Cassis Alcoholic blackcurrant cordials, normally used for mixing with wine or sparkling wine. The category also includes variants made from eg raspberries, blackberries or myrtle. Must have an ABV of at least 15%. Crème de Cassis de Dijon contains only blackcurrants grown in Dijon; Cassis de Bourgogne only currants grown in the Burgundy region.

Coffee Liqueurs Coffee-flavoured liqueurs, eg, Tia Maria and Kahlúa. 20% ABV.

Cream Liqueurs Cream and spirit liqueurs, which would include brands such as Baileys and Carolans. 17% ABV.

Licorette Very low-strength Dutch liqueurs (normally around 14% ABV) created to bypass tax regulations.

Limoncello A unique traditional Italian speciality, only recently branded on a significant scale. ABV around 30%.

Liqueur Ranges Ranges of products marketed under the same manufacturer's name and styling, eg, Bols, Marie Brizard, De Kuyper and Cusenier, etc. Generally used for cocktails, they encompass a wide range of different products, including triple sec/curaçao, as well as cherry and apricot brandies and crème de menthe (mint-flavoured), among many others.

Low-strength Flavoured Genever, korn and lemon brandy are sweetened, low-strength (with around 16–20% ABV) variations of their full-strength counterparts.

- **Low-strength Flavoured Vodka:** perhaps causes the most confusion. Brands such as Absolut Citron, Stolichnaya Pepper, Smirnoff Twist and Finlandia Cranberry are full-strength vodkas (at 38–43% ABV) that are mildly flavoured with lemon, lime, pepper, etc. Low-strength vodkas are more strongly flavoured, often deeply coloured and usually very sweet, with an alcoholic strength of between 16-22% ABV, making them vodka-based liqueurs.

Maraschino Liqueurs based on maraschino cherries. ABVs around 25–32%.

Ponche/Cremas Includes Spanish ponche, which is a fruit-flavoured, brandy-based liqueur, and ponche cremas, which are emulsified fruit-flavoured drinks. Key brand examples include: Santa Clare; Caballero. Contain 9–25% ABV.

Rompope A liqueur that is emulsified to give it a cream-like appearance. Key brand examples include: La Holandesa; Coronado. 10% ABV.

Traditional High-strength Liqueurs Groups of liqueurs with an alcoholic strength of around 40%. They can be made from fruit, herbs or roots, with the base spirit varying by brand. Brands such as Chartreuse, Bénédictine, Drambuie, Glayva, Grand Marnier and Cointreau, etc, are included in this subsection.

Other Liqueurs Refers to all other liqueurs not mentioned above, such as Malibu, Frangelico, Passoã, Archers, etc.

Gin and Genever

Refers principally to juniper-flavoured spirits. The distinction between gin and genever reflects different manufacturing processes. Gin, or London Dry, is made from rectified (pure) spirits; genever/geneva bypasses this initial process and therefore retains some of the taste of barley, malt and grain. ABV must be at least 37.5%.

- **Gin** Split between flavoured gin and traditional gin, which draws a distinction between a high-strength gin that has some extra flavouring, and gins that do not. Pink gin is a separate category within flavoured gin.
- **Genever** (Dutch or Belgian) is categorised as either jonge or oude. This classification does not reflect an ageing process, but simply describes two slightly different processes, one of which is the older or 'oude' process, and one which is the newer or 'jonge' process. 'Other genever' refers to genever that is not described as either jonge or oude, the bulk of which will be made in Argentina or Canada.
- **Other Juniper-flavoured** Includes similar drinks to gin and genever. Steinhager and Wacholder are made in Germany and are juniper-flavoured. Borovička is Slovakian. 'Other other juniper flavoured' comprises all other juniper-flavoured drinks.

National Spirits

This category covers white spirits not mentioned elsewhere, usually produced using traditional methods and holding a strong national association:

- **Aquavit/Akvavit/Akevitt** Usually produced and consumed in Scandinavia. Made in a similar way to vodka, the spirit is then flavoured with herbs, spices, caraway seeds, cardamom, cumin, fennel, lemon and orange peel. Brand examples include: Aalborg Taffel; OP Anderson; Loiten Linie etc. ABV must be at least 37.5%.
- **Arrack** A spirit produced in South and South-east Asia, particularly Sri Lanka, traditionally from the naturally fermented sap of coconut flowers. Distillation of the sap must take place within hours of collection. Sugarcane or rice is also used. ABV is typically between 33–50%.
- **Baijiu** A diverse family of flavoursome, clear grain-based spirits produced in China. Solid state fermentation and steam distillation are the main hallmarks, though some baijius are made via other methods. Sorghum is the most used raw ingredient but barley, wheat, millet, buckwheat, maize and rice among others are also used, sometimes in combination. Four main flavour profiles are recognised: strong aroma, light aroma, sauce aroma and rice aroma. ABV typically varies from 38% to over 60%, with 53% a popular level. It can be aged in large earthen jars, sometimes for many years; as there are no standards, effects on flavour are not completely clear, so it is considered unaged. Also produced in Taiwan where it is known as 'kaoliang'.
- **Korn** A white spirit made from fermented grains – wheat, barley, oats, rye or buckwheat. This category includes korn at 32% ABV, and doppelkorn at 38% ABV. Korn is almost entirely consumed in northern Germany – usually neat and chilled.
- **Non-fruit EDV** Includes unaged spirits that have been distilled to carry over the original character of the mash, such as new-make spirits – the clear colourless spirit that comes off the still after distillation of eg whisky – and Irish Poitín (both also locally sometimes referred to as Moonshine); etc.
- **Shochu** A clear spirit produced in Japan from a variety of raw materials, typically grains, potatoes, rice and sugar. There are two classifications:
    - **Koh Shochu** Produced by continuous distillation, usually from cheaper ingredients such as sugar or molasses. ABV must be under 36%.
    - **Otsu Shochu** (also known as honkaku) is produced using traditional methods, which includes a more restricted list of ingredients, the use of koji during fermentation and a single pot distillation. ABV must be <46%.
- **Soju** A clear spirit native to South Korea. There are two variants:
    - **Distilled Soju** Produced using traditional methods such as batch pot distillation; usually from rice or grain. Distilled soju tends to be higher in ABV, typically 35–45%.
    - **Diluted Soju** Produced from neutral spirit, water and flavouring. ABV is limited legally to 30%, but the spirit is often weaker and can be as low as 14% ABV.

Rum

Rum comprises a range of spirits produced from sugar cane, either from the fresh juice or syrup (agricultural rum) or molasses; a by-product of sugar production (industrial rum). Distillation can be in pot or column stills and the product can be aged or unaged. ABV is 37.5–40% in Europe and the US, but may be lower (32–35% ABV) elsewhere.

- **Dark Rum** is comprised of two sub-types:
    - **Gold Rum** Generally gains its colour from ageing in wooden barrels (generally charred oak). Most premium rums fall into this category. Key brands are Tanduay in the Philippines, Contessa in India and Bacardí and Captain Morgan in the US.
    - **Black Rum** is usually darker than gold rum, and most of the colour is derived from the addition of caramel and molasses, rather than aging in barrels. More than 90% of black rum is consumed in India. Outside India it is mostly associated with parts of the English-speaking Caribbean. Key brands include McDowell's No 1 (Celebration) in India, Myers's Rum in the US, and Captain Morgan. The non-Indian brands are the old traditional navy or ethnic rums (Pusser's, Lamb's Navy, Stoh).
- **Flavoured Rum** divides into spiced rum and other flavoured rum. Spiced rum, as the name suggests, is typically flavoured with spices, such as cinnamon, vanilla, nutmeg, orange peel, etc, and refers to brands such as Captain Morgan Spiced and Bacardí Oakheart. Other flavoured is more fruit-based, with flavours such as lemon, pineapple, coconut, etc – eg Bacardî Limón. (Caveat – Malibu, which is a lower-strength product, is included in Liqueurs).
- **Rum Verschnitt** is rum stretched by adding different spirits and/or rum essence, typical to Eastern Europe, Brand examples include: Bael Domaci in Croatia; Captain Fred in Bulgaria; V&S Golden in Poland.
- **White Rum** is clear or off-white in colour. It is usually aged for at least a few months to soften the flavour and can be aged for several years (it will usually be filtered through charcoal to remove colour in this case).

Vodka

A clear neutral spirit made from a highly rectified alcohol, usually of agricultural origin (ie, fruit or grain), though some countries allow it to be produced from molasses. Vodka is divided into traditional vodka and flavoured (high-strength) vodka. Both refer to brands with (usually) ABVs of ≥37%.

- **Flavoured Vodka** Normally refers to flavoured versions of well-known brands such as Smirnoff Twist, Absolut Citron, etc. The colour and flavour are usually mild and there is no added sugar. It **also includes** brands such as Żubrówka (a Polish vodka flavoured with bison grass) or Jarzębiak (flavoured with rowanberries). Reduced-alcohol flavoured vodkas such as Grey Goose Essences and Ketel One Botanicals are included in this category as long as they are not sweetened. **Not included** are brands such as Ursus Roter, Eristoff Red, Keglevich, Artic, etc. These are classified as a subsection of liqueurs due to their strong colouring, high sugar content and low ABVs of normally less than 24%.

Whisky

Produced from a fermented grain mash, usually containing some malted barley, which is then distilled and aged in oak barrels. Many countries lay down strict local regulations. Some countries, such as India allow the use of alcohol from non-grain sources such as molasses.

- Scotch whisky Whisky made only in Scotland according to rules laid down by the Scotch Whisky Association. It must be aged at least three years and contain no less than 40% ABV.
  - Blended Scotch Refers to whisky made by blending one or more malt Scotches with grain whisky (produced from a combination of malted barley and other non-malted cereals, and distilled in column stills).
  - Malt Scotch Refers to whisky made only from malted barley and distilled in pot stills. It can be blended malt (formerly called vatted malt or pure malt) if made from malt whisky from multiple distilleries, or single malt if it is from a single distillery. There are several recognized distinct malt Scotch-producing regions in Scotland: Highland, Lowland, Islay, Speyside and Campbeltown; in addition to the islands: Arran, Jura, Mulla, Orkney and Skye.
- Grain Scotch Uses only grain whisky. It can be single grain if from a single distillery, or blended grain if made from whiskies from multiple distilleries.
- US Whiskey Refers to whiskey made in the US and is divided into Bourbon, Tennessee, rye (by law must be made from at least 51% rye), blended, single malt, and other, which covers all other US-made whiskeys, including corn whiskey. ABV must be at least 40%.
- Canadian Whisky All whisky made in Canada, including rye. ‘Rye’ and ‘Canadian Whisky’ are defined under Canadian law as the same product. ABV must be at least 40%.
- Irish Whiskey Whiskey distilled in Ireland (south and north) carries European GI status. Malt Irish whiskey refers to whiskey exclusively produced from malted barley and distilled in pot stills; blended Irish whiskey to malt and grain whiskey blended together. ABV must be at least 40%.
- Indian Whisky All whisky made in India, including bulk whisky sourced abroad and bottled in India. Malt Indian whisky refers to whisky made exclusively from malted barley and distilled in pot stills; blended Indian whisky refers to malt and grain whisky blended together. Many brands include molasses alcohol in the blend. ABV must be at least 40%.
- Japanese Whisky Refers to all whisky made in Japan, including bulk whisky sourced abroad and bottled in Japan. Malt Japanese whisky refers to whisky made exclusively from malted barley and distilled in pot stills; blended Japanese whisky to malt and grain whisky blended together. ABV must be at least 40%.
- Other Whisky Any locally made whisky not mentioned above. This would include Spanish, French, German and Brazilian whisky, among others. To differentiate ‘other whisky’, either look in the brand tables in the Adobe Acrobat PDF reports or select the ‘Origin’ field in the IWSR database alongside type and/or category level.

- **Flavoured Whiskies** have been broken out for Scotch, US, Canadian, Irish and 'other' whiskies. Flavoured, whisky-based beverages with ABVs of <30% are usually classified as liqueurs, whereas flavoured variants of existing whisky brands will usually be treated as flavoured whiskies. How a product is positioned and marketed can also play a role.
  - Caveat: Sazerac's Fireball is included under flavoured whisky. Despite being lower in ABV than standard whisky, it is seen by consumers and the industry as a competitor within the whisky market.

Other Spirits

The final 'catch-all' for all other spirits not classified elsewhere.

No-Alcohol Spirits

No-alcohol spirits substitutes, usually designed to be mixed. They can be produced with alcohol and then de-alcoholised, or produced by a process that does not involve alcohol at all. Many brands are styled as substitutes for specific alcoholic categories such as gin, whisky, rum, spirit aperitifs, etc.

Ready-to-Drink (RTDs)

Cocktails/long drinks are defined as:

- Drinks that reflect well-known cocktails (Mojito, Negroni, Mule, Cosmopolitan etc).
- Common mixed drinks containing a base spirit and a non-alcoholic mixer (gin and tonic, vodka and soda, rum and cola, etc).

The type of base alcohol used is clearly identified (ie, gin, vodka, rum etc). As most products are spirit-based, ABVs differ widely depending on the product.

Hard Seltzers are defined as being composed of a blend of carbonated water and alcohol, in some cases with added fruit flavour or fruit juice. In contrast to long drinks, the alcohol is usually neutral and not identified. Products can be malt-, wine- or spirit-based. Typical ABV is 4–6%, but can range from 3.5% to above 12%. Hard seltzers are often marketed as low-calorie or no/low-sugar.

Hard Coffees are alcoholic coffee drinks that can be cold-brew or creamy hard coffee, commonly sweetened and often containing other flavourings such as vanilla. Often, brands are derivatives of non-alcoholic iced/RTD coffee drinks. The alcohol is typically malt-based. Typical ABV is 4–5%.

Hard Teas are alcoholic tea drinks, commonly sweetened and often fruit flavoured. Brands include derivatives of iconic non-alcoholic iced/RTD tea drinks eg AziZona; Lipton; Snapple, etc. Typical ABV is 4–6%.

Hard Kombuchas are made with sweetened black or green tea. The kombucha is fermented and often also blended with natural juice. This probiotic tea is naturally slightly alcoholic due to the fermentation process, but hard kombuchas are made by increasing the ABV through a second fermentation; ABVs can range from 3% to over 7%.

Wine Spritzers/coolers Wine spritzers comprise wine mixed with carbonated or soda water; wine coolers mix wine with fruit juice, and these are commonly carbonated and contain added sugar. Still wine mixes as well as fruit wine flavoured with spices, such as sangria, are also included in this sub-category.

FABs (Flavoured Alcoholic Beverages) Covers all other RTDs. Smirnoff Ice, Bacardí Breezer and WKD are categorised as FABs. Products that originate as soft drinks with added alcohol are also included in this sub-category; examples include alcoholic aguas frescas.

Beer

Beer is mainly a cereal grain-based, brewed and fermented beverage. Usually involves malt barley and yeast fermentation and is commonly flavoured with hops. IWSR data is divided into the following sub-categories:

- **Traditional Beer** produced using traditional methods and ingredients, which divides into:
    - **Lager** The most common type of beer, accounting for around 90% of global volumes. Fermented at cool temperatures with a bottom fermenting yeast and then stored (lagered) at low temperatures for several months to allow sediment to settle, producing a clear, usually straw-coloured, effervescent light bodied beer.
    - **Ale** Fermented at higher temperatures using a top-fermenting yeast, usually resulting in a more full-bodied, flavoursome and less effervescent or flat beer. Also termed: IPA; brown ale; light ale; mild ale; bitter. ABV >3.5–10%.
    - **Malt Liquor** With an ABV of 6–9%, malt liquor is stronger than many regular beers due to the addition of eg rice, corn, sugar. Brand examples include: Colt 45; Mickey's.
    - **Specialty** Includes beers with unusual production techniques that are not captured in other categories, such as Lambic beer, Bock beer, Altbier, Kölsch, sour beer, specialty IPAs etc. Also includes beer ranges produced by many craft brewers that it is not possible to split out.
    - **Stout** A type of ale produced with toasted barley to produce a dark or black beer. Includes **Porter**. The highest presence is in the UK and Ireland. Brand examples include: Guinness; Beamish Irish Stout; London Porter. ABV 2–7.5%.
    - **Wheat Beer** A type of ale that uses a large proportion of wheat in the brew, typically resulting in a lighter, often cloudy beer with a distinctive flavour. Also called Witbier Weissbier and Weizen. Brand examples include: Erdinger; Hoegaarden. ABV is typically 2.5–5%.
    - **Other Traditional Beer** Brewed using traditional methods and ingredients not covered above. Examples are Tibetan/Nepalese Chhaang, etc.

- **Flavoured Beer** Beer made with the addition of non-traditional flavours, including fruit and non-fruit flavours, usually added post-fermentation. This divides into Radlers (aka shandies – beer mixed with sparkling lemonade or other fruity soft drinks) and Other Flavoured Beer.
- **Low-alcohol Beer** With an ABV between 0.5% and 3.5% (in several markets, low-alcohol beer cannot exceed 1.2% ABV).
- **No-alcohol Beer** With an ABV of <0.5%.

Cider

Made from the fermented juice of apples. IWSR data also contains cider made from other fruit, such as pears (the latter is sometimes referred to as perry), but these are currently not split out. Includes no/low-alcohol cider. The category excludes pear ciders positioned as ersatz wine, such as Lambrini.

Appendix

Price-Band Segmentation for Spirits

Please note in the 2023 Global Database release, the spirits price-band segmentation has been updated for most countries to account for price changes, inflation, etc (for full details, see Release Notes).

IWSR's 2018 database saw a revision to the segmentation of its spirits data, with a single country-defined price band applied to all spirits categories in each country. The objective for the revision was to provide IWSR clients with a consistent way to look at groups of brands within countries and internationally by analysing brands grouped around the same price points. Revisions were made to provide a robust, updated structure to reflect changes in the marketplace over the past 10 years, principally due to:

a) The emergence of more high-end brands;
b) The incidence of up-trading across most markets; and
c) The increase of occasion-led cross-category purchasing among a new generation of consumers.

IWSR has always aimed to reflect the majority of the industry and in parallel, its methodologies reflect what is the most neutral and objective option. This new classification was created to provide the industry with a common point of reference.

The global spirits pricing segmentation methodology is now based on the following:

- The only neutral recordable points of reference available to the IWSR – retail shelf price – as researched in annual store checks by our analysts in the leading retailers across all markets.
- A completely objective methodology that uses a selection of international brands (drawn from all spirits categories to provide a structure for the reclassification) and then a series of algorithms to build the full database.
- Consistent price bands across all categories.
- Price bands that are available for all users to see (download from the database home page).
- It is easily explainable to and understood by internal stakeholders.
- It has the widest industry buy-in.

Our price-band segmentations are now defined as:

Prestige Plus
Prestige
Ultra-Premium
Super-Premium
Premium
Standard
Value
Low Price

These new classifications have been created to provide the industry with a common point of reference. In our many conversations, it is clear that many companies reclassify categories/brands/price points according to internal needs, but use the IWSR as a common industry benchmark. For us, it is a way to organise the 97,000 brand sale records across the 160 countries we cover, bypassing the vast differences in taxation, price position and range of products available across these markets. It is not, as all companies understand, a reflection of a brand's quality.

Price-Band Segmentation for Wine

IWSR has deepened its analysis of the value of the global wine market, accounting for the fragmented nature of the market to a greater extent. Our wine price-band limits have been updated for wines and Champagne for the 2023 data release. As a result, some price-band totals may have changed historically,

The updated methodology breaks brands down into different price-segment brand lines and tracks much more accurately factors such as inflation and taxation at a local level. Retail prices have been assigned to around 29,000 wine brand lines, using IWSR store checks. The value data does not currently account for discounts.

While based on retail prices, value figures reflect sales in both the on- and off-premise. For consistency, exchange rates are updated every year and carried back historically to counteract the effects of sharp currency deflation/appreciation. As such, figures quoted in US dollars will reflect value based on the most recent yearly exchange rate.

Price-Band Segmentation for Beer and Cider

Price-band segmentation for 160 Beer markets and 34 Cider markets will go live with the IWSR's May 2023 data release. The price-band methodology uses cluster analysis that identifies groups of prices and logical gaps. Price-bands have been generated using 2022 RSPs. The four price bands are:

Super-Premium
Premium
Standard
Value

Universal benchmark brands are not used, however international brands are monitored to inform price band decisions. Unlike Spirits and Wine, only four price bands are used for Beer and Cider due to the lower price variance between the highest and lowest segmentation bands. Price-band data will be available back to 2010.

Still Wine Data

All wine sections apart from still wine are as comprehensive as the spirits sections, and can be used in exactly the same way. Still wine is somewhat different given the size and diversity of the market. Total market data exists in the IWSR database and normally goes back at least to 1990. Country of origin tables, showing total French wine sold, total Australian wine sold, etc, also go back to 1990 in most cases. Brand data will go back as far as possible.

Country of Origin for Still Wine
Where the country of origin is listed as 'International' there is a mixture of several countries of origin.

Issues to be aware of:

- Some countries have more limited brand data than others – this is normally where there is a strong retail sector dominated by supermarket chains with strong buyer-own brands, such as Germany, Belgium, etc, or producer countries given the sheer size of the market.
- Analysis of total still wine consumption and by supplier countries can be done with confidence back to 1990, but some small volumes of some exporting countries may be missed in some markets.
- Although the depth and breadth of the company and brand volume data has improved significantly in recent years, the sheer number of wine brands and companies in the market make full tracking across all markets problematic, and volumes of some leading brands and companies can be missed. Also, bulk sales for blending or retailer-own brands are not easily tracked. This means that ranking either at a global or national level should be done with some caution.

Sub-Saharan Africa Data

There are a number of historic step changes in data owing to the staggered development of our data in Sub-Saharan Africa:

- **1991** Beer data added for South Africa.
- **2007** Sub-Saharan Africa report started (including 21 markets).
- **2012** Sub-Saharan Africa report expanded to include Namibia.
- **2014** Sub-Saharan Africa report expanded to include Botswana.
- **2019** Sub-Saharan Africa report expanded to include Zambia.

Glossary

Commonly used abbreviations in reports:

ABV	Alcohol by Volume
AOC	Appellation d'Origine Contrôlée
BIB	Bag-in-Box
BLE	Brand Line Extension
BNIC	Bureau National Interprofessionel du Cognac
CAGR	Compound Annual Growth Rate
CIF	Cost, Insurance and Freight
COO	Country of Origin
CIVC	Comité Interprofessionnel du vin de Champagne
DF/TR	Duty-Free/Travel Retail
DOC	Denominaciòn de Origen Controlada
FOB	Free On Board
GST	Goods and Services Tax
Horeca	Hotels, Restaurants, Cafés
IMF	International Monetary Fund
IMFL	Indian Made Foreign Liquor
LC	Local Currency
LDA	Legal Drinking Age
PL	Private Label
PET	Polyethylene Terephthalate
RSV	Retail Sales Value
RSP	Recommended Sales Price
RTD	Ready-to-Drink
SKUs	Stock Keeping Units
SOLA	Sustainable, Organic, Lower Alcohol
SWA	Scottish Whisky Association