

News Release

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Consumption of Non-Alcoholic Beverages Set to Accelerate

- Non-alcoholic beverage market expected to reach US\$43 billion by 2027, with a growth forecast of almost 8 percent annually.
- Global market for non-alcoholic beverages valued at around US\$22 billion in 2022.
- Non-alcoholic beer is the fastest growing beverage in the alcohol sector.
- Non-alcoholic beer accounts for 45 percent of total non-alcoholic beverage sales in Australia – around 10 percent of total beer sales.

Australians are increasingly buying and drinking more zero-alcohol beverages, in a major structural shift in the nation's drinking habits.

According to ANZ's latest Food For Thought Report, non-alcoholic wine, spirits and especially beer look set to continue their strong growth.

Zero alcohol beer sales are projected to almost double by 2028, with volumes forecast to grow from 150 million litres this year to around 300 million litres in 2028.

ANZ Head of Diversified Industries, Sara McCluskey said: "Across all generations, an increasing number of Australians are preferring beverages which align with their health-conscious and performance-oriented lifestyles."

"This has been particularly notable in more young people drinking a lot less alcohol than in past years but is also similarly reflected across most age demographics, especially in declining sales of full-strength beer."

Non-alcoholic beer continues to be the fastest growing beverage in the alcohol sector, non-alcoholic beer accounting for 45 percent of total non-alcoholic beverage sales in Australia in 2023, as well as accounting for around 10 percent of all beer sales.

Notably, sales of non-alcoholic beer could potentially eclipse sales of full-strength spirits in Australia in the near future, while non-alcoholic wine has also seen a significant rise in popularity, with domestic sales increasing by 15 percent in 2023.

Globally, the market for non-alcoholic beverages has expanded remarkably – in 2022, the global market was valued at around US\$22 billion, with growth forecast at almost 8 percent annually, to reach around US\$43 billion by 2027.

"This change does need to be kept in perspective, with the majority of beer, wine and spirits drinkers still opting for the full alcohol variety, seeking to drink and enjoy these products in moderation", said McCluskey.

"That said, the zero-alcohol sector is still a large enough component of a huge market to offer a range of opportunities to both existing beverage companies, as well as start-ups, which is highlighted by the new labels appearing all the time," she said.

"This trend is being seen globally – in France, a quarter of 18–34-year-olds now say they never drink alcohol, while almost 40 percent say that they do not drink wine, while Japan's biggest brewer has forecast that by 2040 zero- and low-alcohol drinks could generate half of the company's beverage sales."

"The growth of non-alcoholic products also presents new export opportunities, particularly to countries with growing aspirational consumer markets, who are seeking a boutique imported non-alcoholic product," she said.

Further insights can be found in the winter edition of ANZ's *Food for Thought* report.

For media enquiries contact: Will Watson; +61 403 878 269