



NEW ZEALAND WINE INDUSTRY

NEW ZEALAND PREMIUM WINES HIGHLY REGARDED

Premium wines created by New Zealand's unique geography and climate coupled with the art of innovative winemakers continue to gain international recognition and awards; from our world acclaimed sauvignon blancs through to the more recently-acclaimed pinot noir wines.

This premier market positioning is the envy of other wine-producing countries and has been the catalyst for significant offshore investment in the New Zealand industry.

New Zealand wines command a considerable price premium, something few other nations have managed to achieve. New Zealand wines are highly competitive at the premium end of the market and therefore do not compete directly with major producers in other categories. Instead, they have established a clear position as a niche player of premium, award winning wines. Wine from New Zealand commands the highest average price per bottle of any wine in the world.

COMMERCIAL SUCCESS

New Zealand has over 500 wineries and an increasing number of growers contributing to an export goal of sales in excess of NZD1bn by 2010; a target that will be achieved through an aggressive and integrated approach to market development and a continued focus on premium pricing.

Grapes grown in New Zealand's clean air and temperate climate are producing wines that consistently win prestigious awards. The New Zealand latitude spans more than 1,600 kilometres, with a climate that varies from cool climate to sub-tropical through to long, dry, hot summers and snow-bound winters. It means New Zealand is in the enviable position of being able to produce distinctive, high quality, wines from a number of regions; red blends from Hawke's Bay vineyards, sauvignon blanc from Marlborough, through to pinot noir in Central Otago.

This industry is often used as a yardstick to illustrate the potential that can be unlocked through a combination of research, quality viticulture, superior production techniques and innovative marketing. It has secured international success through astute marketing and an uncompromising commitment to quality product and brand positioning, despite relatively low production by world standards.

The New Zealand wine industry is centred on three major markets, the United Kingdom, North America and Australia. The Asian market is also beginning to assume an important role, as an affluent middle class and changing patterns of alcohol consumption see more young Asians enjoying wine on a regular basis.

There has been significant international interest in the New Zealand wine industry, with investors such as Pernod Ricard and Moët Hennessy Wine Estates. This is a win-win association, with the investor benefiting from the premium prices that their New Zealand-sourced wines achieve in-market and wineries benefiting from powerful distribution networks.

Offshore investment has seen many of our companies grow to be leading players in the local industry. Now, an exciting crop of medium sized companies is likely to account for much of the predicted growth in exports. These companies are well-positioned to secure investment in the future.

To find out how you can access New Zealand's sophistication and innovation in the wine industry, contact Investment New Zealand, the investment promotion agency of the New Zealand Government. Investment New Zealand understands the wine industry and has extensive networks allowing us to identify and facilitate investment opportunities relevant to you.

www.investmentnz.govt.nz