

MEDIA RELEASE

UNDER EMBARGO UNTIL THURSDAY 30 APRIL 2009

REPORT HIGHLIGHTS SIGNIFICANT IMPACT OF WINE INDUSTRY ON NEW ZEALAND ECONOMY

- The New Zealand wine industry contributes more than \$1.5 billion to New Zealand's GDP
- It supports more than 16,500 full-time jobs
- It generates more than \$3.5 billion through its own direct sales and the sales it generates in related sectors

The growing economic impact of the New Zealand wine industry has been highlighted in a report prepared by the New Zealand Institute for Economic Research (NZIER) for New Zealand Winegrowers, the national organisation for New Zealand's 1,200 grape growers and 600 winemakers.

Releasing the report, Chair of New Zealand Winegrowers Stuart Smith said: 'The New Zealand wine industry has undergone a breathtaking transformation in the past two decades. The scale and speed of those developments is the reason we commissioned NZIER to prepare this report. We wanted to understand where the industry had come from to better understand future challenges and opportunities.'

Key findings from the report include:

- Wine exports have grown at a compound rate of nearly 24% (23.8%) each year for the past 20 years, four times the growth rate for all goods exports
- Wine exports now represent 2.2% of total goods exports, and in the last five years of every \$100 increase in total goods exports from New Zealand, around \$5 has come from wine industry
- Grape growing represents a highly productive use of New Zealand's agricultural land with export returns of around \$28,000 per hectare
- The industry plays a pivotal role in some of New Zealand's regional economies, for example, it accounts for 20% of Marlborough's economy

- For every new fulltime position created in the industry, 1.79 full time equivalent positions will be generated in related industries.

‘For the industry the NZIER report represents a very positive analysis of the contribution grape growing and winemaking make to the New Zealand economy. That contribution totals over \$3.5 billion of revenue through our own direct sales and the sales we generate in related sectors such as the tourism and hospitality industries,’ said Mr Smith.

‘Going forward, the challenge for the industry, particularly in these very tough economic times, is to continue to build on the success to date so we make an even greater contribution to economic development in New Zealand. To achieve that growth the industry will need to continue to invest, focus on quality, be sustainable and be strongly market led. In addition it is vital that governments deliver supportive regulatory environments as a foundation for that growth,’ said Mr Smith.

Facts and figures

Total contribution to GDP	\$1.52 billion
Estimated number of annual wine-related tourist visits	225,000
Estimated expenditure of wine tourists	\$907 million
Export growth per year over the past twenty years	24% (year on year)
Total employment impact	16,568 full-time jobs
Estimated winemaking sales	\$1.22 billion
Estimated grape growing sales	\$614 million
Estimated cellar door hospitality sales	\$80 million

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