



NEW ZEALAND WINE

PURE DISCOVERY

For Immediate Release

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The Wine Year in Review: Growth & Challenges

- **Wine exports grow 24% (\$194 m) to \$992 m**
- **Number of wineries lifts 58 to 643**
- **Domestic sales of New Zealand wine grow 29% to 60 m. litres**
- **Wine imports fall 18.5% to 33.3 m. litres**
- **Membership in Sustainable Winegrowing New Zealand covers 85% of production capacity**

The New Zealand wine industry grew strongly for the June year end 2009, but winemakers and grape growers are also facing significant challenges according to the New Zealand Winegrowers' Annual Report.

Highlight of the year was the 24% lift in the value of wine exports to \$992 million, up \$194 million on the previous year. Export growth was driven by the availability of wine following the 2008 vintage and strong in-market demand for New Zealand wine in key markets notably Australia, the UK and the USA.

Commenting on the successes of the past year, New Zealand Winegrowers Chair Stuart Smith said: "New Zealand wine is a strong proposition in the global market. Our reputation is positive and we have carved a niche in our markets. Importantly for the year ahead, quality from the 2009 vintage will be very high across a range of styles."

However, Mr Smith said the industry was also facing significant challenges. "Some unmistakable warning signs emerged this year. Despite sales volumes benefiting from increased supplies from the 2008 vintage, those increased supplies also delivered increased competition and downward price pressure. Without doubt the situation was exacerbated by the global recession. As a result lower profits are the reality for many in the industry this year."

Mr Smith said the industry needed to confront the new reality it was now facing. "Continued effective management of supply is fundamental to our future success. Equally, investment in marketing will be more important to the industry than ever before."

Mr Smith, however, remains positive about the future. “While times are challenging at the moment, we have an industry that is united and understands the challenges and opportunities it faces. We have built New Zealand wine into a globally successful brand and that is a sound platform from which to build our future success.”

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