# Food & Beverage Information Project 2011
# Markets Stream – Global

Final Report

*October 2011 – v1.21*

***www.foodandbeverage.govt.nz***

## Coriolis is a strategic management consulting and market research firm

We work with organisations to help them grow. For corporations, that often means developing strategies for revenue growth. For governments, it means working on national economic development. For non-profits, it means helping to grow their social impact.

We address all the problems that are involved in growth: strategy, marketing, pricing, innovation, new product development, new markets, organisation, leadership, economic competitiveness.

We bring to our clients specialised industry and functional expertise. We invest significant resources in building knowledge. We see it as our mission to bring this knowledge to our clients and we publish much of it for the benefit of others.

A hallmark of our work is rigorous, fact-based analysis, grounded in proven methodologies. We rely on data because it provides clarity and aligns people.

However, we deliver results, not reports. To that end, we work side by side with our clients to create and implement practical solutions.

**The Coriolis name**

The coriolis force, named for French physicist Gaspard Coriolis (1792-1843), may be seen on a large scale in the movement of winds and ocean currents on the rotating earth. It dominates weather patterns, producing the counterclockwise flow observed around low-pressure zones in the Northern Hemisphere and the clockwise flow around such zones in the Southern Hemisphere. *To us it means understanding the big picture before you get into the details.*

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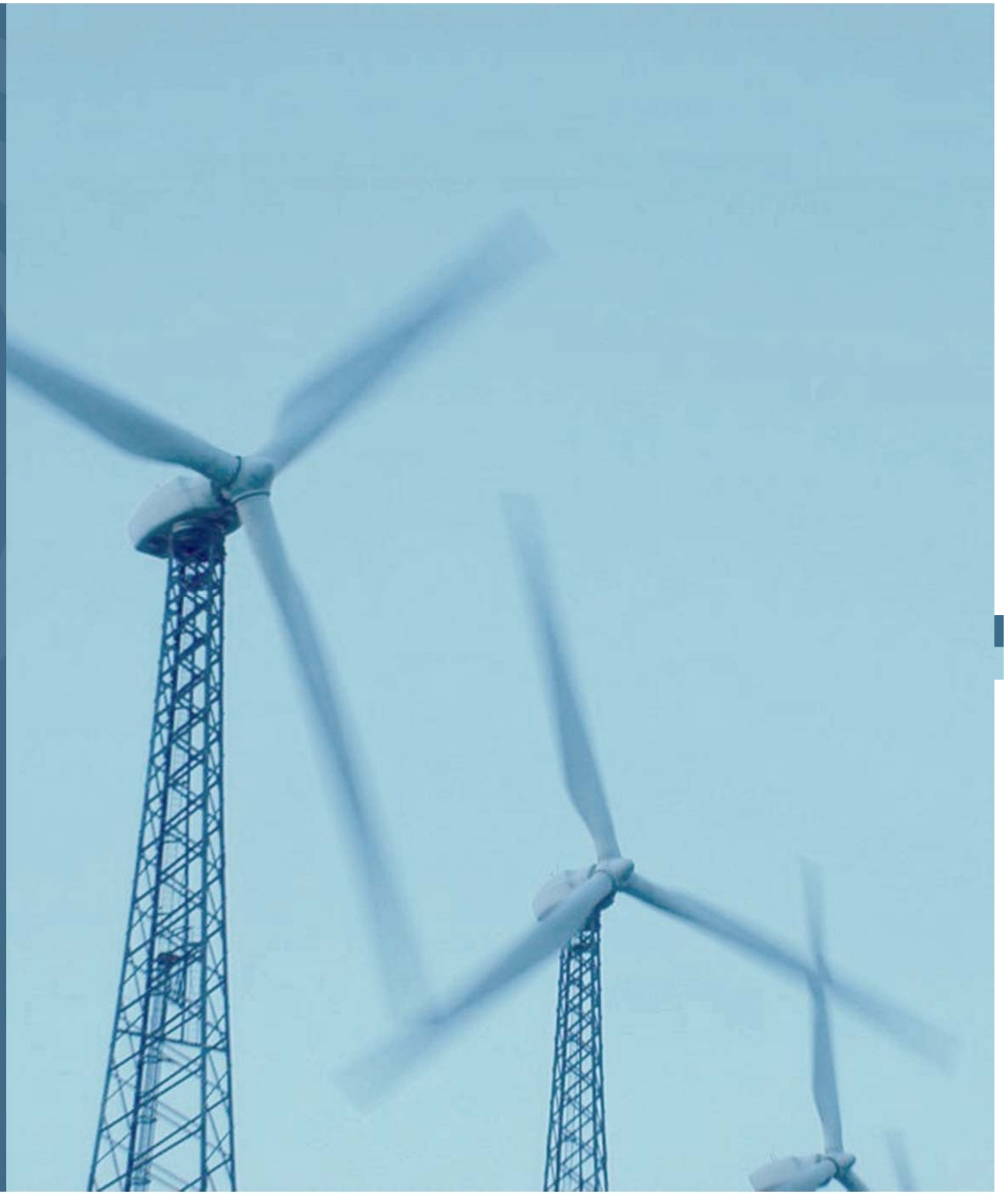

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The objective of this report is to provide a **factual** source of high quality **information** on the current situation in the New Zealand Food and Beverage export markets for four audiences:

- **Investors** (domestic or international)
- **Industry** participants (firms & individuals)
- **Government** (across all roles and responsibilities)
- **Scientific researchers** (academic, government & firm)

It creates a common set of **facts** and **figures** on the current situation in the industry.

It draws conclusions on potential industry **strategic directions** and highlights **opportunities** for further **investment** and identifies how New Zealand can potentially **triple exports by 2025**

It forms a part of the wider Food & Beverage Information Project and will be updated annually.

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# GLOSSARY OF TERMS

## This report uses the following acronyms and abbreviations

| | |
|---|---|
| **A$/AUD** | Australian dollar |
| **ABS** | Absolute change |
| **ANZSIC** | AU/NZ Standard Industry Classification |
| **AU** | Australia |
| **Australasia** | Australia and New Zealand |
| **b** | Billion |
| **CIF** | Cost, Insurance and Freight |
| **CAGR** | Compound Annual Growth Rate |
| **C/S America** | Central & South America (Latin America) |
| **CRI** | Crown Research Institute |
| **CY** | Calendar year (ending Dec 21) |
| **E Asia** | East Asia |
| **EBITDA** | Earnings before interest, tax, depreciation and amortization |
| **FOB** | Free on Board |
| **FY** | Financial year (of firm in question) |
| **£/GBP** | British pounds |
| **HS Codes** | Harmonised System Codes for commodity classifications |
| **JV** | Joint venture |
| **m** | Million |
| **n/a** | Not available/not applicable |
| **NA/ME/CA** | North Africa / Middle East / Central Asia |
| **NZ** | New Zealand |
| **NZ$/NZD** | New Zealand dollar |
| **R&D** | Research and Development |
| **S Asia** | South Asia (Indian Subcontinent) |
| **SE Asia** | South East Asia |
| **S.H./N.H.** | Southern/Northern Hemisphere |
| **SS Africa** | Sub-Saharan Africa |
| **T/O** | Turnover |
| **US/USA** | United States of America |
| **US$/USD** | United States dollar |
| **UK** | United Kingdom |
| **YE/YTD** | Year ending/Year to date |

**Sources**

| | |
|---|---|
| **AR** | Annual report |
| **Ce** | Coriolis estimate |
| **Ci** | Coriolis interview |
| **K** | Kompass |
| **Ke** | Kompass estimate |
| **ws** | Website |

# METHODOLOGY & DATA SOURCES

## Data was from a variety of sources, and has a number of identified limitations

- This report uses a range of information sources, both qualitative and quantitative.

- The numbers in this report come from multiple sources. While we believe the data are directionally correct, we recognise the limitations in what information is available.
  - In many cases different data sources disagree (e.g. Statistics New Zealand vs. FAO* vs. UN Comtrade).
  - Many data sources incorporate estimates of industry experts.
  - As one example, in many cases, the value and/or volume recorded as exported by one country does not match the amount recorded as being received as imports by the counterparty [for understood reasons].

- In addition, in some places, we have made our own clearly noted estimates.

- Coriolis has not been asked to independently verify or audit the information or material provided to it by or on behalf of the Client or any of the data sources used in the project.
  - The information contained in the report and any commentary has been compiled from information and material supplied by third party sources and publicly available information which may (in part) be inaccurate or incomplete.
  - Coriolis makes no representation, warranty or guarantee, whether express or implied, as to the quality, accuracy, reliability, currency or completeness of the information provided in the report.

- All trade data analysed in all sections of the F&B Information project are calculated and displayed in US$. This is done for a range of reasons:
  1. It is the currency most used in international trade
  2. It allows for cross country comparisons (e.g. vs. Denmark)
  3. It removes the impact of NZD exchange rate variability
  4. It is more comprehensible to non-NZ audiences (e.g. foreign investors)
  5. It is the currency in which the United Nations collects and tabulates global trade data

- The opinions expressed in this report represent those of the industry participants interviewed and the authors. These do not necessarily represent those of Coriolis Limited or the New Zealand Government.

- If you have any questions about the methodology, sources or accuracy of any part of this report, please contact Tim Morris, the report's lead author at Coriolis, on +64 9 623 1848

* Food and Agriculture Organisation of the United Nations

# SPECIFIC UN COMTRADE DATA LIMITATIONS

## The United Nations Comtrade database has **specific** important limitations around data

- **The data presented is accurate to its source, but not necessarily to New Zealand data**
- The data analysed in this report is based on data provided by member governments to the United Nations.
- However, in the data the reported exports of one country regularly do not agree with the reported imports of another (in both volume and value).
- As the UN says: "Imports reported by one country do not coincide with exports reported by its trading partner. Differences are due to various factors including valuation (imports CIF, exports FOB), differences in inclusions/ exclusions of particular commodities, timing etc."
- As a simple example, New Zealand paperwork submitted to New Zealand customs says New Zealand sent NZ$202,569,027 worth of dairy to Sri Lanka in 2010 but Sri Lanka (the receiving country) says it only received US$63,365,322 in 2010. There are a wide range of reasons why this could be the case.

- **Q: Why don't you just use NZ data?**
- If we use only New Zealand data, we can not calculate New Zealand's share of Sri Lanka's imports. Using the UN data we can then assess how well New Zealand is performing, determine the competition and see how much growth is available.
- The interesting/useful information is not that we send US$420m to Singapore, but rather than this amounts to $84/person and this is only 5% of all their F&B imports. France sends twice as much as us. None of that is visible if we work with New Zealand export stats rather than country import stats.
- Our customs data only shows where the person filling out the export documentation states it is going and approximates its worth. As New Zealand does not charge duties on exports, value is more important on import documentation than export. Value is an estimate 2+ months prior to sale in market and is close but almost inevitably wrong.
- In addition where product ends up, can in many cases be a different from where the ship is going.
- Sending/receiving data is generally very accurate for some markets (e.g. Australia, Japan), with some slight variance based on what is measured (FOB, CIF, etc.) and timing (product sent in December, arrives January)
- Aggregate global received volume is close enough to New Zealand's sent volume. Disagreement is on where it went and how much it was worth.
- New Zealand data is not always correct. For example, New Zealand kiwifruit and avocado export data to Australia is incorrect. The Australian data is more accurate.
- As another example, New Zealand appears to send a lot to countries with ports, but little to landlocked countries. However, many countries not on a coast believe they receive product from New Zealand that New Zealand Customs do not know was sent.
- If New Zealand is doing very well in Central Asia it isn't necessarily going to show up in New Zealand export paperwork. Many of these countries receive four times as much from New Zealand as New Zealand Customs thinks is sent to them.

- For more details on the issue, the dataset methodology is available here:
- http://unstats.un.org/unsd/trade/methodology%20IMTS.htm

- There is extensive discussion of the issue in the UN International Trade Statistics Knowledgebase:
- http://unstats.un.org/unsd/tradekb/Knowledgebase/

- If you have a country level concern the explanatory notes by country are here:
- http://comtrade.un.org/db/mr/daExpNotebyRepYear.aspx


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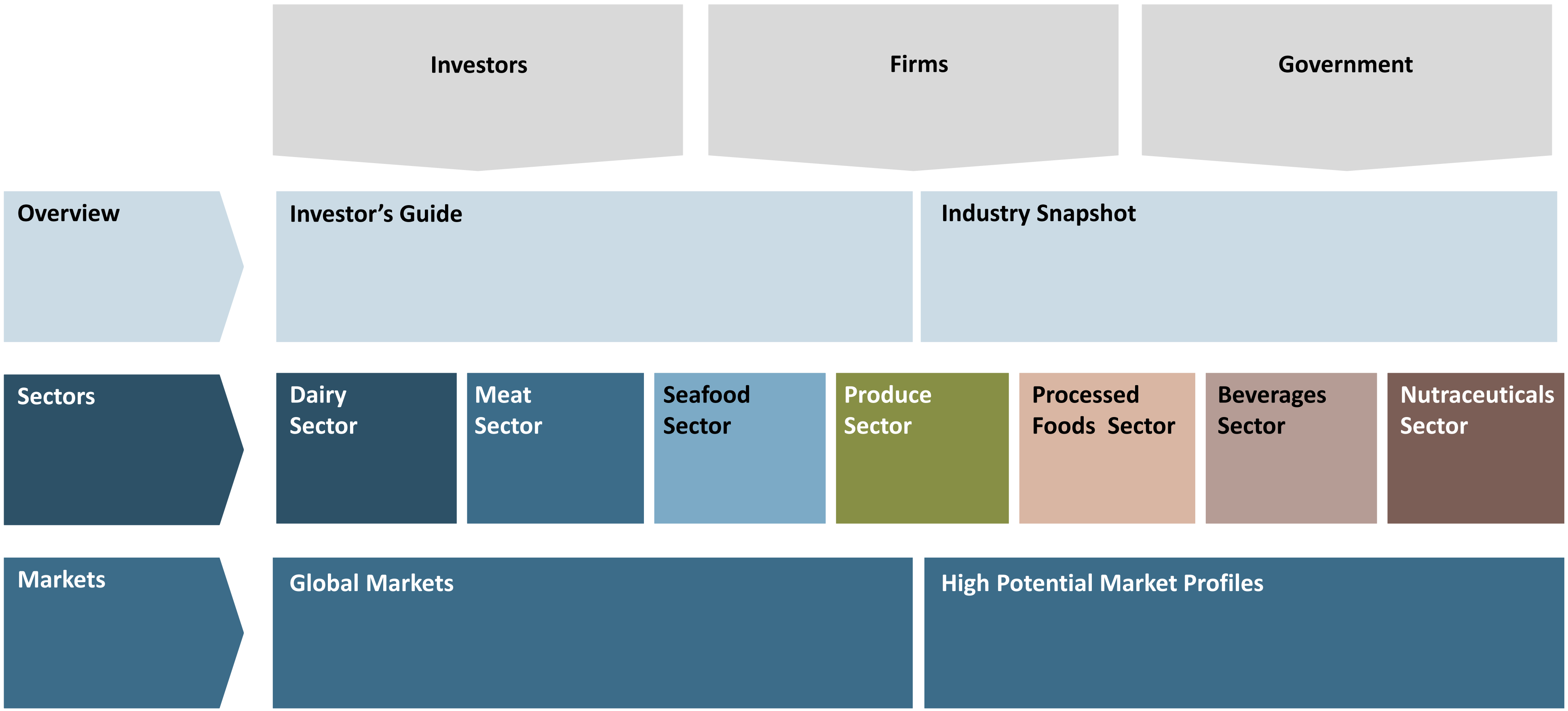
## F&B INFORMATION PROJECT

### The New Zealand Food & Beverage Information Project is designed to be the foundation of facts and figures on which a range of audiences can build

Structure of the New Zealand Food & Beverage Information Project
*(2011)*



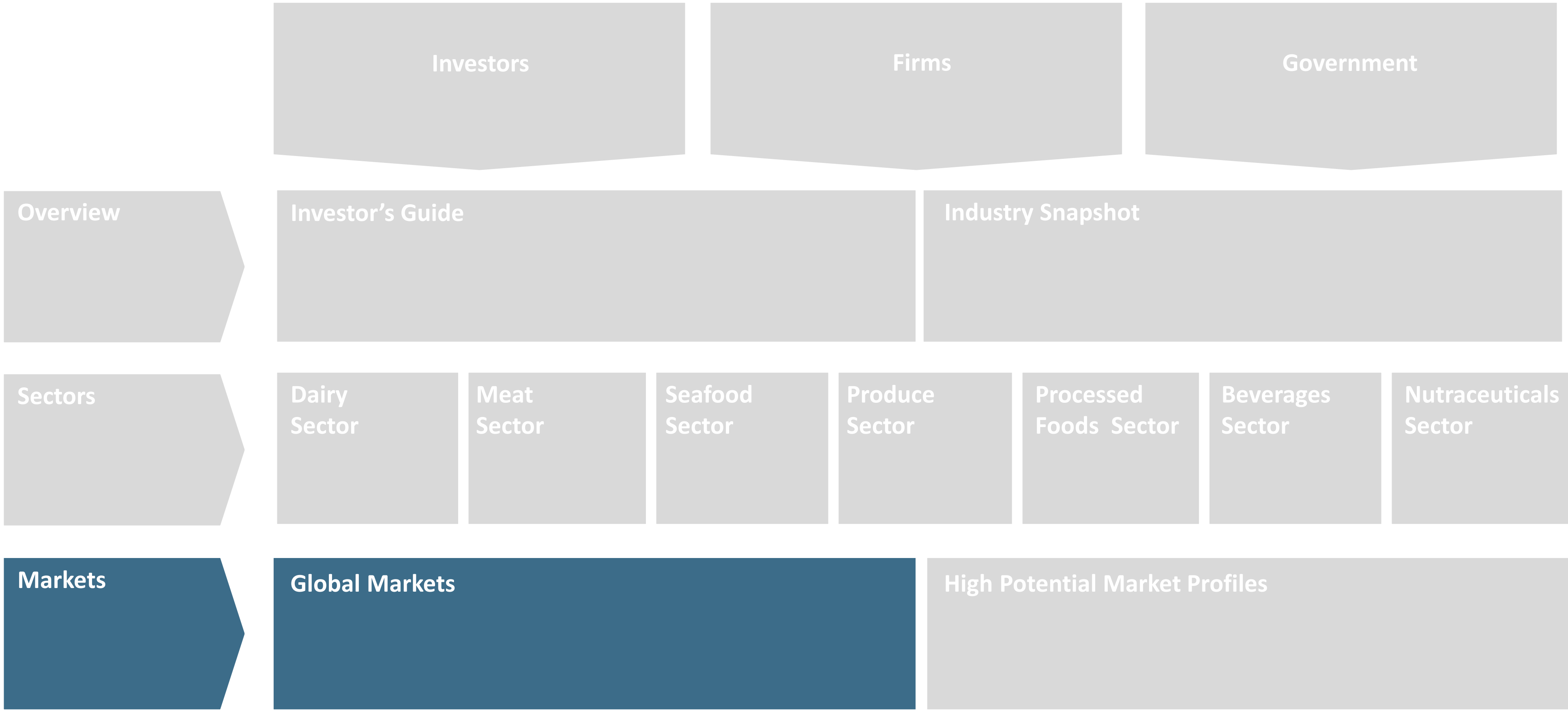



*Note: Every year two subsectors are completed in more detail. Seafood and Nutraceuticals in 2011*

# MARKETS ANALYSIS

## This analysis of New Zealand global markets forms a part of the wider Food & Beverage Information Project

Structure of the New Zealand Food & Beverage Information Project
*(2011)*



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## OVERVIEW – THE PATH FORWARD

This report measures and benchmarks New Zealand's food & beverage export performance across key global regions and countries; it also paints a picture of the path forward

**Situation**

- In the early days of its founding New Zealand was, conceptually speaking, Britain's farm. The country was the same size at the United Kingdom, but with a fraction of the population. The country produced staples of the English diet such as lamb, beef, butter, cheese and apples. These were produced in large quantities on a counter-seasonal basis for shipment to the "home country" and other rich Western markets.

- There is the perception by many today that this is still the case. If you were to ask the average person on the street in New Zealand today where the country's food exports go, you would still get some form of the "Food to Britain" narrative. Many smaller food and beverage manufacturers, in our experience, would also articulate something similar.

- Reality is very different. New Zealand is in the middle of a fundamental transition from feeding Westerners to feeding the Asia-Pacific region. This transition is driving rapid change in the New Zealand food industry in what is being produced and where it is being sold. Key exports today include:
    - Milk powder for Asian dairy factories, used to produce yoghurt and other dairy products
    - Frozen french fries, frozen hamburgers, and processed cheese for fast food restaurants in South East Asia
    - Gold kiwifruit for Asian consumers

- Imagine an alternative reality where New Zealand was colonised not by England, but rather Japan or China. In this reality, New Zealand would produce very different foods and beverages. This is what the future potentially looks like.

**Potential future strategic direction**

- The export strategy of the typical New Zealand food and beverage firm thirty years ago was simple: go to the UK and sell to Sainsbury and Tesco.

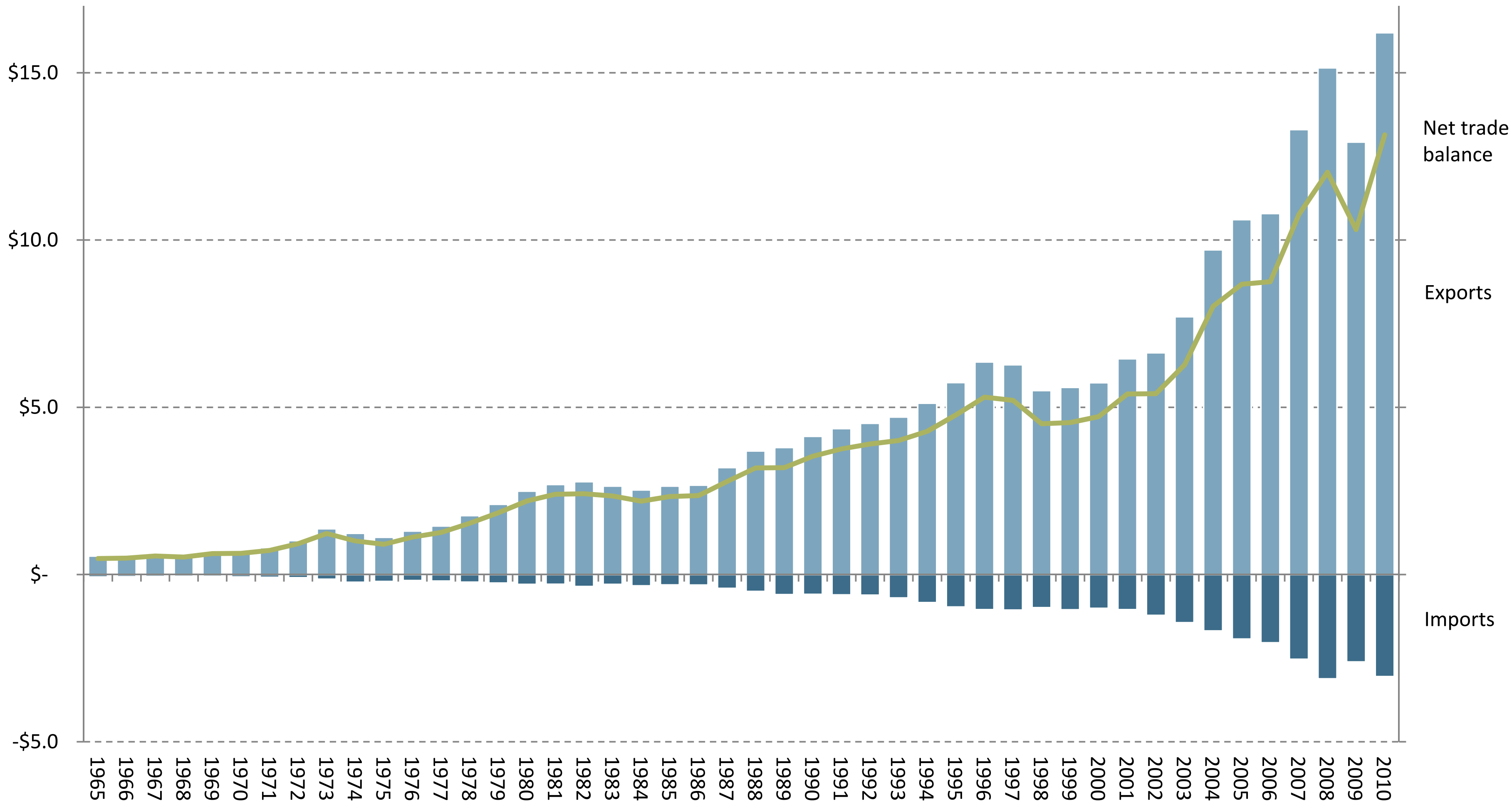
- This report presents a very different export growth pathway for the New Zealand food & beverage exporter of today:
    1. Ensure you are the #1 or #2 in your category in NZ before considering export
    2. Start in Australia: focus on winning "next door" and creating a business 5x the size of NZ; consider strategic acquisitions to achieve this goal
    3. Take the Pacific Islands seriously; in aggregate a large market where New Zealand has a good share
    4. SE Asia is the next logical market to target; start in Singapore and expand to the other countries in the region
    5. In East Asia, start in Hong Kong and Taiwan, then expand to the larger economies

## NZ F&B TRADE BALANCE

New Zealand has a strong and growing trade surplus in food and beverage

New Zealand F&B trade value: exports vs. imports

*(US$b; 1965-2010)*



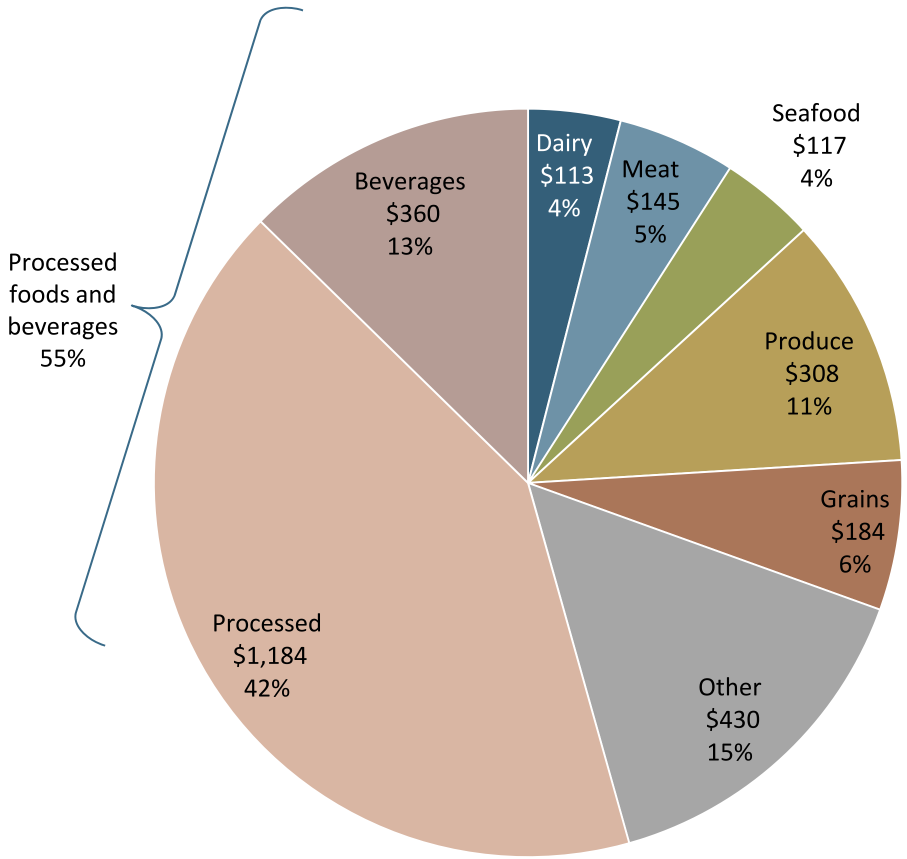



Note: does not exactly match other data due to use of SITC codes (rather than HT codes, which are not available back this far) for understood reasons; Source: UN Comtrade; Coriolis analysis

## NZ F&B IMPORTS

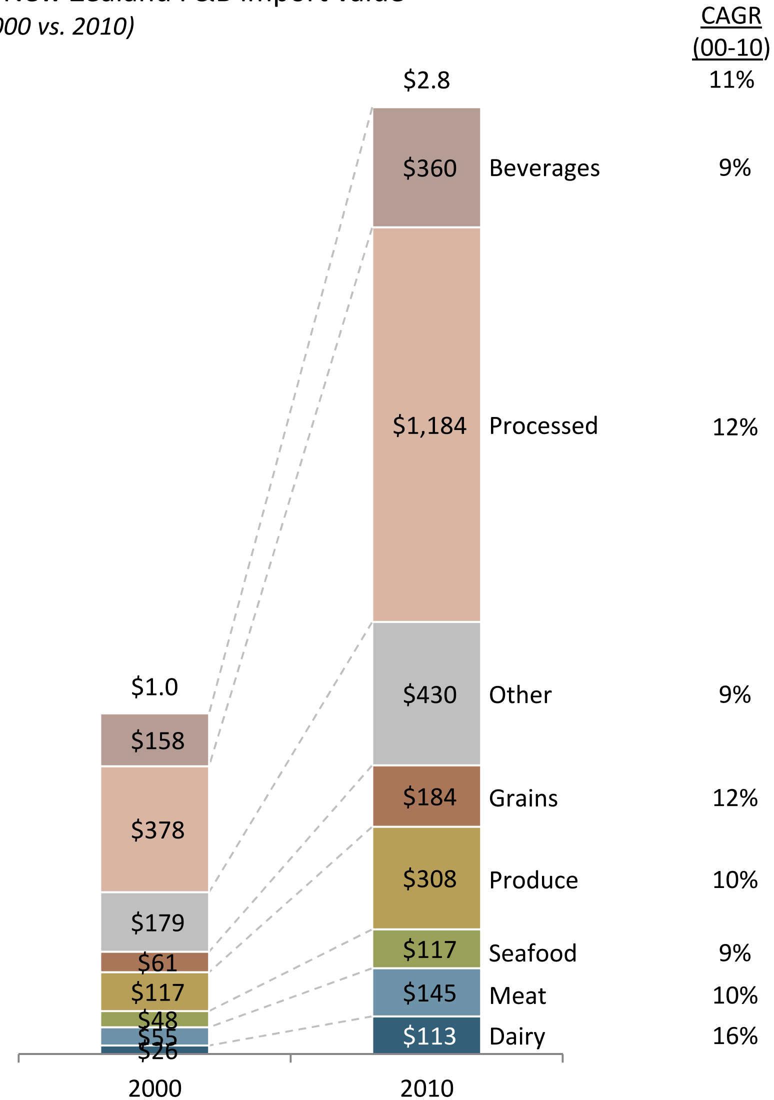
### New Zealand imports a wide range of food and beverages; processed foods and beverages account for more than 55% of these imports

New Zealand F&B import value
*(US$b; 2010)*




*Total = US$2.8b*

10 year New Zealand F&B import value
*(US$b; 2000 vs. 2010)*



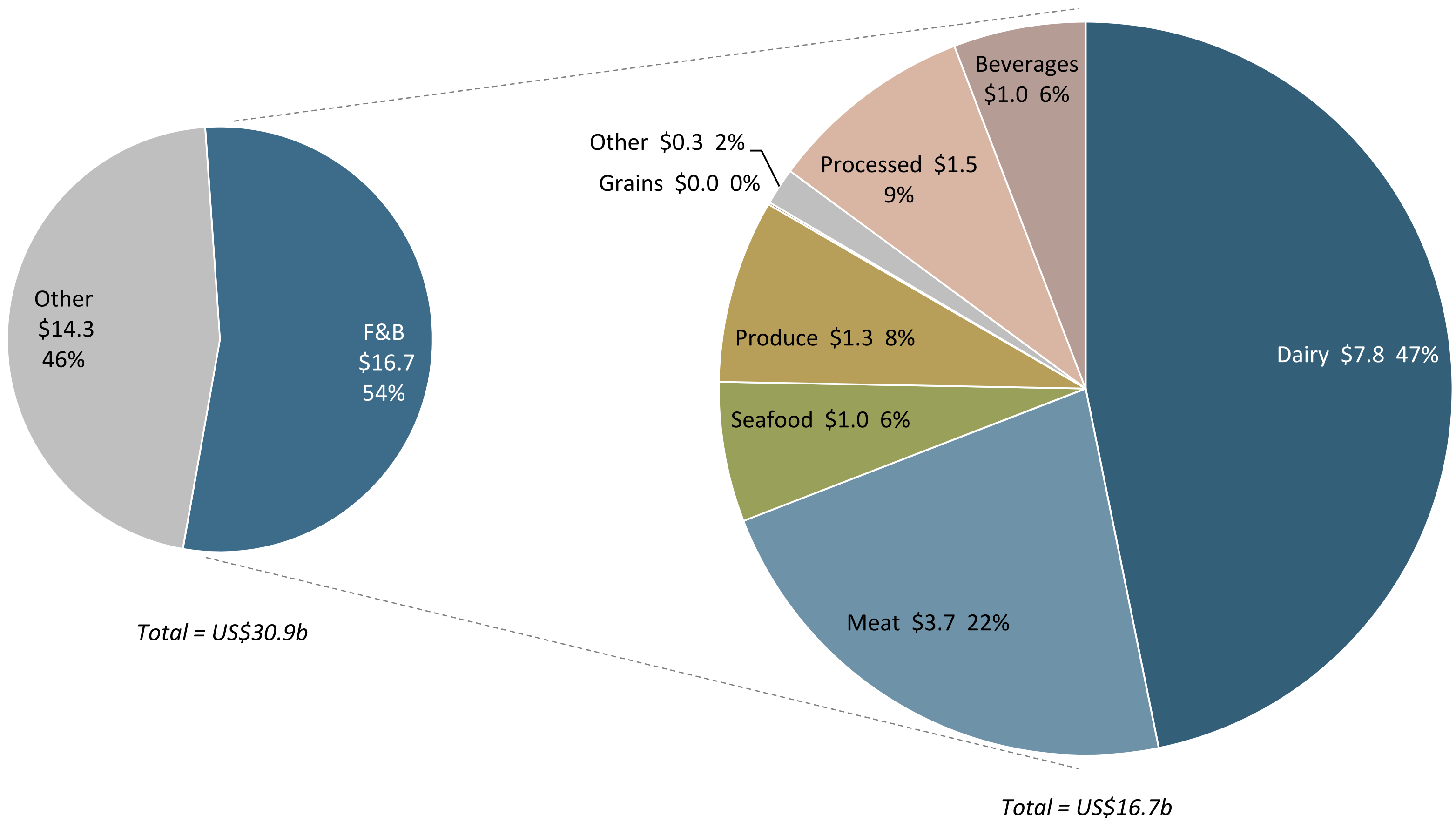


Source: UN Comtrade database; Coriolis analysis

## F&B IMPORTANT TO TOTAL EXPORT VALUE

### Food and beverages (F&B) represent 54% of the total value of New Zealand's exports

New Zealand export value by F&B total and by key segment
*(US$b; 2010)*



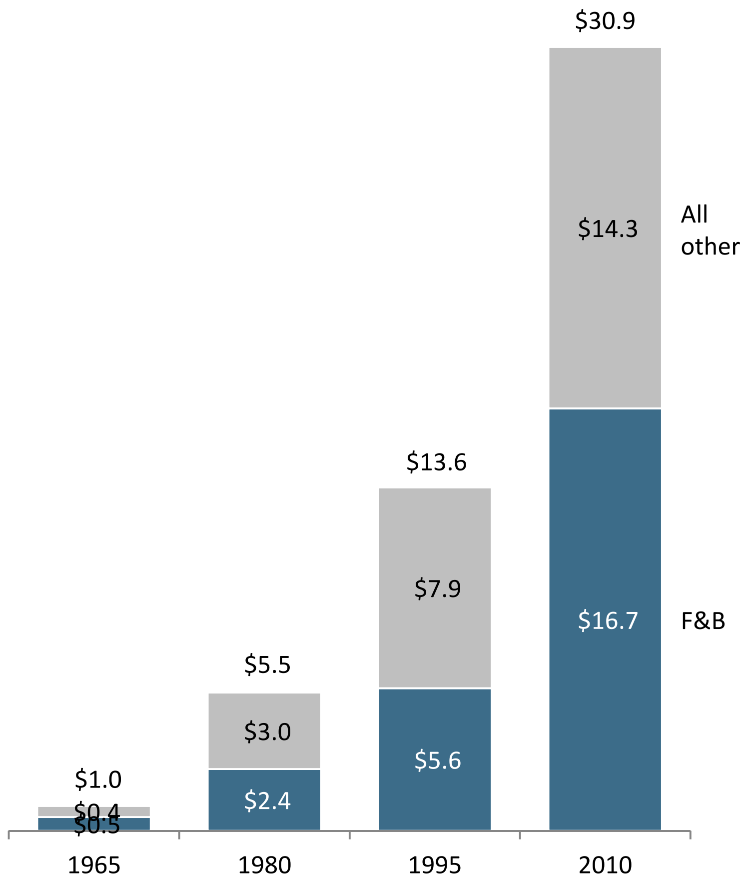



Note: totals may not add due to rounding; Source: UN Comtrade database; Coriolis analysis

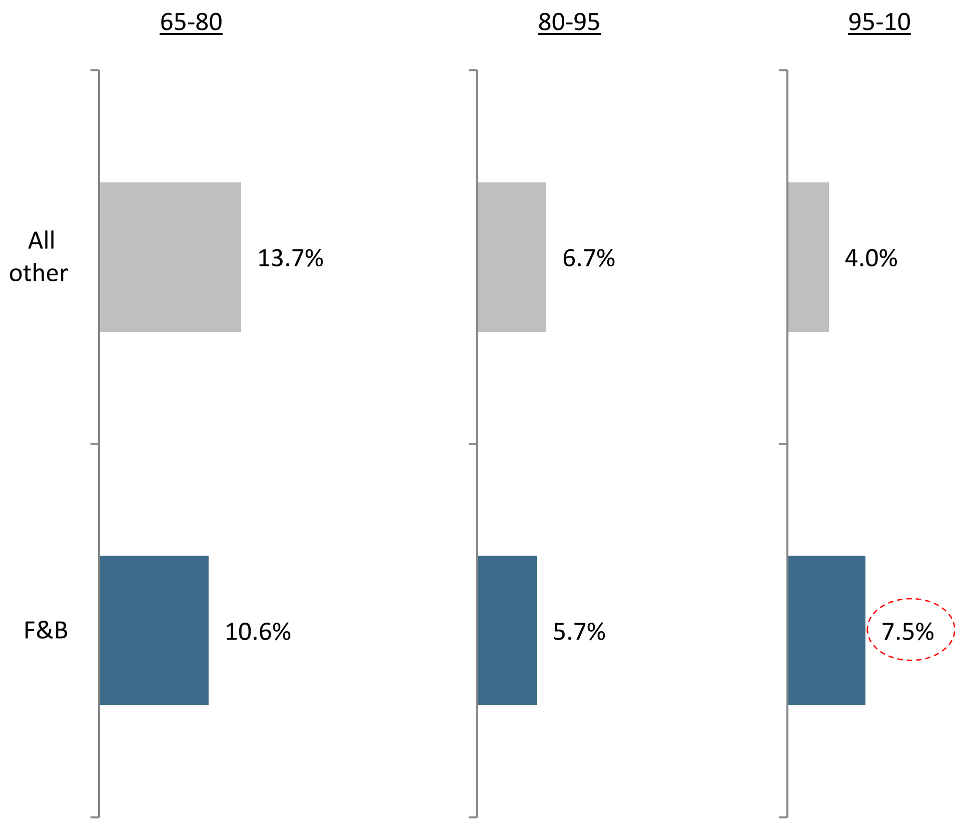
# F&B GROWING

## New Zealand's F&B exports have been growing

New Zealand export value by F&B and non-F&B
*(US$b; non-inflation adjusted; 1965-2010)*




Rate of growth (CAGR[1]) in New Zealand export value by F&B and non-F&B
*(CAGR; by 15 year periods; 1965-2010)*






1. CAGR = Compound Annual Growth Rate; Note: totals may not add due to rounding; Source: UN Comtrade database; Coriolis analysis

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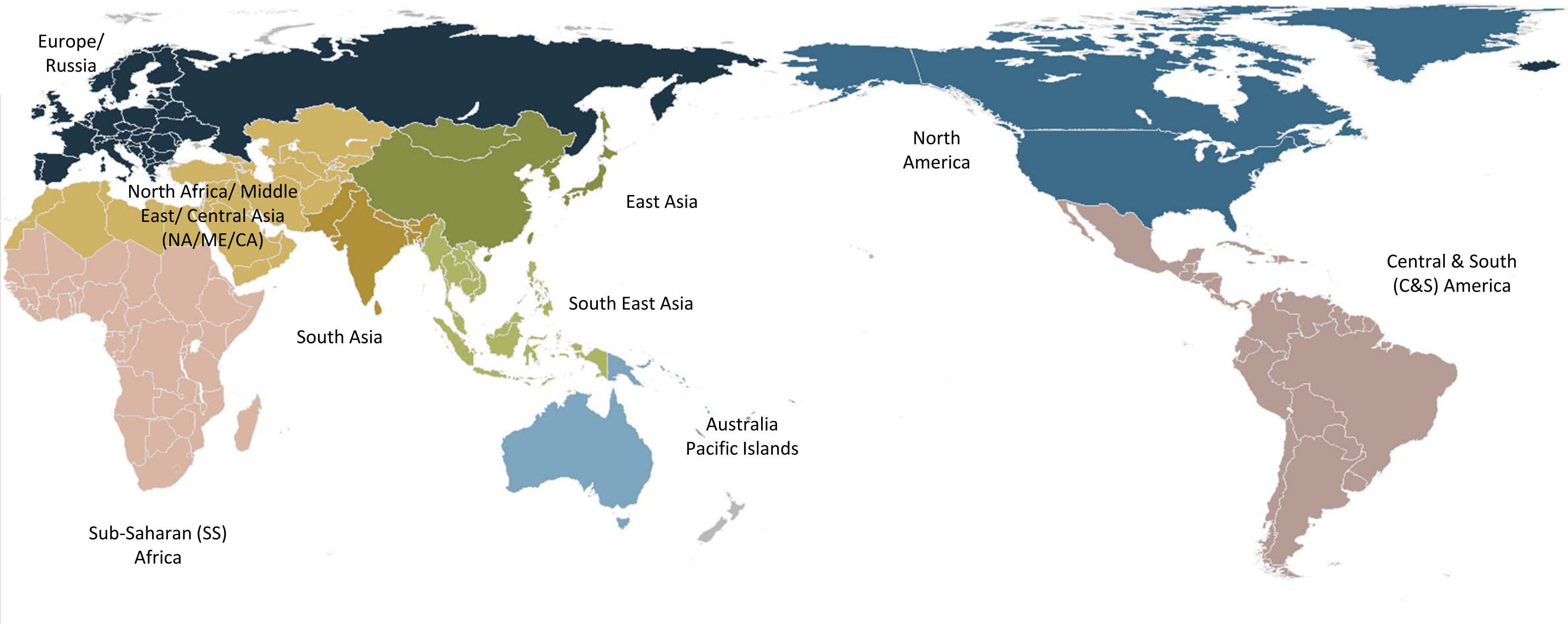
# DEFINED GLOBAL REGIONS

## Our market analysis uses the following nine defined global regions

Map of global regions used in our analysis
*(as used)*



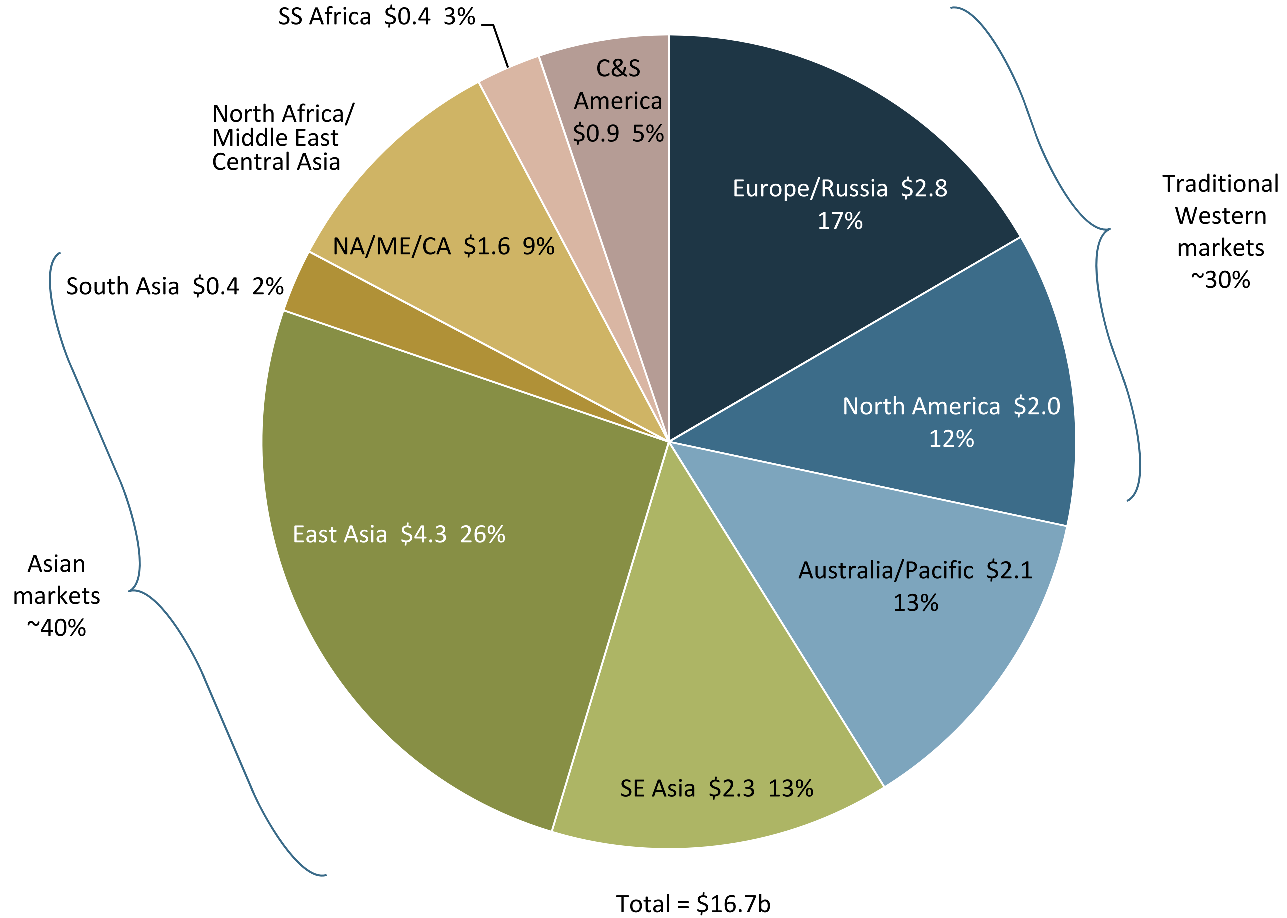



Source: map (Wikipedia; free usage); Coriolis (colour and definitions)

# NZ F&B EXPORT VALUE BY REGION

## New Zealand exports F&B to a wide range of destinations; interestingly Asia is worth a third more than Europe, Russia and North America combined

Aggregate annual F&B export value by key markets
*(US$b; %; 2010)*



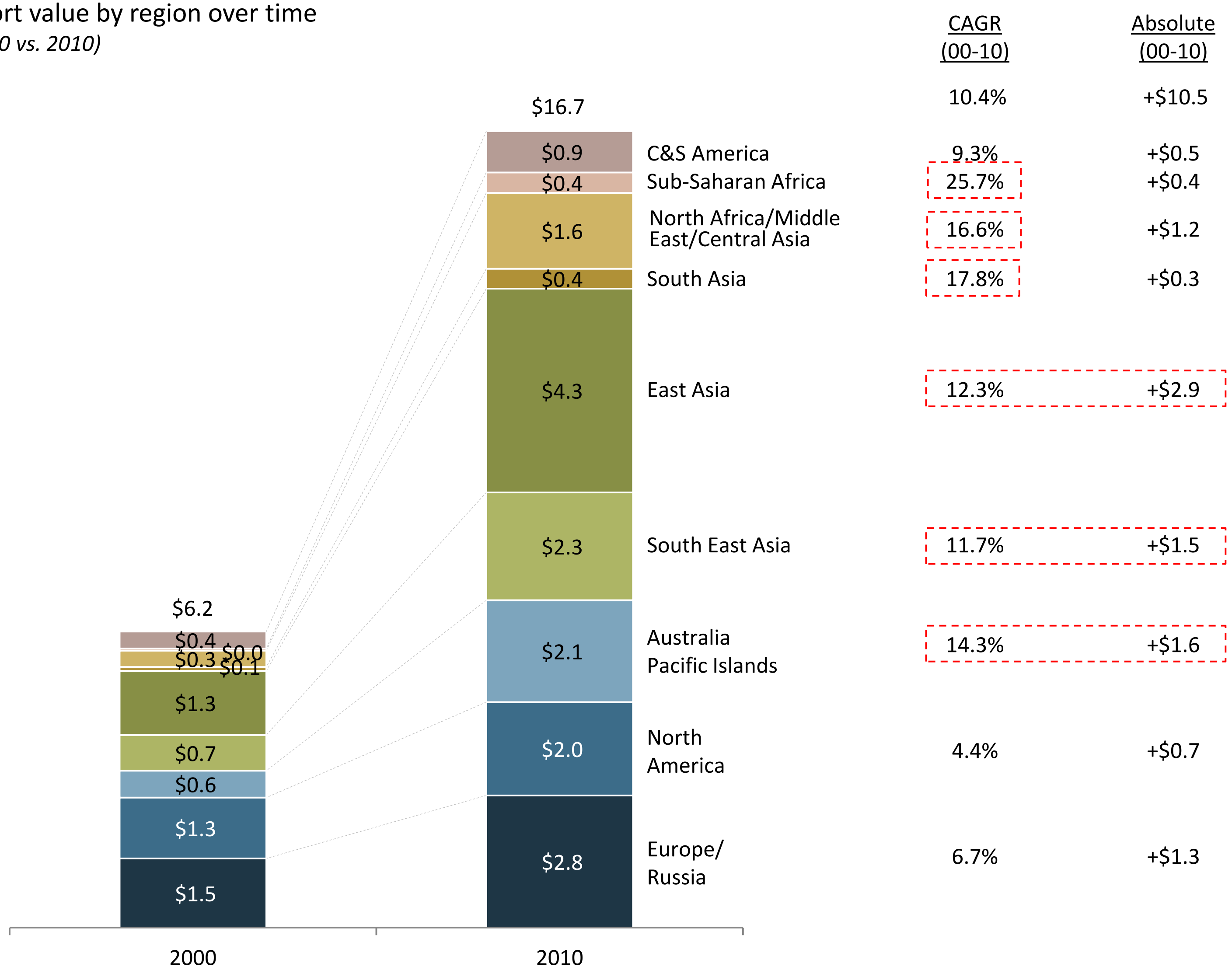



Note: totals may not add due to rounding; Source: UN Comtrade database; Coriolis analysis

# NZ F&B EXPORT VALUE BY REGION OVER TIME

## Growth is bring driven by Australia and Asia

F&B export value by region over time
*(US$b; 2000 vs. 2010)*





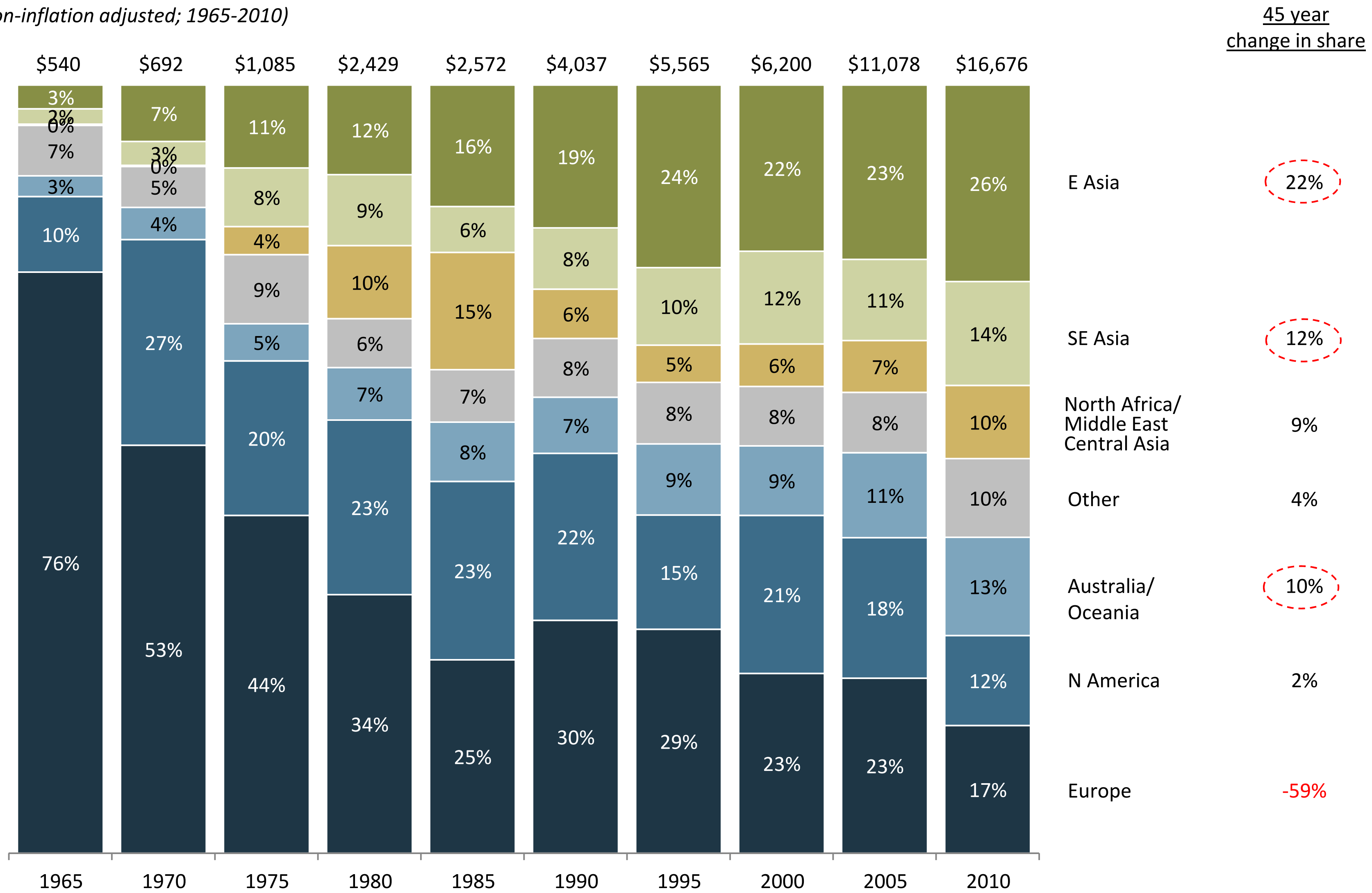

Note: totals may not add due to rounding; Source: UN Comtrade database; Coriolis analysis

# NZ F&B EXPORT MARKETS

## New Zealand in the middle of a fundamental transition from feeding Westerners to feeding the Asia-Pacific region

Total New Zealand F&B exports by region

*(US$m; non-inflation adjusted; 1965-2010)*



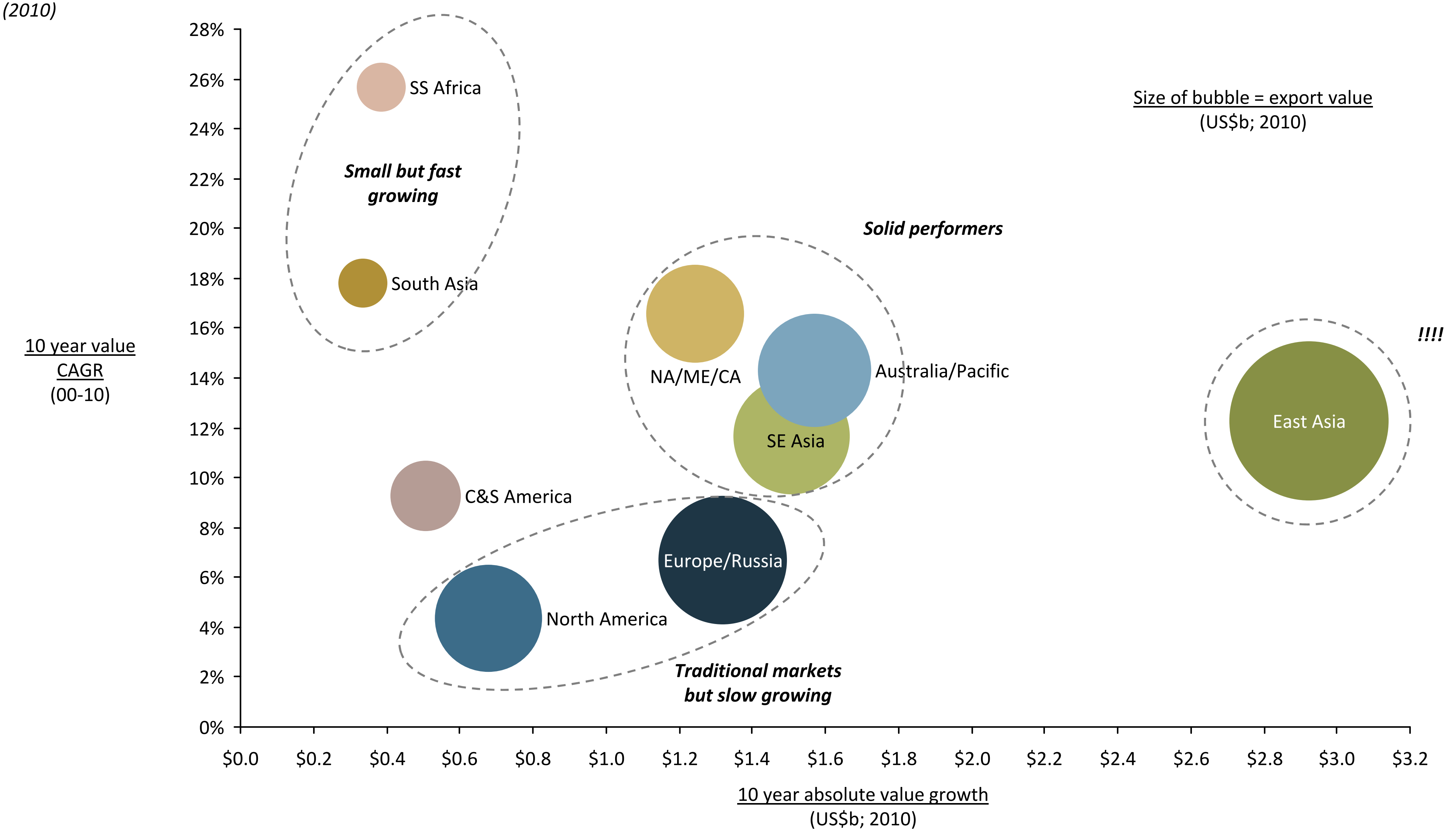



Source: UN Comtrade database; Coriolis analysis

# NZ F&B EXPORT GROWTH MATRIX

## New Zealand F&B exports have a range of opportunities for growth

F&B export value growth matrix
*(2010)*






Source: UN Comtrade database; Coriolis analysis

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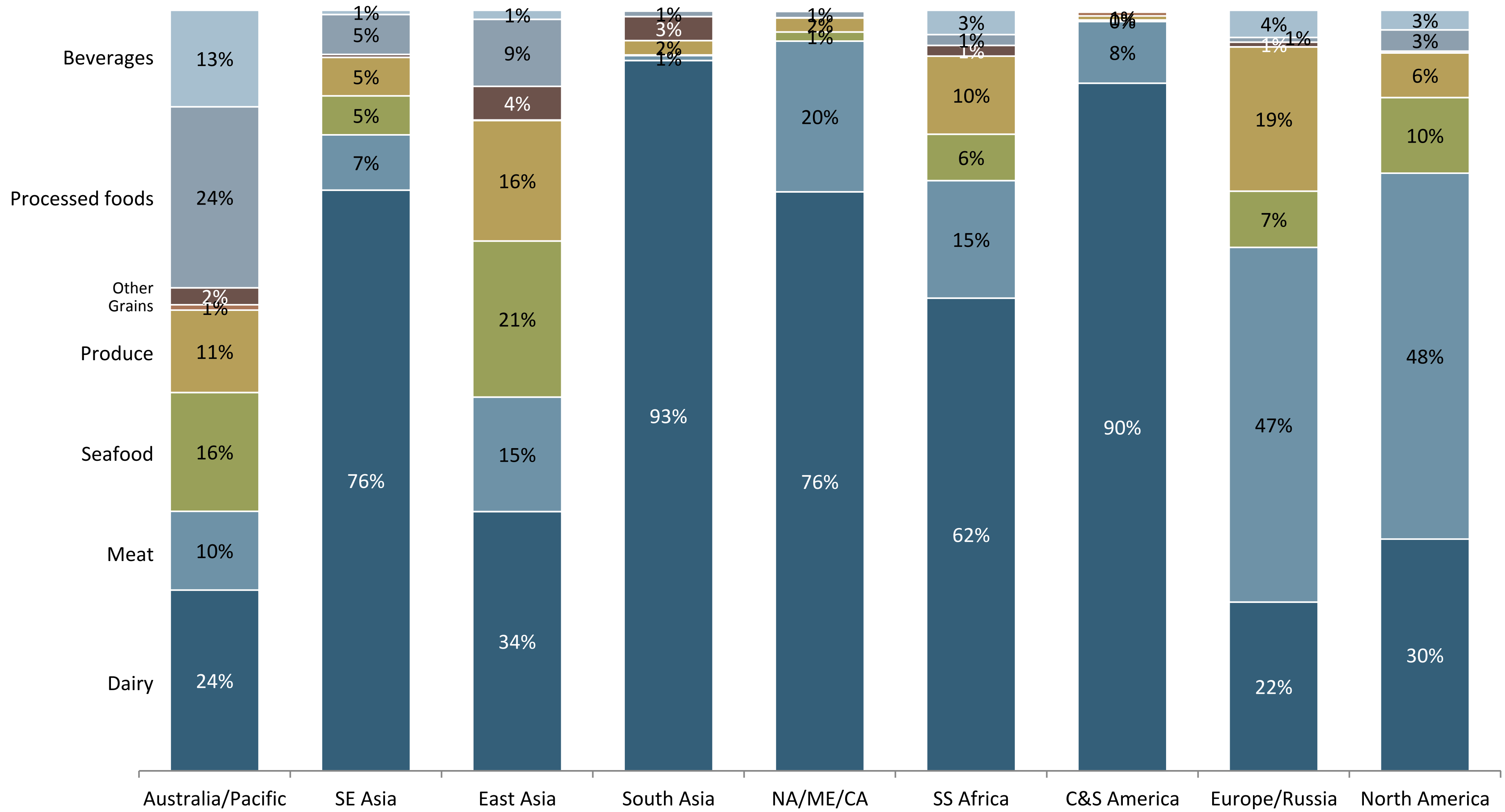
## SECTOR VALUE MIX BY REGION

### Export value mix varies by market; developing markets dominated by dairy and meat; traditional US/EU markets more weighted to meat; Australia is the most balanced

Share of New Zealand export value by region by sector
*(% of US$; 2010)*





Note: totals may not add due to rounding; Source: UN Comtrade database; Coriolis analysis

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# AUSTRALASIA/PACIFIC – RECOMMENDATIONS

## As a result of globalisation, Australia and the Pacific Islands are now New Zealand's "home market"; they should be treated as such

**Situation**

- In aggregate Australia and the Pacific Islands are a large and attractive market for New Zealand food and beverage exporters
  - Close physically and culturally
  - Population of 32m (Australia 22m; P.I. 10m); same GDP as India (aggregate nominal)
  - Mixture of highly developed markets and lower income countries
- Region is effectively New Zealand's home market
- New Zealand has excellent market share in the region
  - F&B import share typically 15-30%
  - Higher in associated countries (e.g. Cook Islands)
- Significant trade agreements in place (e.g. CER[1] with Australia 1983; Protocol on Investment in the New Zealand and Australia CER Agreement, 2011)
- New Zealand achieving strong value growth to Australia in particular (see *"Moving to the Centre"* report for details)

**Potential market development strategy**

- Start in Australia
  - Focus on winning "next door" rather than across a small volume of exports across a wide range of countries
  - With Woolworths operating across both markets, New Zealand supply is regularly being compared with Australian
  - New Zealand F&B exports are achieving excellent success in Australia across a wide range of sectors and firms
  - Use own salesforce rather than outsource; consider targeted acquisitions to build an in-market presence
- Take Pacific Island market seriously
  - Do not operate under out dated assumptions or second hand advice about levels of market development
  - In aggregate a large market where NZ F&B has strong share
  - French territories in particular are high income and have modern global retailers (e.g. Carrefour; global #2)
    - Build a relationship with Carrefour and Casino; leverage this into other markets
  - A small effort should produce strong results (as it is a low priority for others)
- Consider a wider "island"-focused strategy
  - New Zealand F&B exports are disproportionally successful per capita in islands worldwide (e.g. Caribbean)

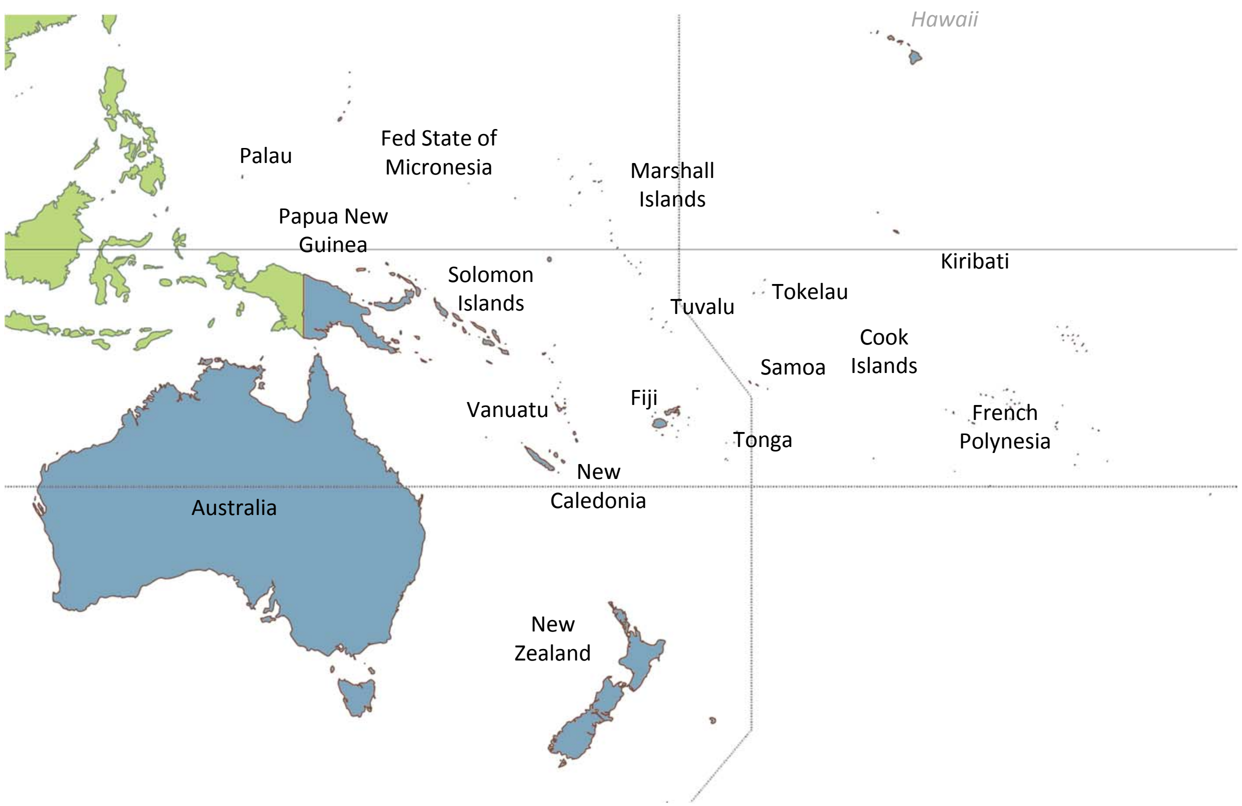


1. CER Australia New Zealand Closer Economic Relations Trade Agreement; AANZFTA = ASEAN-Australia-New Zealand Free Trade Agreement

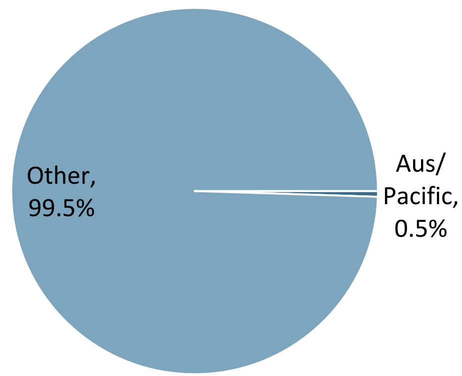
# AUSTRALASIA/PACIFIC – REGIONAL OVERVIEW

## The Australasian/Pacific Island region is now effectively New Zealand's home market

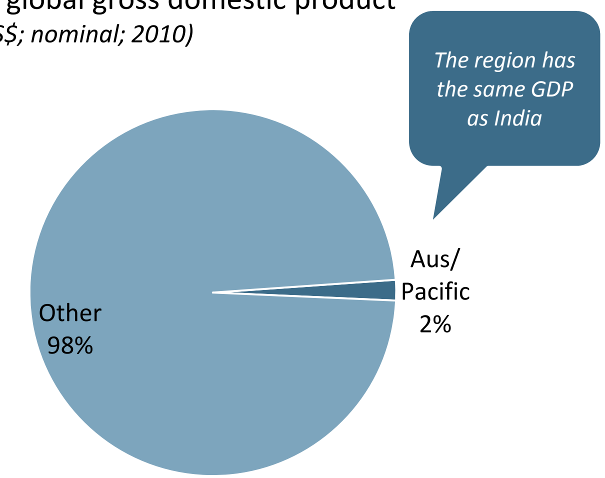
Map of countries in Australasia/Pacific region
*(2010)*




% of global population
*(people; 2010)*




% of global gross domestic product
*(% US$; nominal; 2010)*






Source: Wikimedia Commons; Coriolis

## AUSTRALASIA/PACIFIC – MARKET CHARACTERISTICS

### Australasian/Pacific Island markets have similar cuisine to NZ with common building blocks; markets also face a similar set of issues

Overview of key characteristics of the Australia / Pacific food & beverage market environment
*(2011)*

| Cuisine and culture | | Distribution | | Competitive environment | |
|---|---|---|---|---|---|
| **Food building blocks** | | **Market characteristics** | | **Key imported temperate foods and beverages** | |
| **AU/NZ** | **Pacific Islands** | **AU/NZ** | **Pacific Islands** | **AU/NZ** | **Pacific Islands** |
| - Bread<br>- Temperate fruit & vegetables<br>- Beef, chicken, pork<br>- Processed foods<br>- Local beer and wine; imported spirits | - Tropical fruit<br>- Tropical vegetables<br>- Chicken, seafood<br>- Sauces (e.g. fish sauce)<br>- Beer and imported wine and spirits | - Supermarket sector consolidated<br>Expenditure on foodservice/food away larger than retail food (i.e. "spend more in restaurants than in supermarkets") | - Retailers generally small and fragmented by market<br>- Strong independent sector<br>- Many distributors have strong market power | - Inter-regional trade<br>- Premium spirits (Brandy, Whisky, Gin)<br>- Processed foods | - Grains<br>- Meat<br>- Temperate fruit and vegetables<br>- Processed foods<br>- Imported foods for tourists |

| Cultural & regulatory characteristics | | Supply chain issues | | Key suppliers of temperate foods and beverages | |
|---|---|---|---|---|---|
| **AU/NZ** | **Pacific Islands** | **AU/NZ** | **Pacific Islands** | **AU/NZ** | **Pacific Islands** |
| - Common regional food standards/regulations across AU/NZ | - Variable standards by market; many accept standards of others<br>- Some have EU standards | - Highly efficient modern supply chain | - Large number of small markets leading to high cost and inefficient distribution<br>- Some exceptions, particularly in French territories | - Inter-regional<br>- China<br>- United States<br>- Europe | - Australia<br>- New Zealand<br>- France<br>- Other Europe<br>- China |



Source: Coriolis

## AUSTRALASIA/PACIFIC – KEY SUPERMARKETS BY MARKET

### Australasian and Pacific Island food retailing is still relatively fragmented outside AU/NZ

Key chain food retail operators by outlet type* across Australia and select Pacific Island markets
*(2011)*

**Major regional groups with multi-country operations**

| | Woolworths the fresh food people | Wesfarmers | Carrefour | Groupe Casino | **Strong operators in single market in region** |
|---|---|---|---|---|---|
| Australia | 823 super<br>1,208 liquor<br>561 petrol | 742 super<br>766 liquor<br>619 conv<br>174 dept | | | ALDI: 250 super<br>Metcash: 1,300+ super<br>Costco Wholesale: 3 hyper |
| New Zealand | 158 super<br>48 conv | 12 dept | | | Foodstuffs (Proudly New Zealand): 181 super/446 conv/94 liquor |
| French Polynesia | | | 1 hyper<br>2 super | 1 super | |
| Papua New Guinea | | | | | Stop Shop: 5 super<br>Foodland: 4 super<br>RH Hypermarket: 2 hyper<br>JMart: 1 hyper<br>S: 6 super<br>Papindo (Papindo Trading Company Limited): 21 super |
| New Caledonia | | | 1 | 1 super | |
| Fiji | | | | | MH: 24 super<br>New World Supermarkets: 23 super<br>RB Patel: 8 super |
| Vanuatu | | | | 1 discount | |



*Supermarket, convenience, liquor, department, hypermarket; discount, Source: various company websites; various company annual reports; various published articles; Coriolis analysis

# AUSTRALASIA/PACIFIC – KEY INDICATORS

## The Australasian/Pacific region is made up of two large economies and a large number of small islands; while Australia is the key opportunity, the aggregate size of the Pacific Island market should not be ignored

| | GDP/capita *(US$/person; 2010 or latest available)* | Population *(people; m; 2010)* | GDP *(US$b; 2010)* | F&B Import $/capita *(US$/person; 2010)* | Total F&B Import value *(US$m; 2010)* |
|---|---|---|---|---|---|
| Australia | $41,531 | 22.4 | $930 | $420 | $9,399 |
| New Zealand | $25,025 | 4.4 | $110 | $648 | $2,840 |
| French Polynesia | $23,106 | 0.3 | $6.1 | $1,515 | $400 |
| Guam | $15,579 | 0.2 | $2.8 | $368 | $66 |
| New Caledonia | $13,253 | 0.2 | $3.3 | $1,411 | $351 |
| Wallis & Futuna | $12,296 | 0.0 | $0.2 | $717 | $11 |
| Cook Islands | $9,160 | 0.0 | $0.2 | $1,154 | $23 |
| Palau | $8,200 | 0.0 | $0.2 | $557 | $11 |
| Northern Mariana | $7,280 | 0.1 | $0.6 | $126 | $11 |
| American Samoa | $6,899 | 0.1 | $0.5 | $335 | $22 |
| Niue | $6,673 | 0.0 | $0.0 | $2,220 | $3 |
| Nauru | $3,690 | 0.0 | $0.0 | $557 | $6 |
| Fiji | $3,590 | 0.8 | $3.0 | $344 | $292 |
| Samoa | $3,168 | 0.2 | $0.6 | $419 | $75 |
| Marshall Islands | $2,608 | 0.1 | $0.2 | $308 | $19 |
| Tonga | $2,490 | 0.1 | $0.3 | $441 | $46 |
| Vanuatu | $2,308 | 0.2 | $0.6 | $173 | $42 |
| Fed. Micronesia | $2,145 | 0.1 | $0.2 | $254 | $28 |
| Tuvalu | $1,494 | 0.0 | $0.0 | $225 | $2 |
| Solomon Islands | $1,277 | 0.5 | $0.7 | $106 | $55 |
| Tokelau | $1,250[1] | 0.0 | $0.0 | $1,945 | $3 |
| Papua New Guinea | $1,218 | 6.7 | $8.2 | $72 | $486 |
| Kiribati | $1,163 | 0.1 | $0.1 | $265 | $26 |

9.8m

$28b

$2b

*In aggregate the Pacific Islands import US$2b worth of F&B*

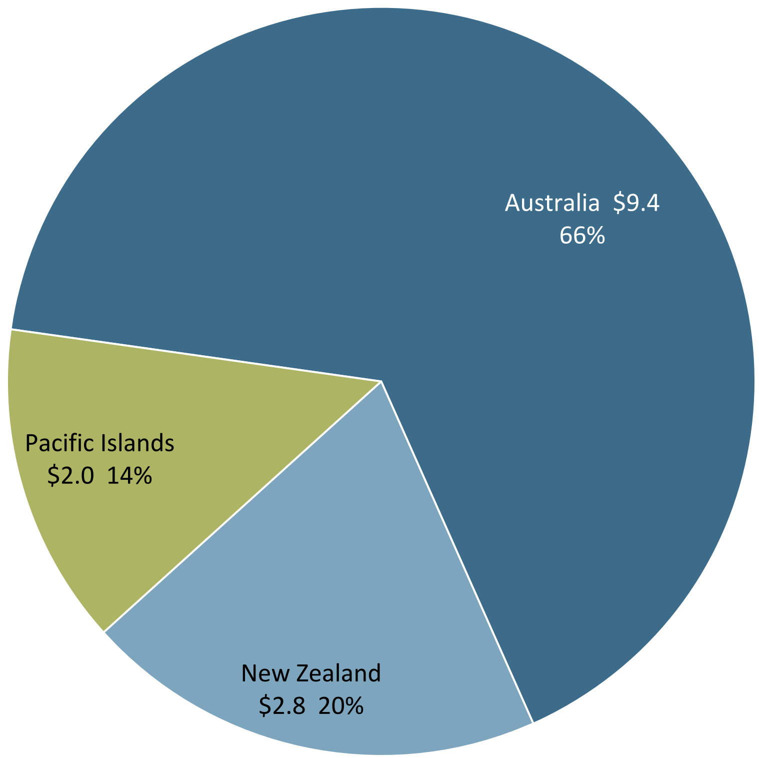
1. 1993 data (latest available); obviously greater today as it would be difficult for a country to import more F&B per capita than its GDP; Source: CIA World Fact Book; UN Comtrade database; Coriolis analysis

# AUSTRALASIA/PACIFIC – TOTAL IMPORT VALUE

## Australia is the largest market; regional trade is across a wide range of sectors, however processed foods and beverages account for 50%

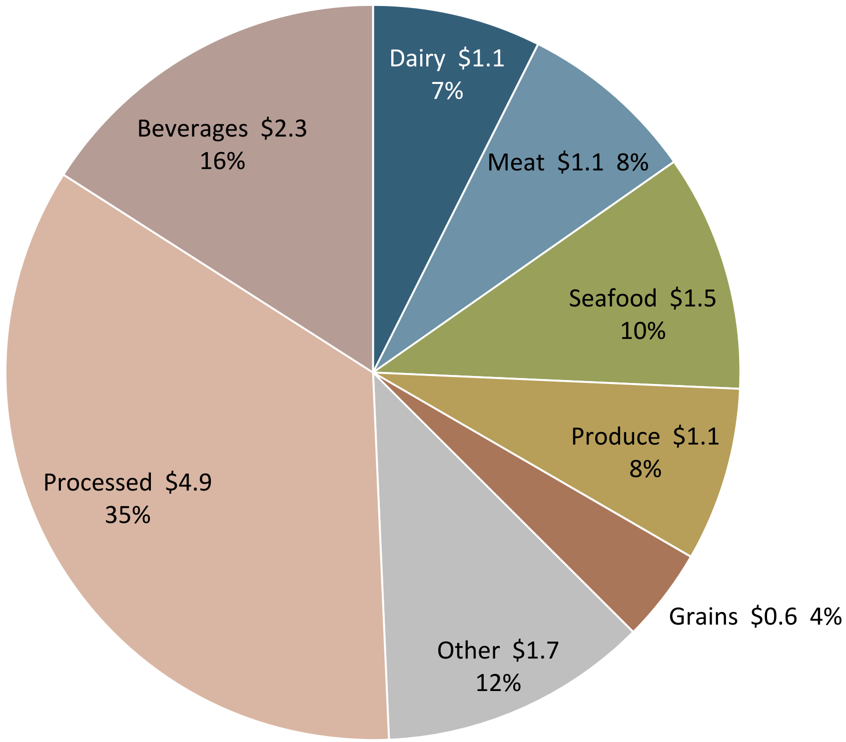
Aggregate Australasia/Pacific total F&B import value from all source countries
*(US$b; 2010)*

By receiving country




US$14.2b

By product




US$14.2b



Source: UN Comtrade database; Coriolis analysis

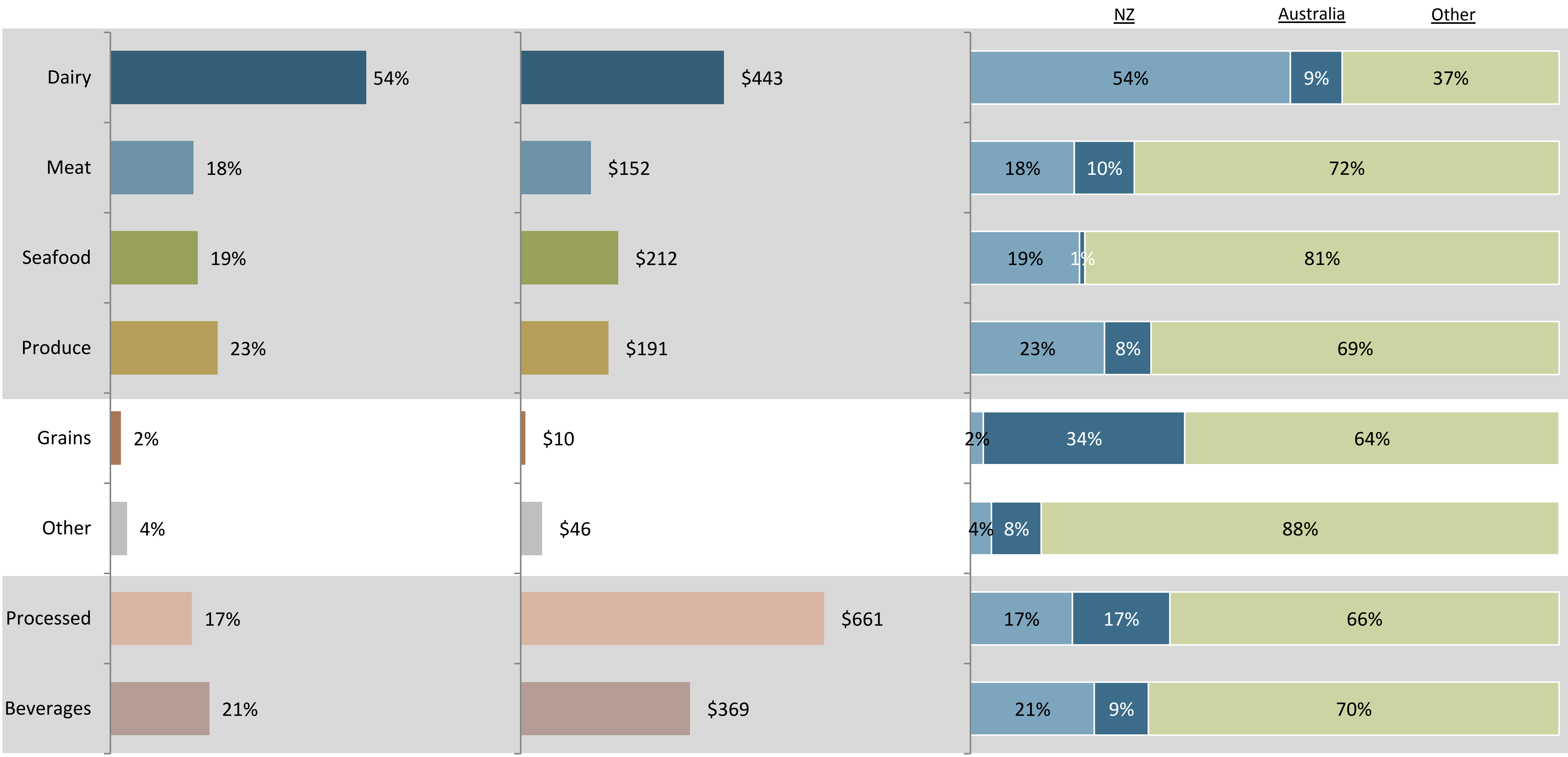
# AUSTRALASIA/PACIFIC – NZ PERFORMANCE

## New Zealand performs well in the region, in terms of share and sales across most sectors

NZ share of regional cross-border exports/imports of F&B by sector
*(% of value; 2010)*

Value of NZ F&B imports to region by sector
*(US$m; 2010)*

Share of regional cross-border F&B exports/imports by sector: NZ vs. AU vs. all other
*(% of value; 2010)*






Note: Calculation is sum of exports to the region (or cross-border/inter-country trade); therefor New Zealand regional share excludes New Zealand sales to itself; likewise Australia share excludes Australia itself; Source: UN Comtrade database; Coriolis analysis

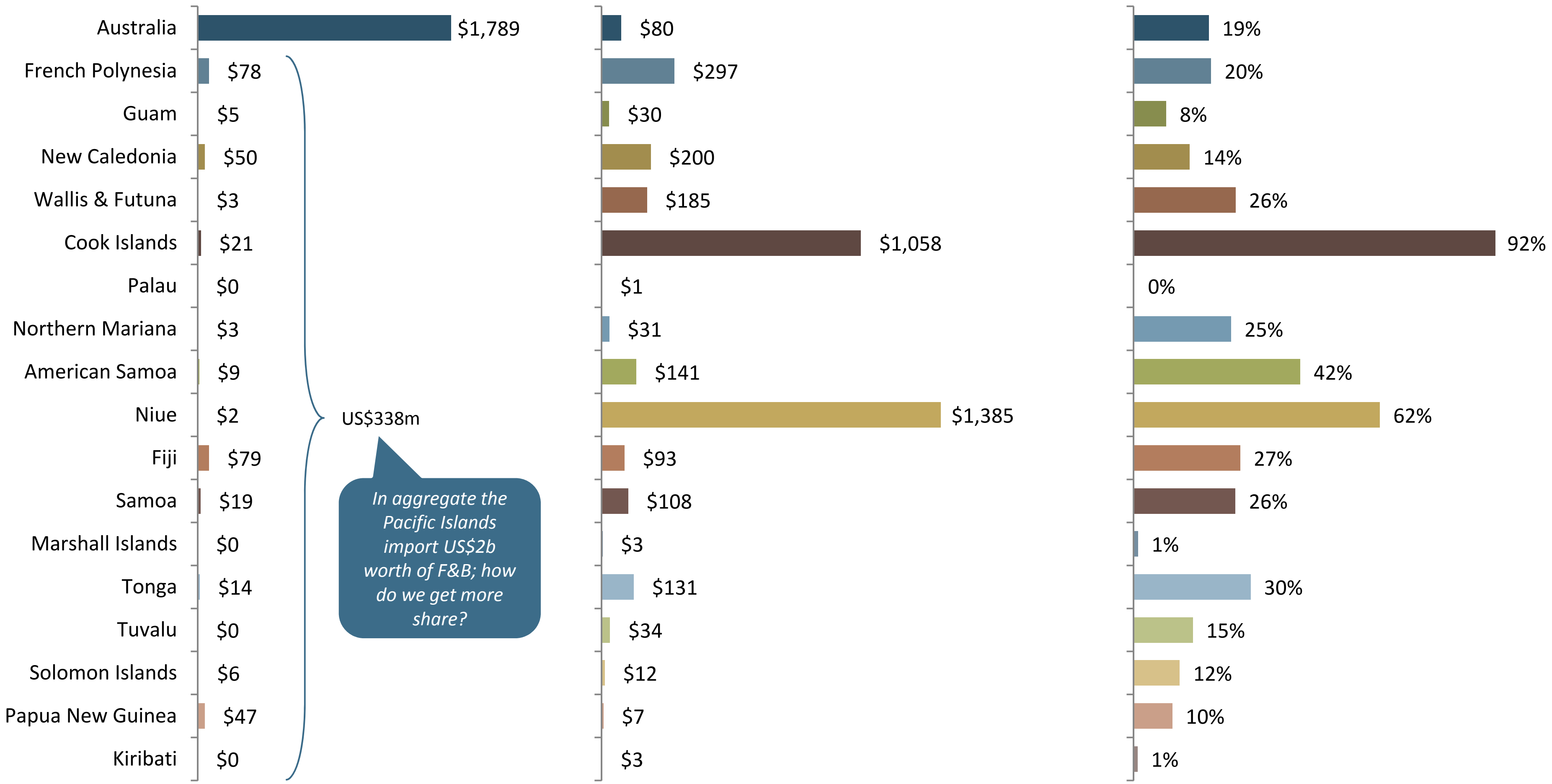
## AUSTRALASIA/PACIFIC – NZ PERFORMANCE

New Zealand performs very well across much of the region and is particularly strong in countries with an association with New Zealand (i.e. Niue and the Cook Islands)

Value of F&B imports from NZ by country
*(US$m; 2010)*

NZ F&B imports per capita by country
*(US$/person; 2010)*

NZ share of total F&B import value by country
*(%; 2010)*



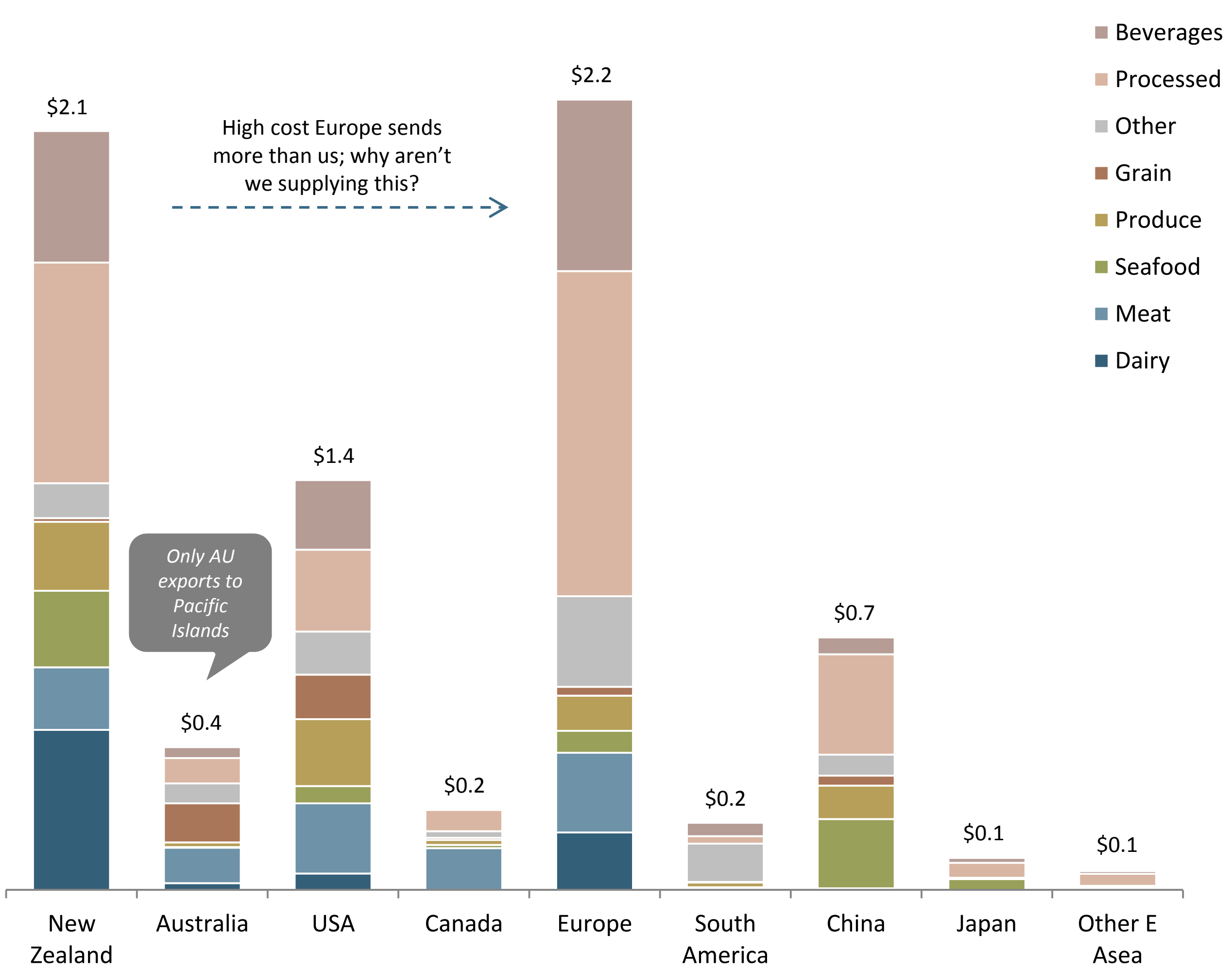



Note: Some countries not shown due to lack of data; all data should be treated as directional due to data quality issues; data is reporter-received by country not sent by New Zealand;
Source: UN Comtrade database; Coriolis analysis

# AUSTRALASIA/PACIFIC – IMPORT VALUE INTO REGION ACROSS PEERS

## New Zealand already performs well into our closest neighbours; however opportunities remain to take further share from temperate peers

Aggregate export value to Australia/Pacific Islands by sector: NZ vs. select temperate countries or regions *(US$b; 2010)*




Comments/Notes

- To triple F&B exports to Australia and the Pacific looks hard; we should, however be able to "eat Europe's lunch"
- Peers in similar temperate zones (temperate peers) will send similar products to Australia and the Pacific Islands

Note

- Data is as reported by sender; does not sync with data as reported by receiver (for understood methodological reasons)



Note: Some countries not shown due to lack of data; all data should be treated as directional due to data quality issues; Source: UN Comtrade database; Coriolis analysis

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# SE ASIA – RECOMMENDATIONS

## South East Asia is the next logical market for New Zealand food & beverage exporters with a strong presence in their home market (New Zealand, Australia and the Pacific Islands)

**Situation**

- South East Asia is a highly attractive market for New Zealand food and beverage exporters
  - Next closest market after Australia
  - Population of 583m (more than all of Central and South America)
  - Increasing wealth leading to increased demand for imported food and beverages
- South East Asia is a natural trading partner for New Zealand
  - Tropical environment unable to efficiently produce many temperate foodstuffs
- New Zealand has a relatively strong presence in the region
  - Awareness by some consumers of New Zealand as a quality supplier
  - Long term (100 year+) supply of dairy and meat
  - Particularly into former co-members of the British Empire
- Significant trade agreements in place or in development
  - AANZFTA[1], 2010 (12 member) linkage in development
  - Malaysia NZ FTA, 2010
  - Thailand NZ, CEP, 2005
  - Singapore NZ CEP, 2001

**Recommended market entry strategy**

- Start in Singapore
  - High income country with rule-of-law that speaks English
  - Only 5m people so "do-able" for New Zealand manufacturing to scale-up to supply without major capital expenditure
  - Modern supermarket sector consolidated into 3 chains
  - Commit to the market; treat as a "region of New Zealand"; put salespeople in the market; regularly call on retailers; run promotions
  - Central location that is a natural regional base and distribution hub
  - Already imports proportionally a lot of F&B from New Zealand
- Expand into Malaysia
  - Slightly larger population than Australia (28m people)
  - Already imports proportionally a lot of F&B from New Zealand
  - Easily serviced from Singapore
- Expand into other key markets in the region
  - Thailand, Indonesia, the Philippines and Viet Nam



1. AANZFTA = ASEAN-Australia-New Zealand Free Trade Agreement; CEP = Closer Economic Partnership; FTA = Free Trade Agreement

# SE ASIA – REGIONAL OVERVIEW

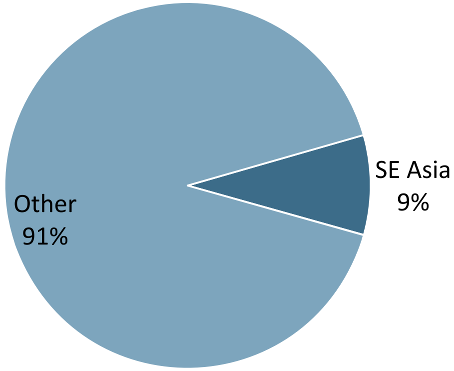
## South East Asia is the closest regional market to New Zealand after Australasia; it represents almost 10% of world population and 3% of world GDP

Map of countries in South East Asia/ASEAN
*(2010)*

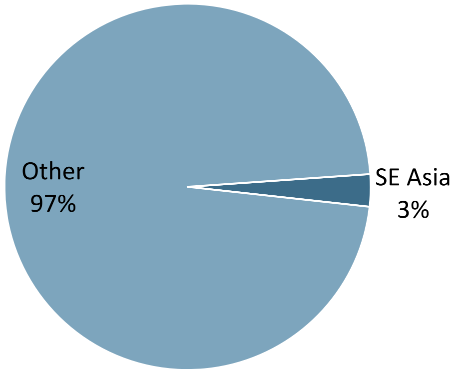

ASEAN Flag

*All countries here are ASEAN members*

% of global population
*(people; 2010)*




% of global gross domestic product
*(% US$; nominal; 2010)*






Note: East Timor is not currently part of ASEAN; Source: Wikimedia Commons; Coriolis

# SE ASIA – MARKET CHARACTERISTICS

## South East Asian markets have similar cuisine with common building blocks; markets also face a similar set of issues

Overview of key characteristics of the South East Asian food & beverage market environment
*(2011)*

| Cuisine and culture | Distribution | Competitive environment |
|---|---|---|
| **Food building blocks** | **Market characteristics** | **Key imported temperate foods and beverages** |
| - Rice<br>- Tropical fruit (rambutan, durian, etc.)<br>- Tropical/Asian vegetables<br>- Chicken, seafood<br>- Sauces (e.g. fish sauce)<br>- Beer and local spirits | - Continuing strong presence of wet markets and fresh specialists<br>- Supermarket sector consolidated within markets but less so across markets<br>- Expenditure on foodservice/food away larger than retail food (i.e. "spend more in restaurants than in supermarkets") | - European spirits (Brandy, Whisky, Gin)<br>- Ingredient milk powder for local manufacturers to turn into consumer dairy items (e.g. yoghurt drinks, infant formula)<br>- Apples<br>- Beef |
| **Cultural & regulatory characteristics** | **Supply chain issues** | **Key suppliers of temperate foods and beverages** |
| - Religious limitations on protein consumption (Muslim peoples don't eat pork and require meat to be halal)<br>- Multiple languages across region leading to requirement for packaging by country<br>- No common regional food standards or regulations<br>- Muslim restrictions on alcohol consumption<br>- Various degrees of alcohol intolerance (ALDH2 deficiency) within population (particularly those of East Asian origin) | - Markets somewhat bi-polar with world-class, best practice retailers (e.g. Tesco) alongside wet markets<br>- Modern supply chains developing in higher income countries with spread of chain supermarket operators<br>- Sophistication of supply chain more variable elsewhere<br>- Convoluted supply chain to support continuing significant role of numerous wet markets selling fresh meat, seafood, fruit and vegetables | - Australia<br>- China<br>- United States<br>- Europe<br>- New Zealand |


Source: Coriolis

# SE ASIA – KEY SUPERMARKETS BY MARKET

## South East Asian food retailing is a mixture of regional chains and strong local operators

Key chain food retail operators by outlet type* across higher income South East Asia
*(2011)*

| | Major regional groups with multi-country operations | | | | | Strong operators in single market in region |
|---|---|---|---|---|---|---|
| | Dairy Farm | Carrefour | TESCO | ÆON | Groupe Casino | |
| Singapore | 7 hyper<br>105 super | 2 hyper | | | | FairPrice, ShengSiong |
| Malaysia | 123+17+2<br>hyper/super | 25 hyper<br>14 conv | 32 stores | 23 dept<br>4 super | | MYDIN, The Store |
| Thailand | | | 663 stores | 13 super | 16 hyper<br>89 super | makro, Tops |
| Indonesia | 120 super<br>38 hyper<br>125 conv | 67 hyper<br>16 super | | | | hypermart, Super Indo, Ramayana, Alfa |
| Philippines | | | | | | SM Supermarket, Rustan's, Robinsons Supermarket |
| Vietnam | 3 super | | | | 14 hyper | METRO, Co.op Mart |
| Brunei | 1 hyper<br>2 super | 1 hyper | | | | |



*Supermarket, convenience, liquor, department, hypermarket; discount, Source: various company websites; various company annual reports; various published articles; Coriolis analysis

## SE ASIA – KEY INDICATORS

South East Asian countries range from very rich to very poor; the key opportunity for F&B exports is in the six major economies

| | GDP/capita (US$/person; 2010) | Population (people; m; 2010) | GDP (US$b; 2010) | F&B Import $/capita (US$; 2010) | Total F&B Import value (US$b; 2010) |
|---|---|---|---|---|---|
| Brunei | $36,750 | 0.4 | $15 | $652 | $0.3 |
| Singapore | $32,701 | 5.0 | $163 | $1,826 | $9.1 |
| Malaysia | $7,327 | 28.3 | $207 | $424 | $12.0 |
| Thailand | $4,194 | 63.5 | $266 | $114 | $7.3 |
| Indonesia | $2,199 | 234.2 | $515 | $40 | $9.5 |
| Philippines | $1,688 | 94.0 | $159 | $65 | $6.1 |
| Vietnam | $1,070 | 85.8 | $92 | $46 | $4.0 |
| Laos | $905 | 6.3 | $6 | $- | N/A |
| Cambodia | $814 | 13.4 | $11 | $13 | $0.2 |
| Myanmar | $679 | 50.5 | $34 | $3 | $0.2 |
| East Timor | $528 | 1.1 | $1 | $14 | $0.0 |

*Australia $9.4b*

*These six countries are the primary opportunity; 511m people, importing F&B worth $49b*



Source: CIA World Fact Book; UN Comtrade database; Coriolis analysis

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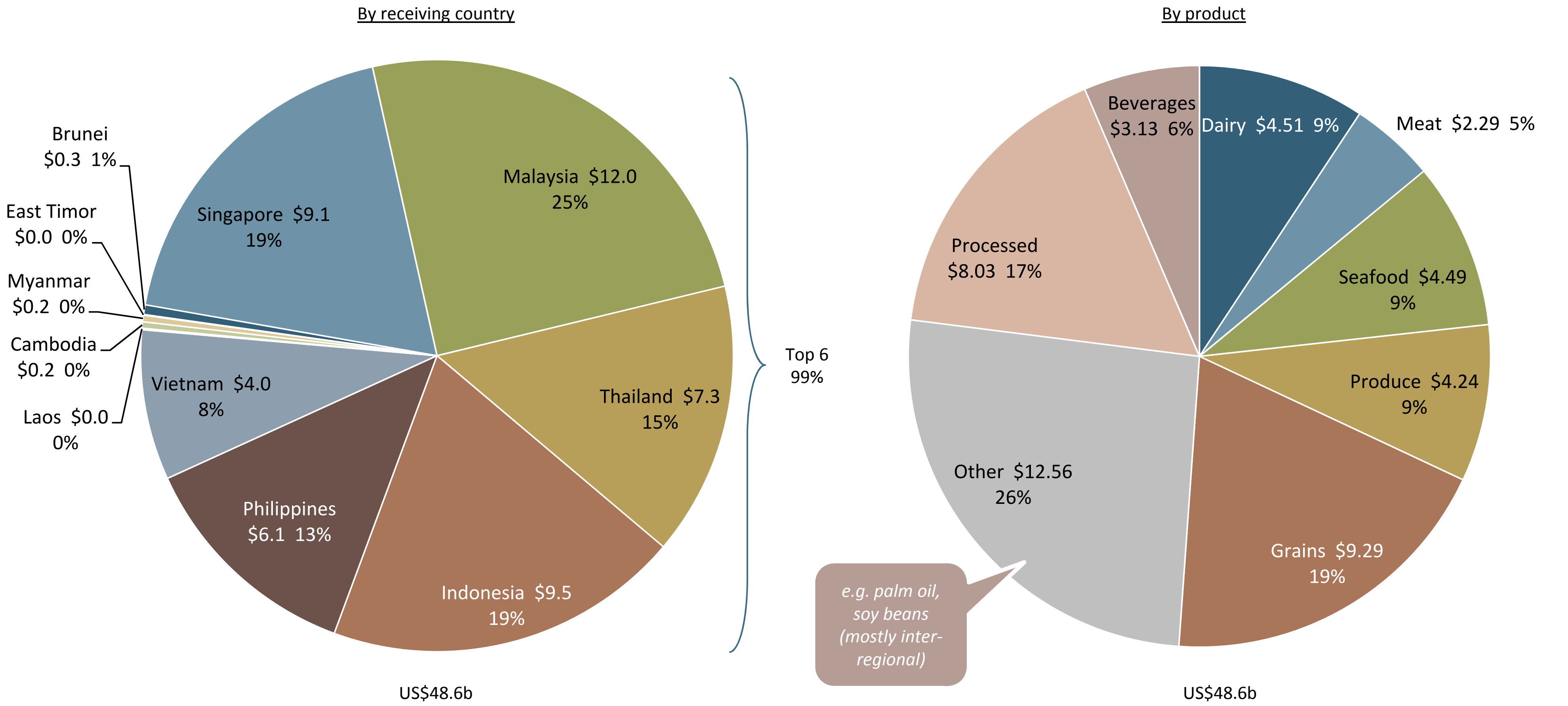
## SE ASIA – TOTAL IMPORT VALUE

### The six major markets account for 99% of F&B imports; F&B imports are spread across a range of sectors

Aggregate SE Asia total F&B import value from all source countries
*(US$b; 2010)*





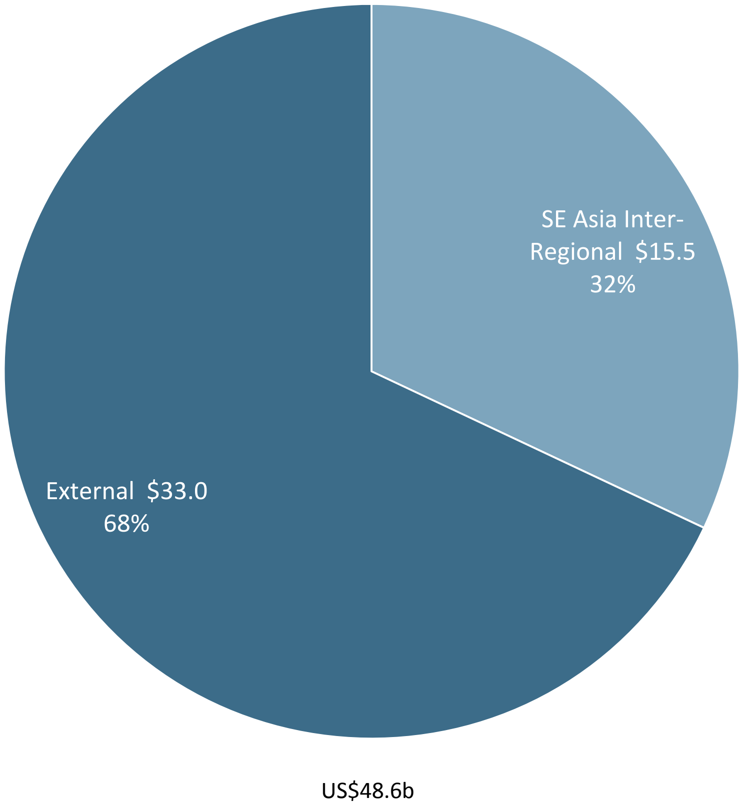

Source: UN Comtrade database; Coriolis analysis

# SE ASIA – IMPORT VALUE BY SOURCE

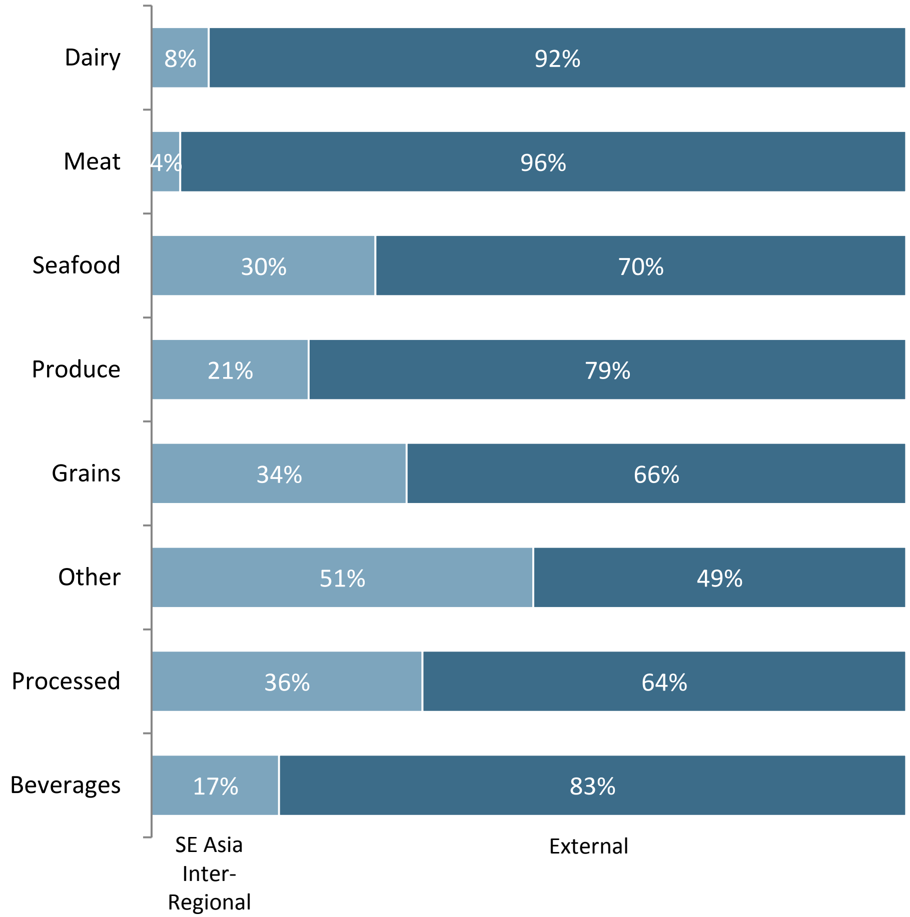
## One third of F&B imports come from within the region, two thirds from outside the region

Aggregate SE Asia total F&B import value from all source countries by mega-region
*(US$b; 2010)*

By source




By source by product






Source: UN Comtrade database; Coriolis analysis

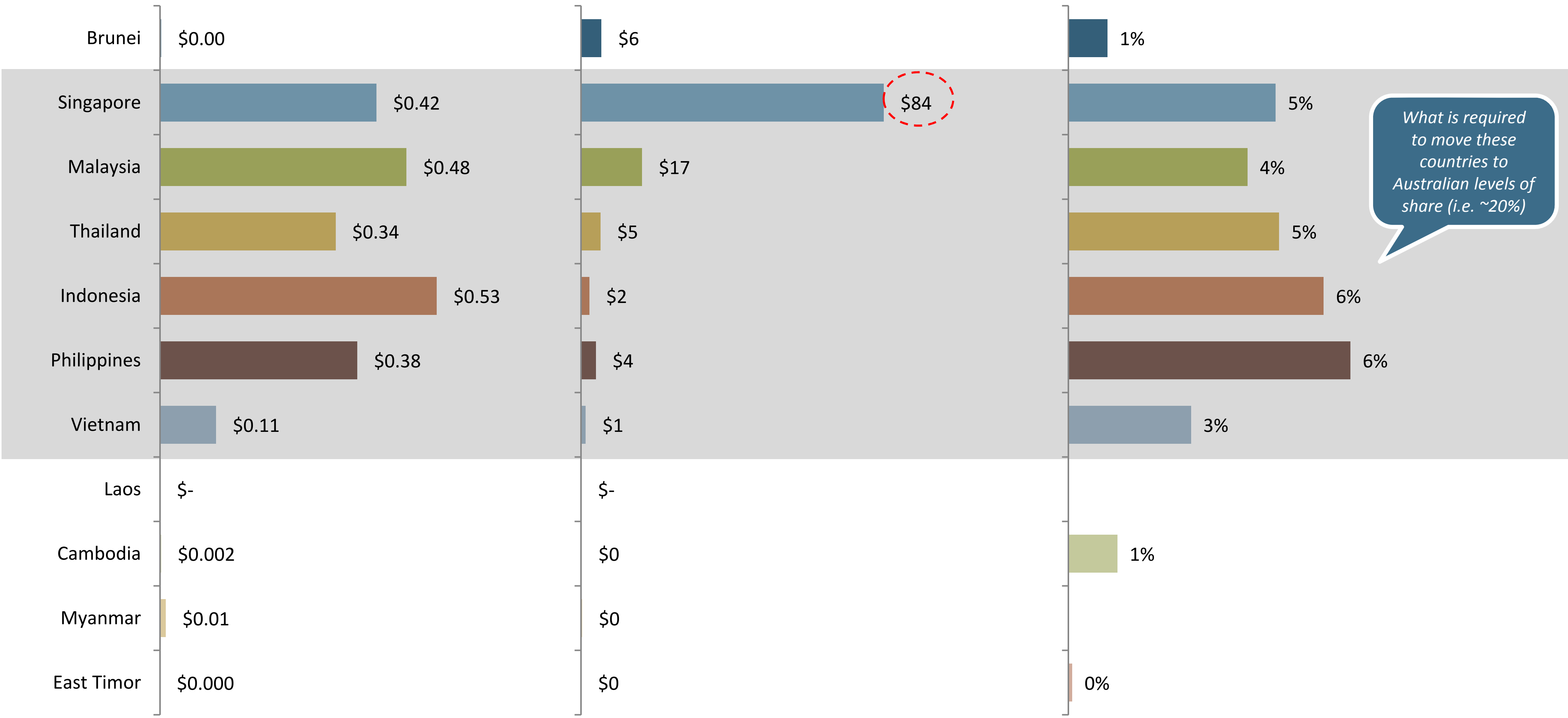
## SE ASIA – NZ PERFORMANCE

New Zealand performs very well in Singapore; Malaysia is strong and Thailand, Indonesia, the Philippines and Vietnam stand out as opportunities

Value of NZ F&B imports by country
*(US$b; 2010)*

NZ F&B imports per capita by country
*(US$/person; 2010)*

NZ share of total F&B import value by country
*(US$b; 2010)*






Source: UN Comtrade database; Coriolis analysis

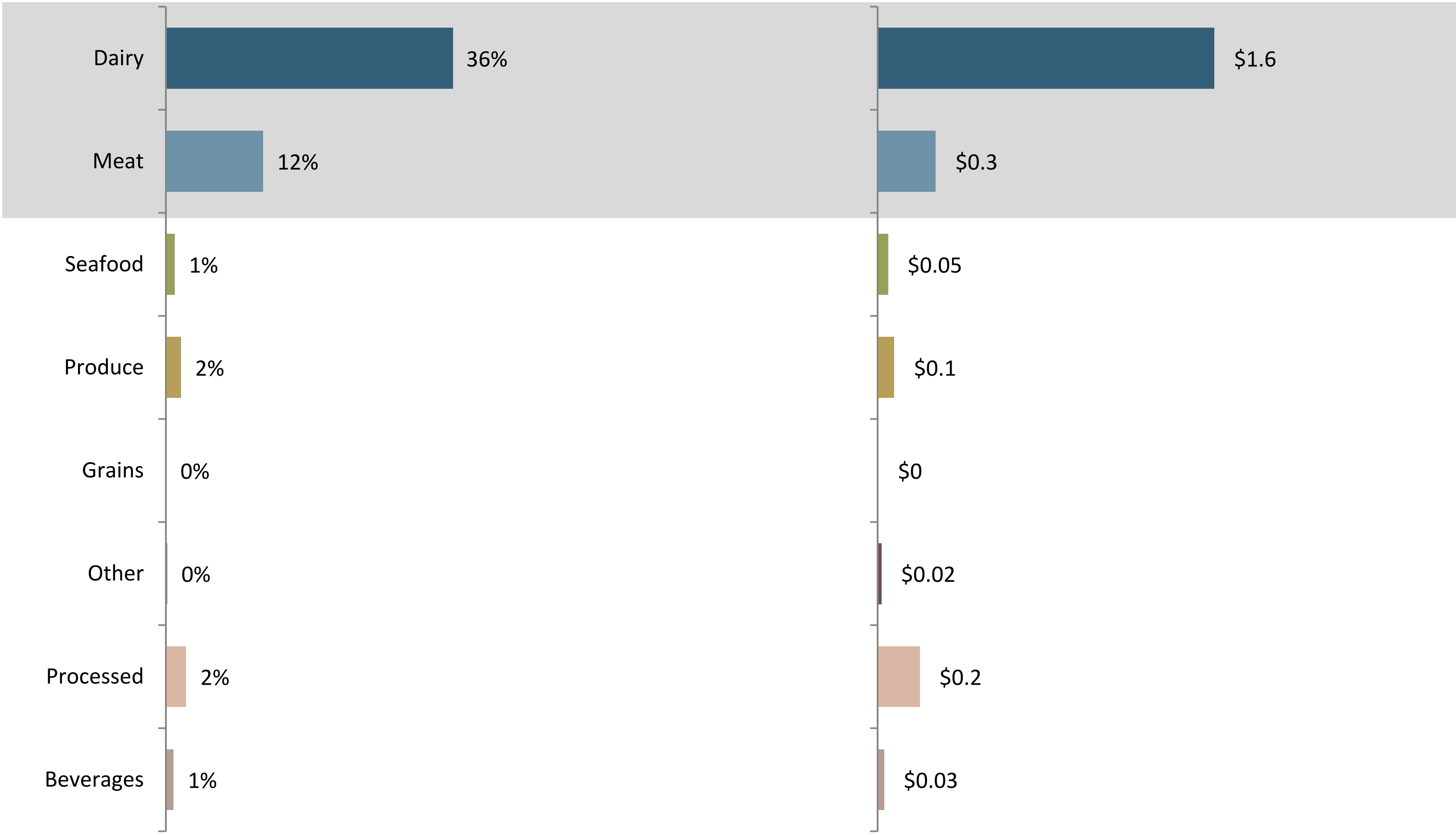
CORIOLIS

# SE ASIA – NZ PERFORMANCE

## New Zealand performs well in dairy and meat into SE Asia; processed foods also showing some success

NZ share of regional F&B imports by sector
*(% of value; 2010)*

Value of NZ F&B imports to region by sector
*(US$b; 2010)*



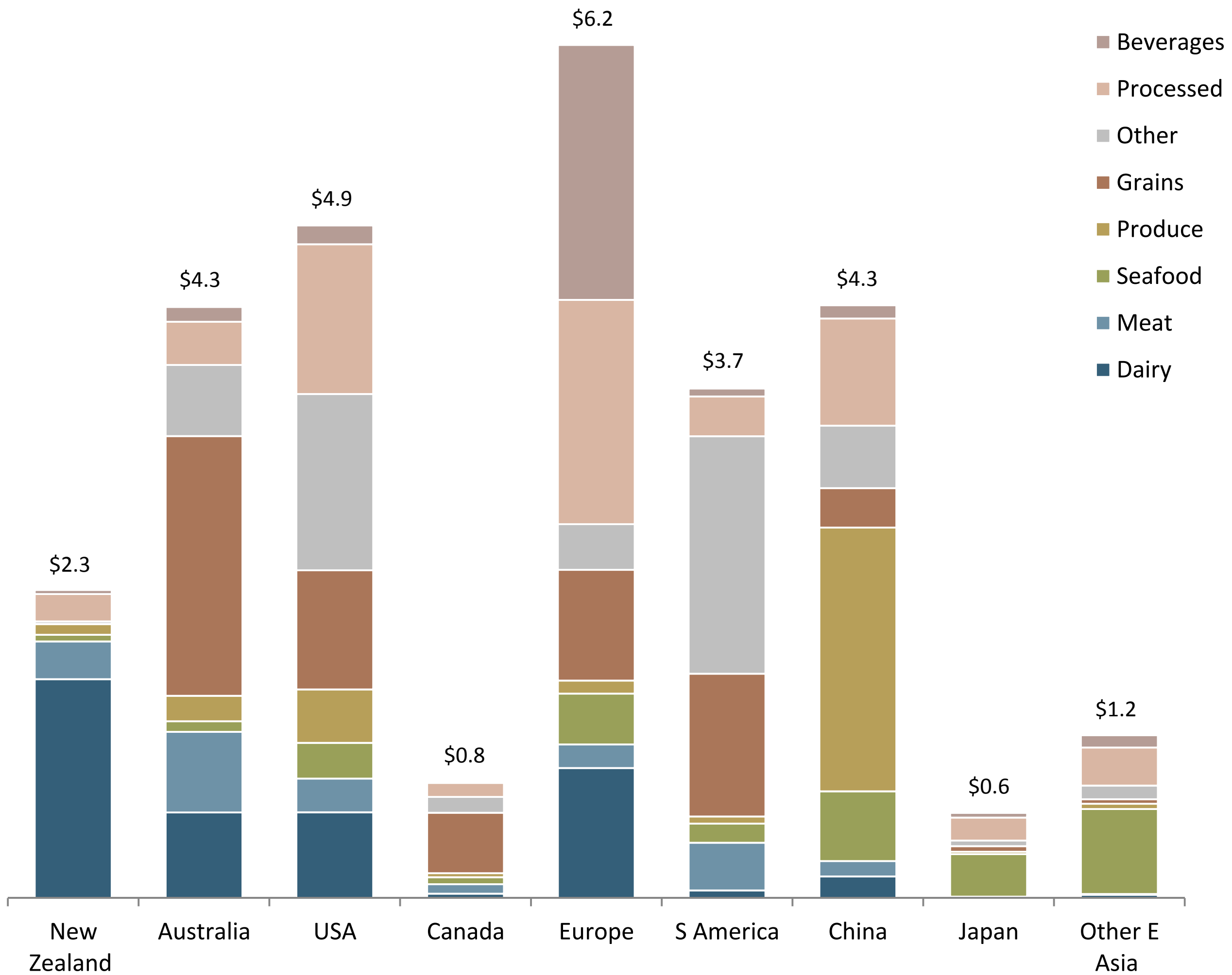



Source: UN Comtrade database; Coriolis analysis

# SE ASIA – IMPORT VALUE INTO REGION ACROSS TEMPERATE PEERS

## Temperate country/region peer group suggest (1) there is more opportunity in dairy and (2) processed and beverages are opportunities

Aggregate export value to South East Asia by sector: NZ vs. select temperate countries or regions
*(US$b; 2010)*




Comments/Notes

- To triple F&B exports to SE Asia New Zealand would need to export more than Europe to the region
- To grow NZ needs to either grow faster than the growth of the market or take sales from competitors
- Data here suggests there are further opportunities to take dairy sales from the US and Europe
- Data here suggests that there are further opportunities in processed foods and beverages; conceptually NZ should be able to take share from Europe and the US

Note

- While this analysis may look simple, the underlying dataset contained 103,807 data points
- Data is as reported by sender; does not sync with data as reported by receiver (for understood methodological reasons)



Source: UN Comtrade database; Coriolis analysis

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# EAST ASIA – RECOMMENDATIONS

## East Asia is the current shining opportunity for New Zealand F&B exports

**Situation**

- East Asia is a highly attractive market for New Zealand food and beverage exporters
  - Huge potential market (1.6b people)
  - Either sophisticated high wealth consumers or rapidly becoming so, leading to increased demand for premium imported food and beverages
- A clear "once in a lifetime" opportunity to grow with China for the short-medium term
  - Long run China will be a major competitor in F&B to New Zealand (regions with similar climate but more scale and less cost)
  - China should be self-sufficient in dairy within a decade
- New Zealand has a relatively strong presence in the region
  - Strong position in dairy (38% of regional dairy imports)
  - Position in meat, produce and processed foods
- Significant trade agreements in place or in development
  - On-going discussions with Japan
  - HK, China NZ CEP, 2011 (NZ China FTA, 2008)
  - Korea NZ FTA negotiations
- New Zealand currently poor at developing high status-brands demanded by regions' consumers

**Recommended market entry strategy**

- Start in Hong Kong (similar in many ways to Singapore)
  - High income country with rule-of-law that speaks English
  - Only 7m people so "do-able" for New Zealand manufacturing to scale-up to supply without major capital expenditure
  - Modern supermarket sector consolidated into 2 chains
  - Commit to the market; treat as a "region of New Zealand"; put salespeople in the market; regularly call on retailers; run promotions
  - Central location that is a natural regional base and distribution hub
  - Already imports proportionally a lot of F&B from New Zealand
- Expand into Taiwan
  - Similar population to Australia (23m people)
  - Already imports proportionally a lot of F&B from New Zealand
  - Can be ignored by others/competitors
- Expand into other key markets in the region
  - Japan, South Korea and China
  - Leave China to last; easy to do poorly, difficult to do well



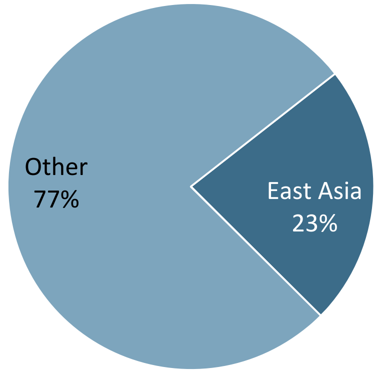
CEP = Closer Economic Partnership; FTA = Free Trade Agreement

## EAST ASIA – REGIONAL OVERVIEW

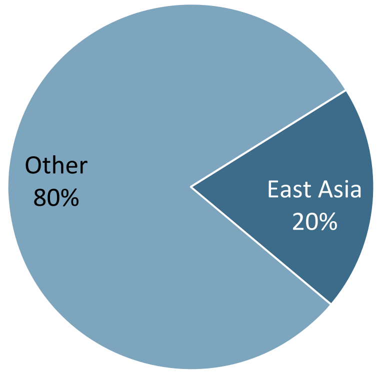
East Asia represents 23% of world population and 20% of world GDP

Map of countries in East Asia
*(2010)*


% of global population
*(people; 2010)*




% of global gross domestic product
*(% US$; nominal; 2010)*






Source: Wikimedia Commons; Coriolis

# EAST ASIA – MARKET CHARACTERISTICS

## While East Asia has three distinct major cultures (Chinese, Japanese and Korean), the markets have strong common characteristics

Overview of key characteristics of the East Asian food & beverage market environment
*(2011)*

| Cuisine and culture | Distribution | Competitive environment |
|---|---|---|
| **Food building blocks** | **Market characteristics** | **Key imported temperate foods and beverages** |
| - Rice and wheat (more in Northern regions)<br>- Temperate and tropical fruit<br>- Asian vegetables<br>- Pork, chicken, seafood, beef<br>- Processed foods<br>- Sauces (e.g. fish sauce)<br>- Beer and local spirits | - Continuing strong presence of wet markets and fresh specialists<br>- Supermarket sector highly fragmented across most markets<br>- Expenditure on foodservice/food away larger than retail food (i.e. "spend more in restaurants than in supermarkets") | - European spirits (Brandy, Whisky, Gin)<br>- Ingredient milk powder for local manufacturers to turn into consumer dairy items (e.g. yoghurt drinks, infant formula)<br>- Counter-seasonal temperate fruit<br>- Beef |
| **Cultural & regulatory characteristics** | **Supply chain issues** | **Key suppliers of temperate foods and beverages** |
| - Key languages predominantly Mandarin, Cantonese, Japanese & Korean leading to requirement for packaging by country<br>- No common regional food standards or regulations<br>- Various degrees of alcohol intolerance (ALDH2 deficiency) within population (particularly those of East Asian origin) | - Convoluted supply chains involving multiple levels of distributors across all markets<br>- Markets somewhat bi-polar with world-class, best practice retailers (e.g. Tesco) alongside wet markets<br>- Continuing significant role of numerous specialists and wet markets selling fresh meat, seafood, fruit and vegetables (particularly in China) | - Inter-regional<br>- Australia<br>- United States<br>- Europe<br>- New Zealand |



Source: Coriolis

# EAST ASIA – KEY SUPERMARKETS BY MARKET

## East Asian food retailing is highly competitive with strong local chains battling many of the largest retailers in the world

Key chain food retail operators by outlet type* across select East Asian countries
*(2011)*

**Major regional groups with multi-country operations**

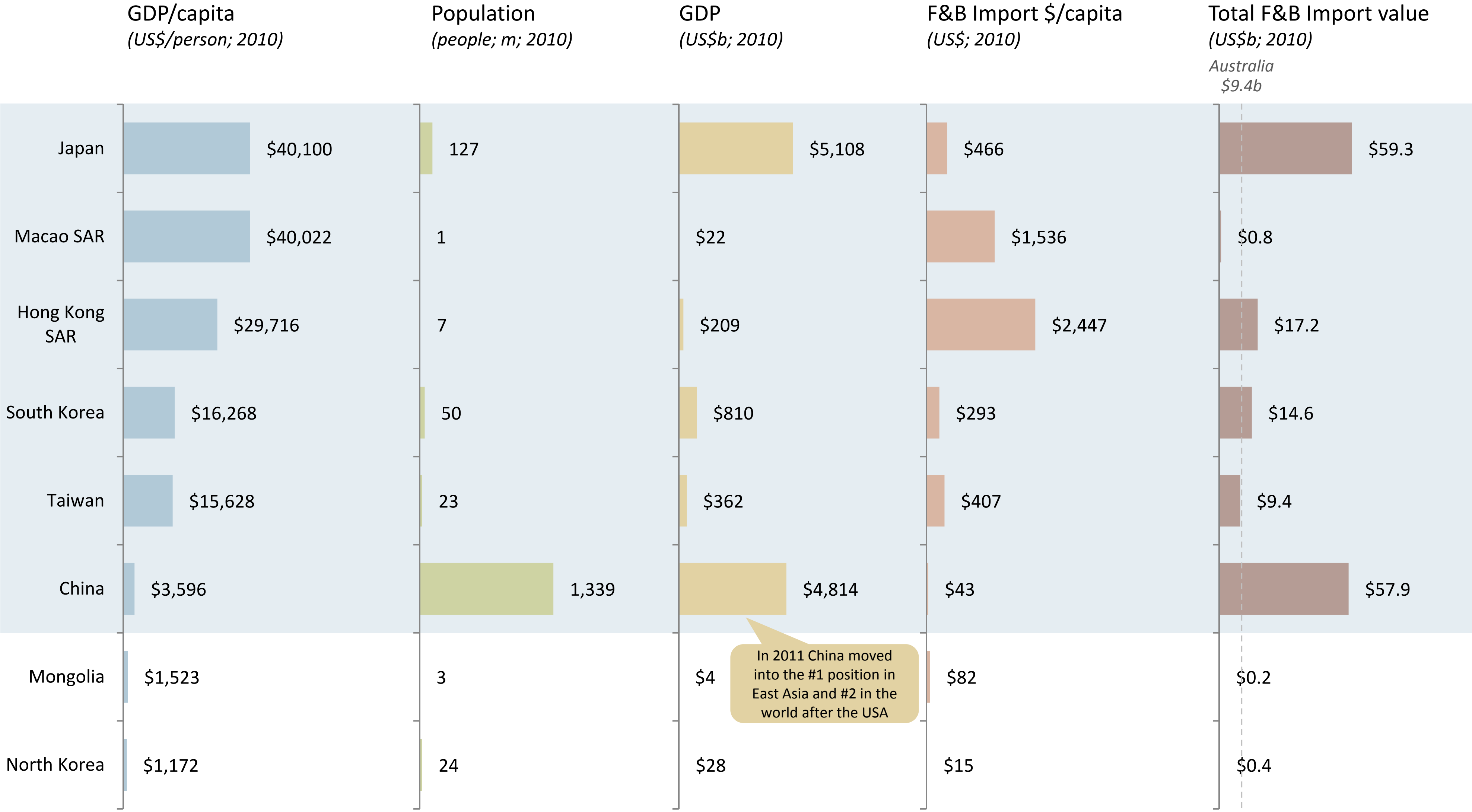
| | Dairy Farm | Carrefour | TESCO | Walmart | Auchan | Costco Wholesale | **Strong operators in single market in region** |
|---|---|---|---|---|---|---|---|
| Japan | | Exited | 142 super | 321 super | | 8 hyper | AEON, UNY, ItoYokado, daiei, you me, HEIWADO, Izumiya, maruetsu *… many more* |
| South Korea | | Exited | 305 hyper | Exited | | 7 hyper | 행복드림 LOTTE Mart, emart |
| Taiwan | 294 super | 421 hyper<br>2 super | Exited | | 24 hyper | 6 hyper | 愛買 a.mart |
| Hong Kong | 282 super<br>964 conv<br>338 HBC | Exited | | Exited | | | PARKnSHOP<br>240 super |
| China | 551 conv<br>163 HBC | 1,416 hyper<br>57 discount | 88 hyper | 322 hyper | 114 hyper | | 華潤創業有限公司 China Resources Enterprise, Limited, 北京華聯集團 BEIJING HUALIAN GROUP, 物美 WU MART, 联华超市股份有限公司 LIANHUA SUPERMARKET HOLDINGS CO.,LTD.<br>*… many more* |



*Supermarket, convenience, liquor, department, hypermarket; discount, Source: various company websites; various company annual reports; various published articles; Coriolis analysis

# EAST ASIA – KEY INDICATORS

## East Asian countries range from very rich to very poor; the key opportunity for future F&B exports to the region is China



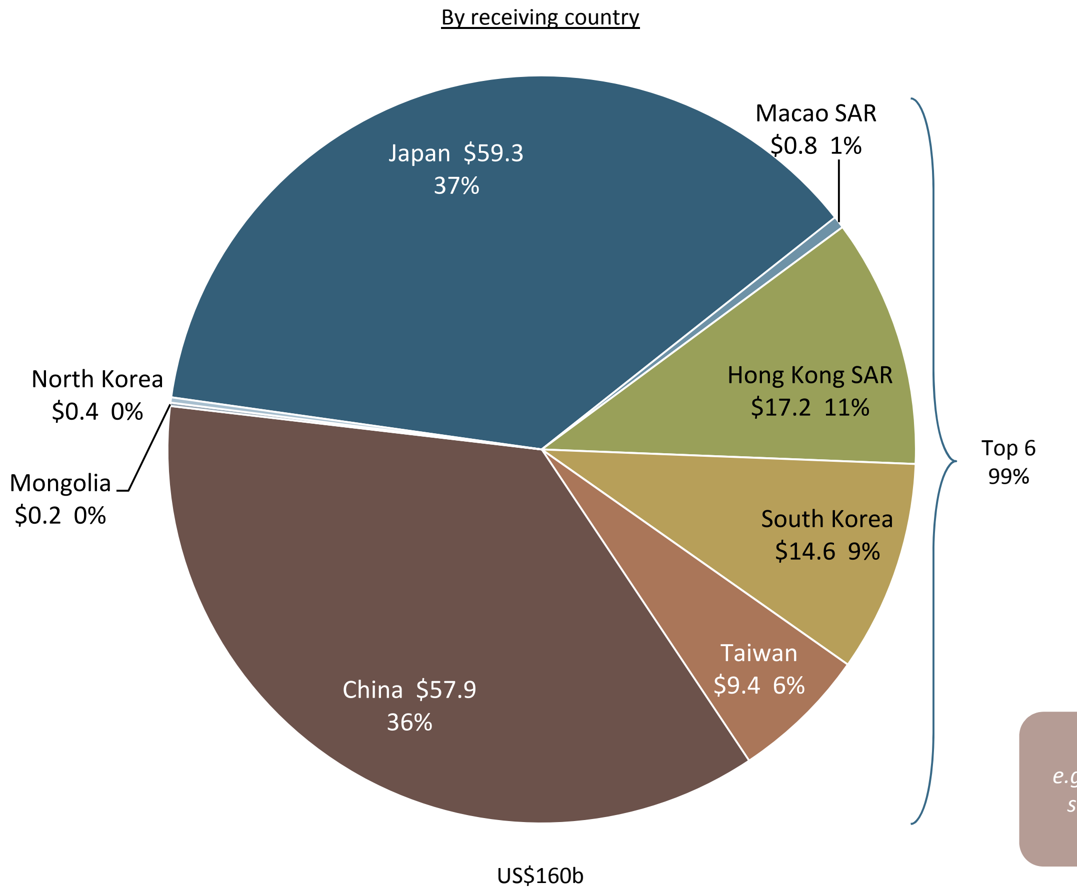


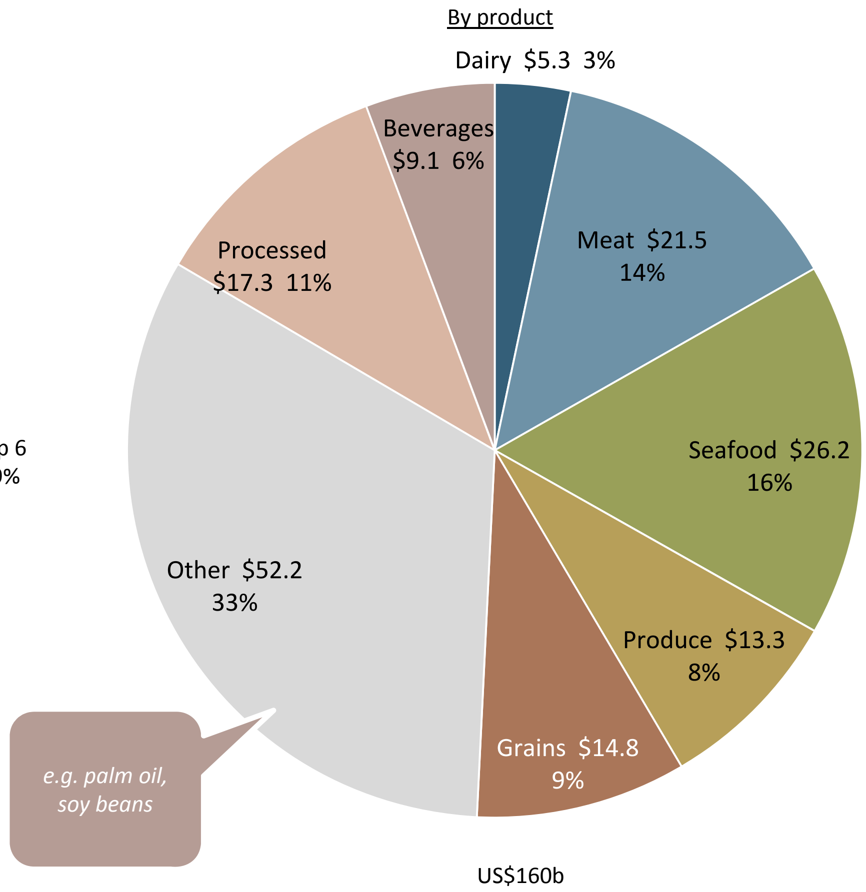

Source: CIA World Fact Book; UN Comtrade database; Coriolis analysis

# EAST ASIA – TOTAL IMPORT VALUE

## East Asia imported US$160b worth of F&B in 2010 spread across the five key markets

Aggregate East Asia total F&B import value from all source countries
*(US$b; 2010)*






Source: UN Comtrade database; Coriolis analysis

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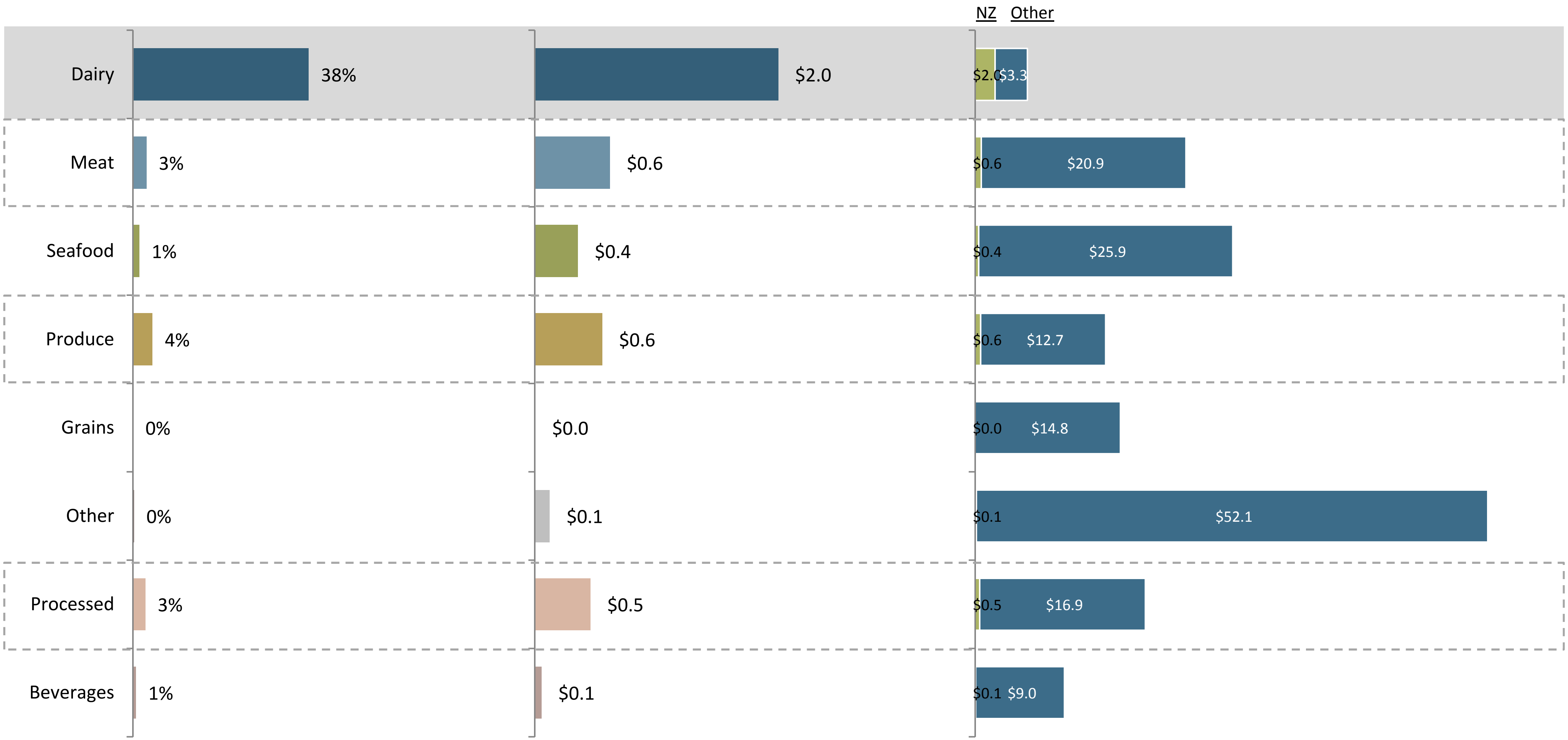
# EAST ASIA – NZ PERFORMANCE BY SECTOR

## New Zealand performs well in dairy into East Asia; share is low otherwise with produce, meat and processed foods having limited presence

NZ share of regional F&B imports by sector
*(% of value; 2010)*

Value of NZ F&B imports to region by sector
*(US$b; 2010)*

Value of total F&B imports to region by sector
*(US$b; 2010)*






Source: UN Comtrade database; Coriolis analysis

CORIOLIS

# EAST ASIA – NZ PERFORMANCE BY COUNTRY

## New Zealand performs very well in Hong Kong; all other key countries appear to have opportunities for share growth

Value of NZ F&B imports by country *(US$b; 2010)*

NZ F&B imports per capita by country *(US$/person; 2010)*

NZ share of total F&B import value by country *(US$b; 2010)*



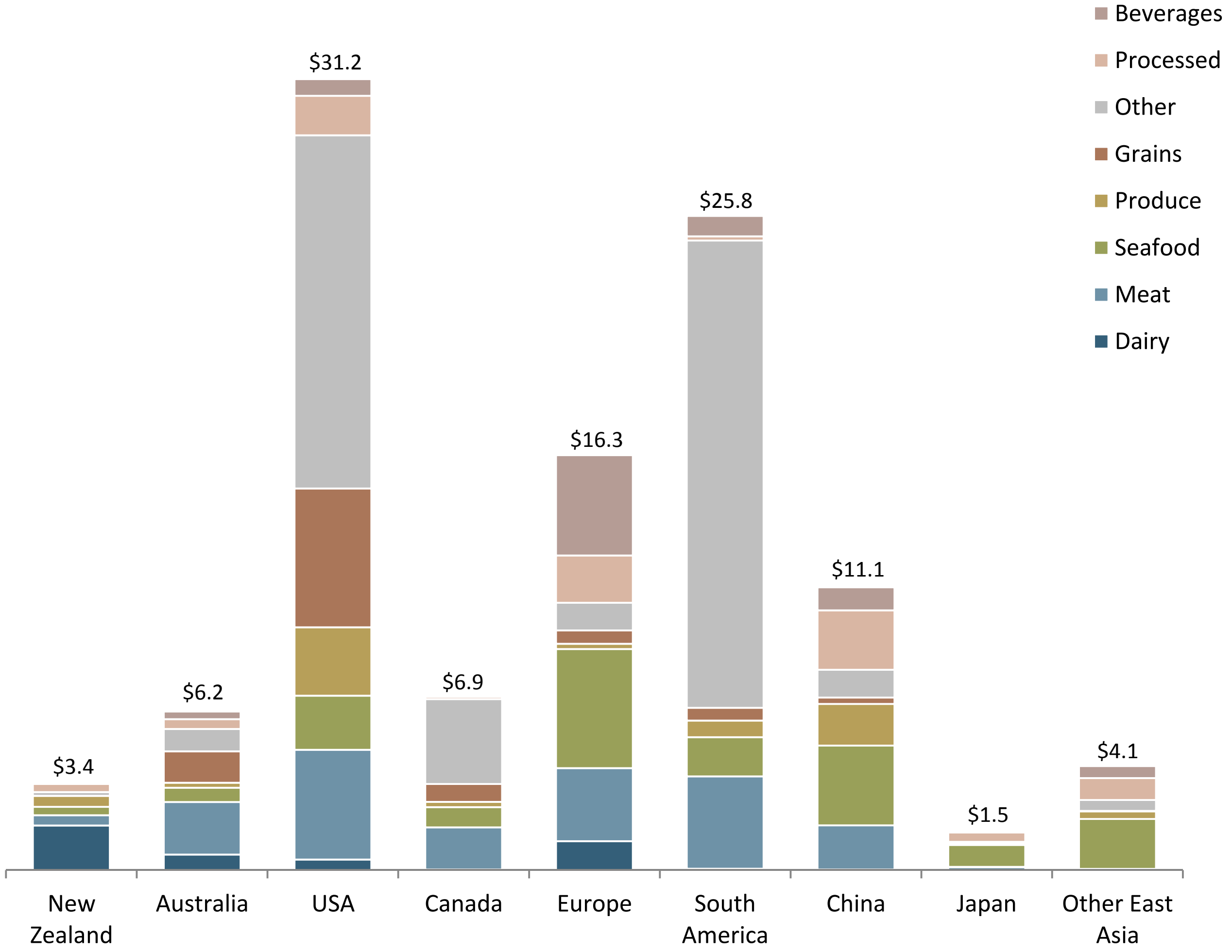

Source: UN Comtrade database; Coriolis analysis

CORIOLIS

# EAST ASIA – IMPORT VALUE INTO REGION ACROSS PEERS

## While there are opportunities into temperate East Asia and growth is clearly possible, data suggests growth will come outside traditional raw ingredients

Aggregate export value to East Asia by sector: NZ vs. select temperate countries or regions
*(US$b; 2010)*




Comments/Notes

- Tripling F&B exports to East Asia would appear to be possible
- However, data suggests that a targeted approach is required

Note

- Data is as reported by sender; does not sync with data as reported by receiver (for understood methodological reasons)



Source: UN Comtrade database; Coriolis analysis

CORIOLIS

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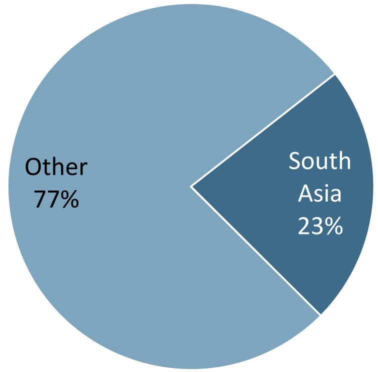
# SOUTH ASIAN – REGIONAL OVERVIEW

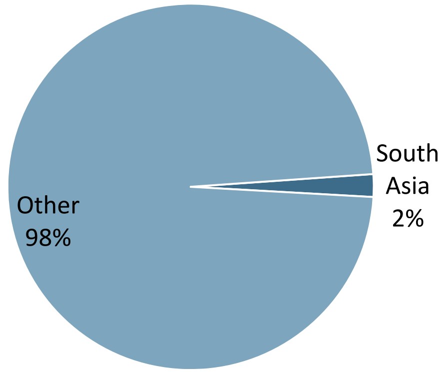
## The South Asian region, encompassing the Indian Subcontinent, represents 23% of the world population but only 2% of world GDP

Map of countries in South Asia
*(2010)*


% of global population
*(people; 2010)*




% of global gross domestic product
*(% US$; nominal; 2010)*

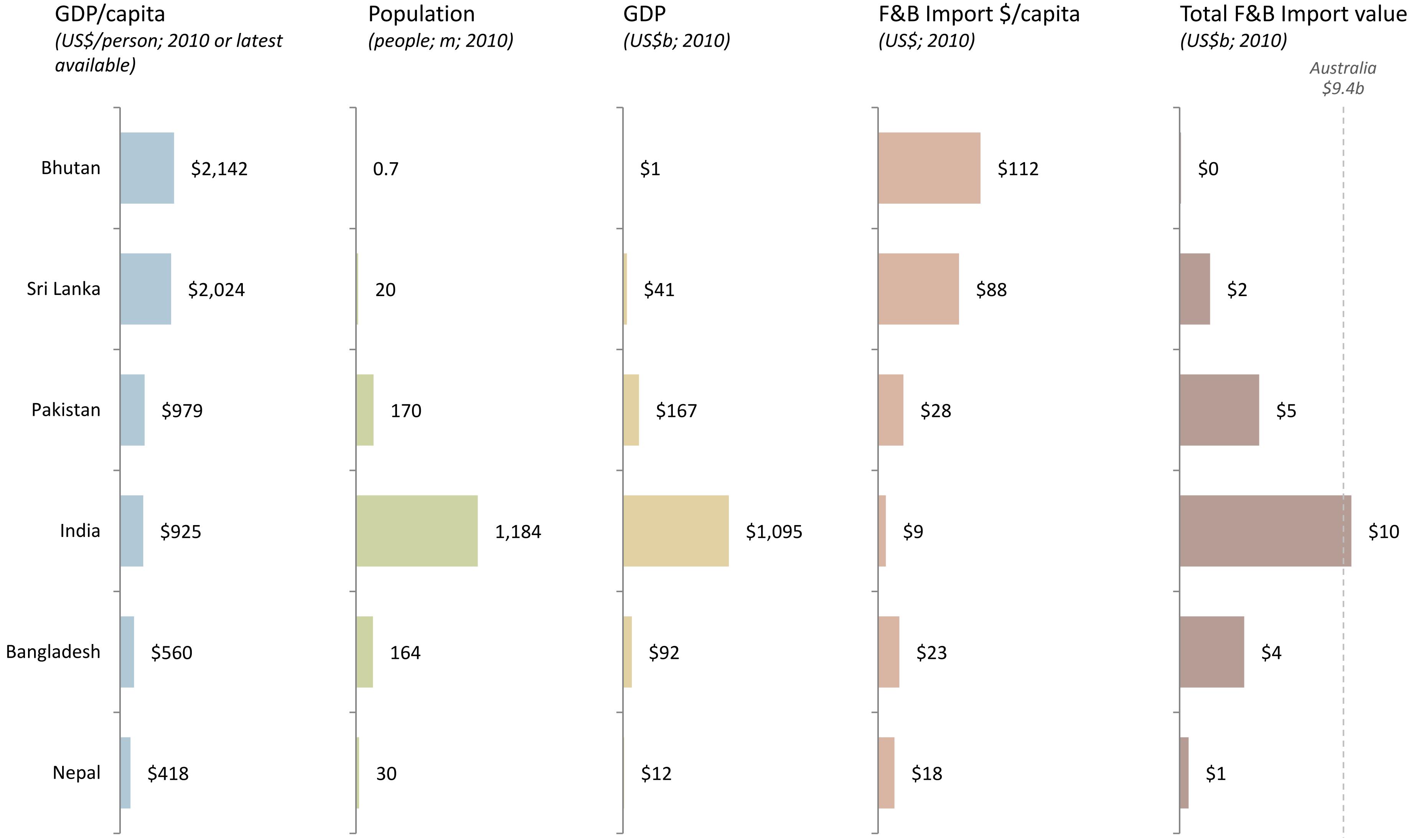





Source: Wikimedia Commons; Coriolis

# SOUTH ASIA – KEY INDICATORS

## None of the South Asian countries are rich; they range from poor to very poor; there is however, a growing number of upper to middle income households



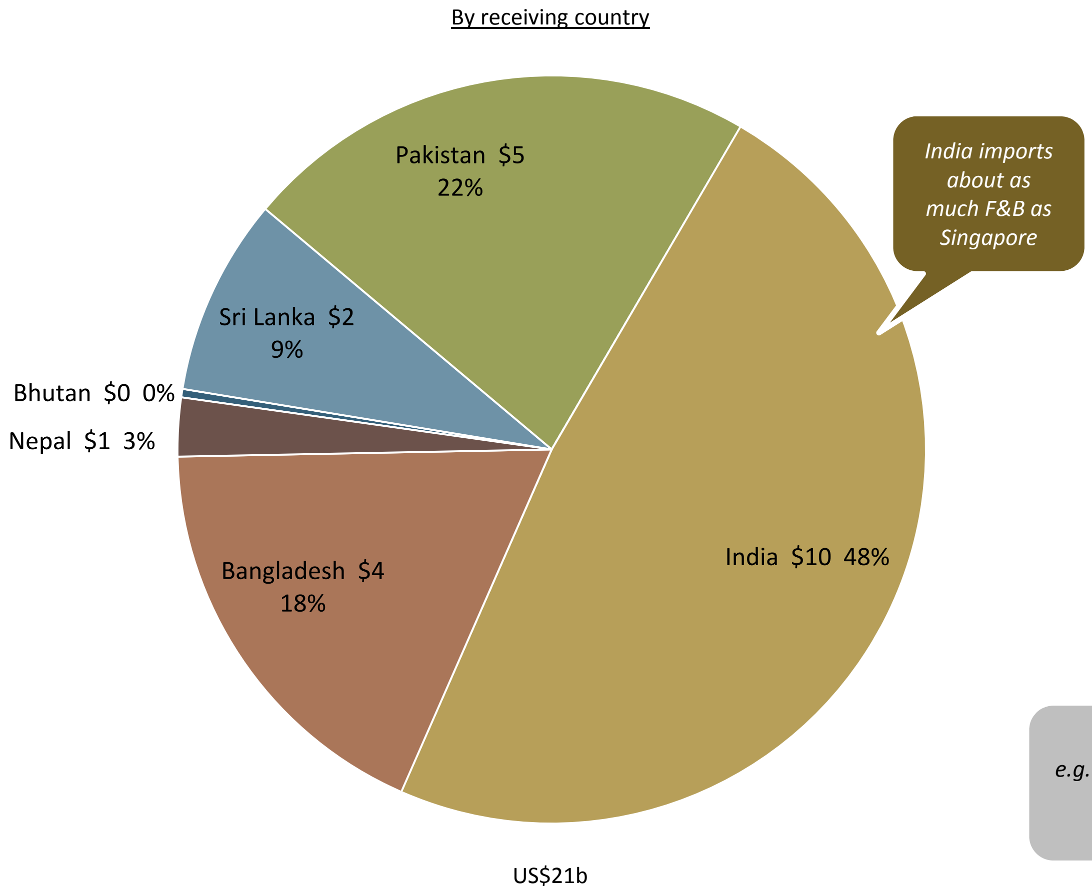


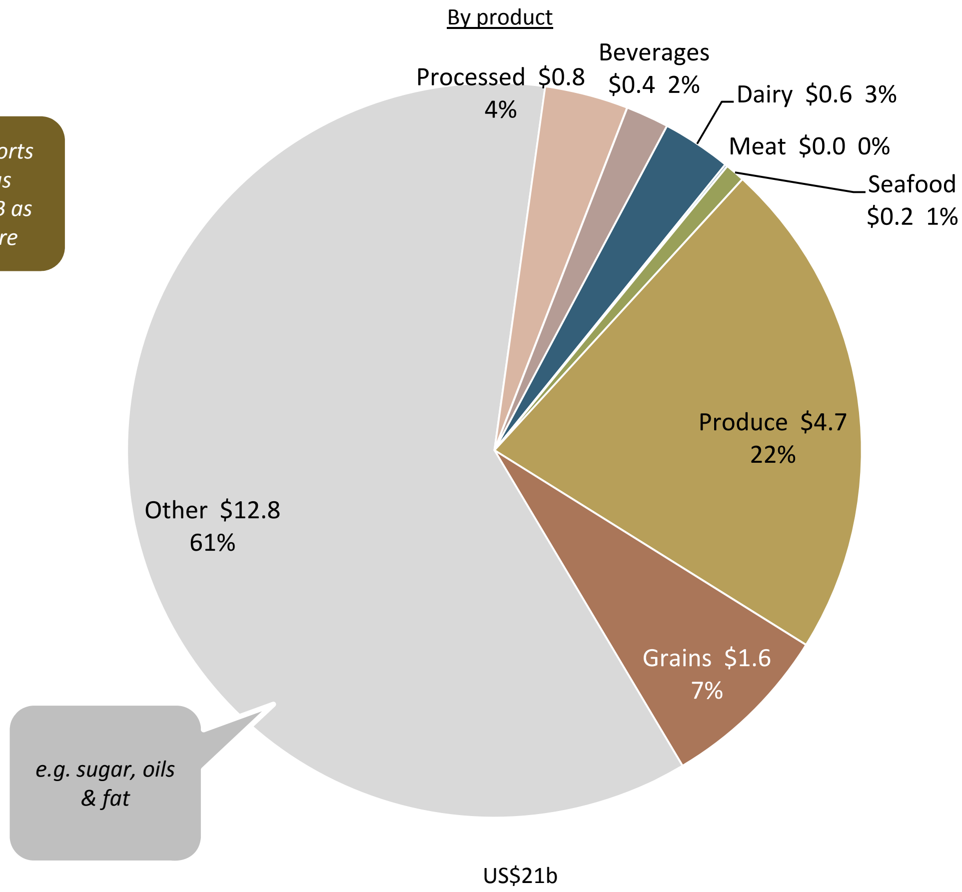

Source: CIA World Fact Book; UN Comtrade database; Coriolis analysis

## SOUTH ASIA – TOTAL IMPORT VALUE

### In aggregate South Asia imported US$21b worth of F&B in 2010 (about +23% more than Hong Kong); most imports are food basics rather than value-added premium/processed F&B

Aggregate South Asia total F&B import value from all source countries
*(US$b; 2010)*





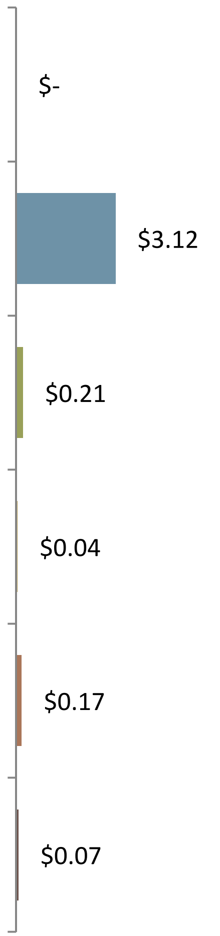

Source: UN Comtrade database; Coriolis analysis

# SOUTH ASIA – NZ PERFORMANCE BY COUNTRY

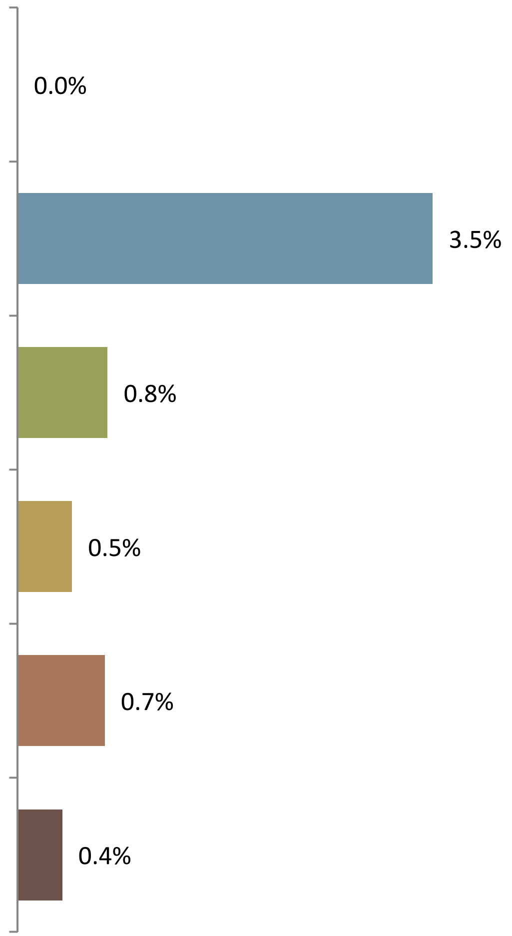
## New Zealand achieves a respectable F&B import share in Sri Lanka and has opportunities for improvement elsewhere

Value of NZ F&B imports by country
*(US$m; 2010)*


NZ F&B imports per capita by country
*(US$/person; 2010)*




NZ share of total F&B import value by country
*(US$b; 2010)*






Source: UN Comtrade database; Coriolis analysis

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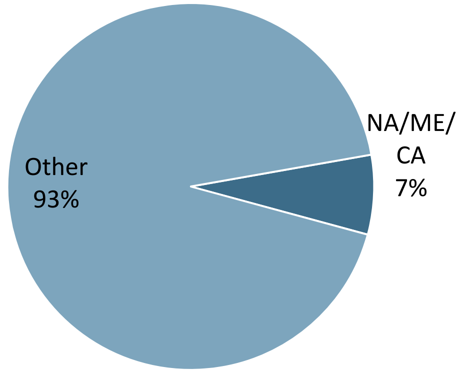
# NA/ME/CA – REGIONAL OVERVIEW

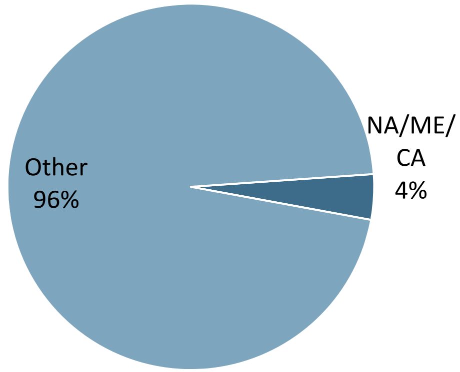
## The North Africa/Middle East/Central Asia region is a predominantly Muslim region at the intersection of Africa, Asia and Europe; it accounts for 7% of world population and 4% of world GDP

Map of countries in South East Asia/ASEAN
*(2010)*


% of global population
*(people; 2010)*




% of global gross domestic product
*(% US$; nominal; 2010)*






Source: Wikimedia Commons; Coriolis

CORIOLIS

# NA/ME/CA – KEY INDICATORS

## The NA/ME/CA region is made up of a wide range of countries

| | GDP/capita *(US$/person; 2010 or latest available)* | Population *(people; m; 2010)* | GDP *(US$b; 2010)* | F&B Import $/capita *(US$; 2010)* | Total F&B Import value *(US$b; 2010)* (*Australia $9.4b*) |
|---|---|---|---|---|---|
| Qatar | $54,546 | 1.7 | $93 | $897 | $2 |
| United Arab Emirates | $49,706 | 4.6 | $229 | $1,167 | $5 |
| Kuwait | $38,492 | 3.0 | $115 | $1,112 | $3 |
| Israel | $28,373 | 7.6 | $216 | $513 | $4 |
| Bahrain | $24,475 | 0.8 | $19 | $1,346 | $1 |
| Oman | $18,397 | 2.8 | $52 | $695 | $2 |
| Saudi Arabia | $14,631 | 26.2 | $384 | $364 | $10 |
| Libya | $9,441 | 6.4 | $61 | $303 | $2 |
| Lebanon | $7,732 | 4.2 | $33 | $458 | $2 |
| Kazakhstan | $6,606 | 16.2 | $107 | $133 | $2 |
| Turkmenistan | $6,014 | 5.1 | $31 | $51 | $0.3 |
| Azerbaijan | $4,725 | 9.0 | $43 | $109 | $1 |
| Iran | $4,419 | 75.1 | $332 | $10 | $1 |
| Algeria | $3,805 | 35.4 | $135 | $169 | $6 |
| Jordan | $3,572 | 6.3 | $23 | $351 | $2 |
| Morocco | $2,849 | 31.9 | $91 | $119 | $4 |
| Armenia | $2,682 | 3.2 | $9 | $176 | $1 |
| Georgia | $2,475 | 4.4 | $11 | $185 | $1 |
| Syria | $2,415 | 22.5 | $54 | $107 | $2 |
| Egypt | $2,388 | 78.7 | $188 | $118 | $9 |
| Iraq | $2,228 | 31.5 | $70 | $141 | $4 |
| Uzbekistan | $1,091 | 27.8 | $30 | $22 | $1 |
| Yemen | $1,082 [1] | 24.3 | $26 | $98 | $2 |
| Kyrgyzstan | $854 | 5.5 | $5 | $92 | $1 |
| Tajikistan | $658 | 7.0 | $5 | $51 | $0.4 |
| Afghanistan | $457 | 29.1 | $13 | $21 | $1 |



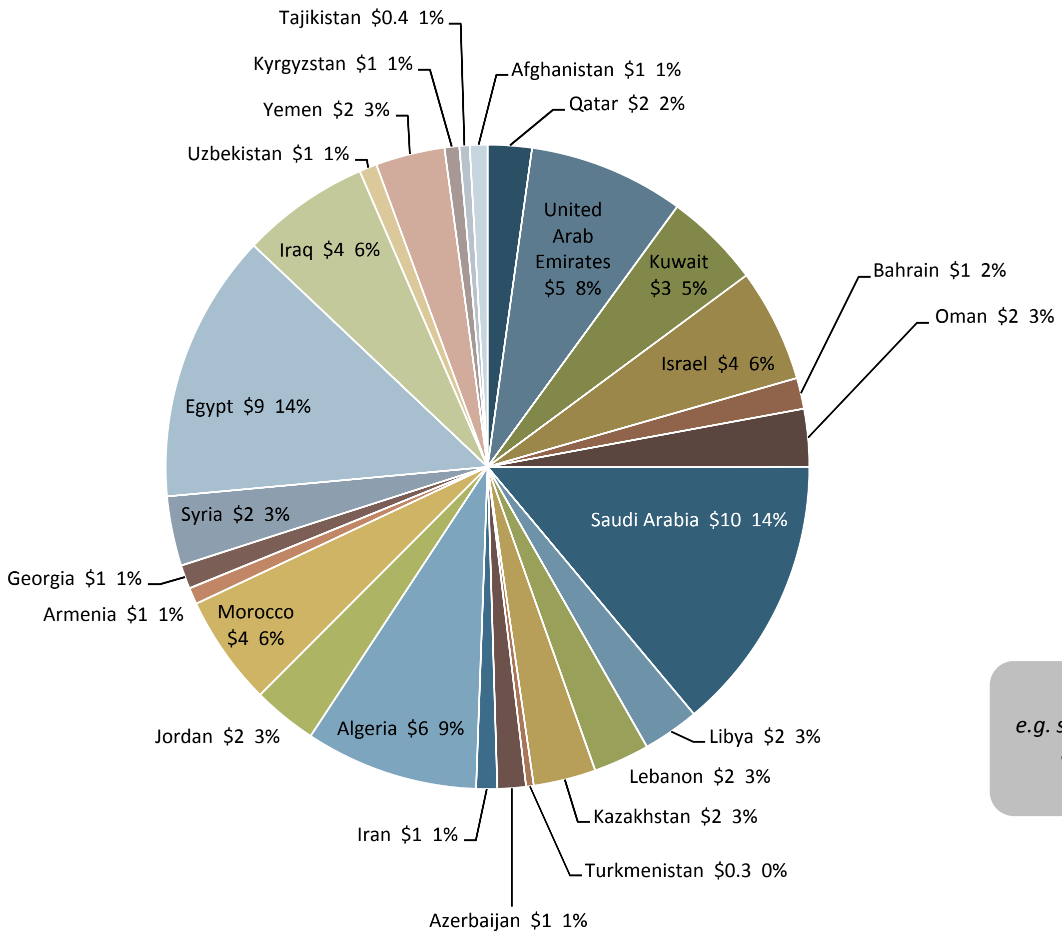
Source: CIA World Fact Book; UN Comtrade database; Coriolis analysis

# NA/ME/CA – TOTAL IMPORT VALUE

## North Africa, the Middle East and Central Asia imported US$69b worth of F&B; the region requires significant imports of food “basics” (grains, sugar, oils & fats) due to it being (in general) quite dry

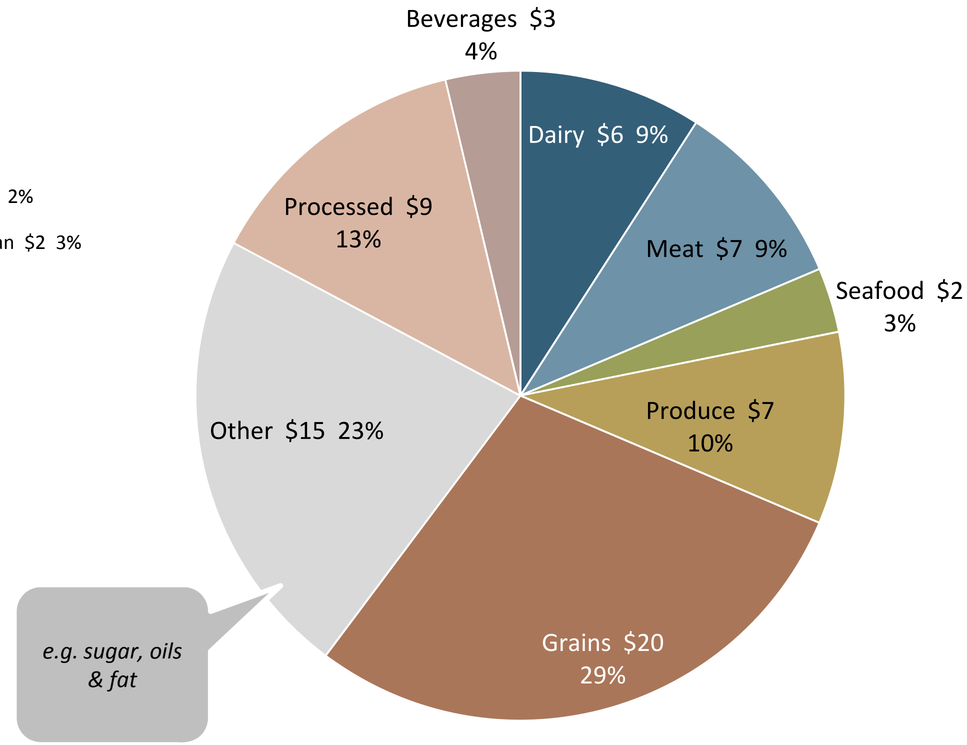
Aggregate NA/ME/CA total F&B import value from all source countries
*(US$b; 2010)*

By receiving country




US$69b

By product




US$69b



Source: UN Comtrade database; Coriolis analysis

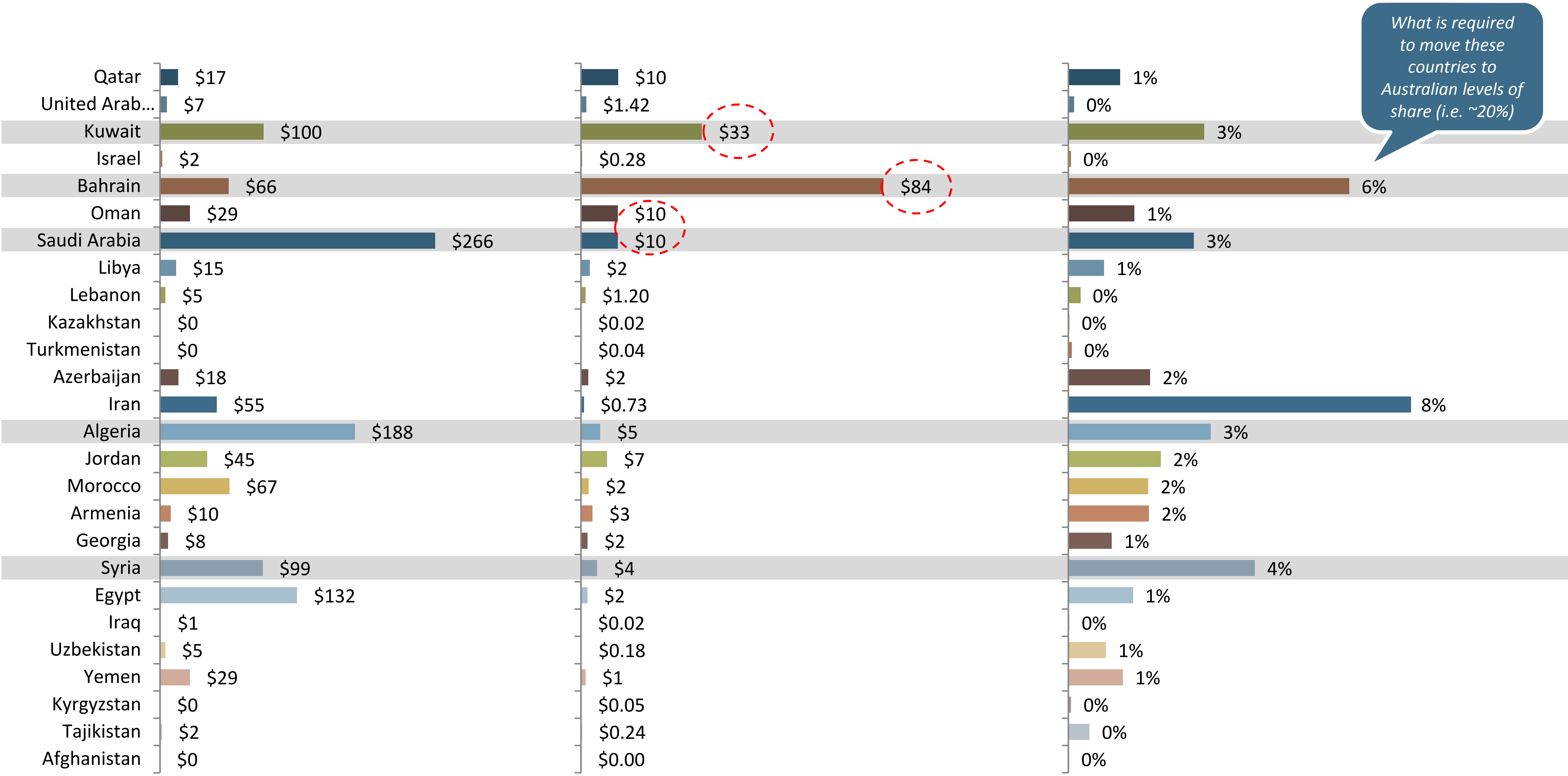
# NA/ME/CA – NZ PERFORMANCE BY COUNTRY

## New Zealand performs well in a number of the richer countries, but there are opportunities across the region

Value of NZ F&B imports by country
*(US$m; 2010)*

NZ F&B imports per capita by country
*(US$/person; 2010)*

NZ share of total F&B import value by country
*(US$b; 2010)*






Source: UN Comtrade database; Coriolis analysis

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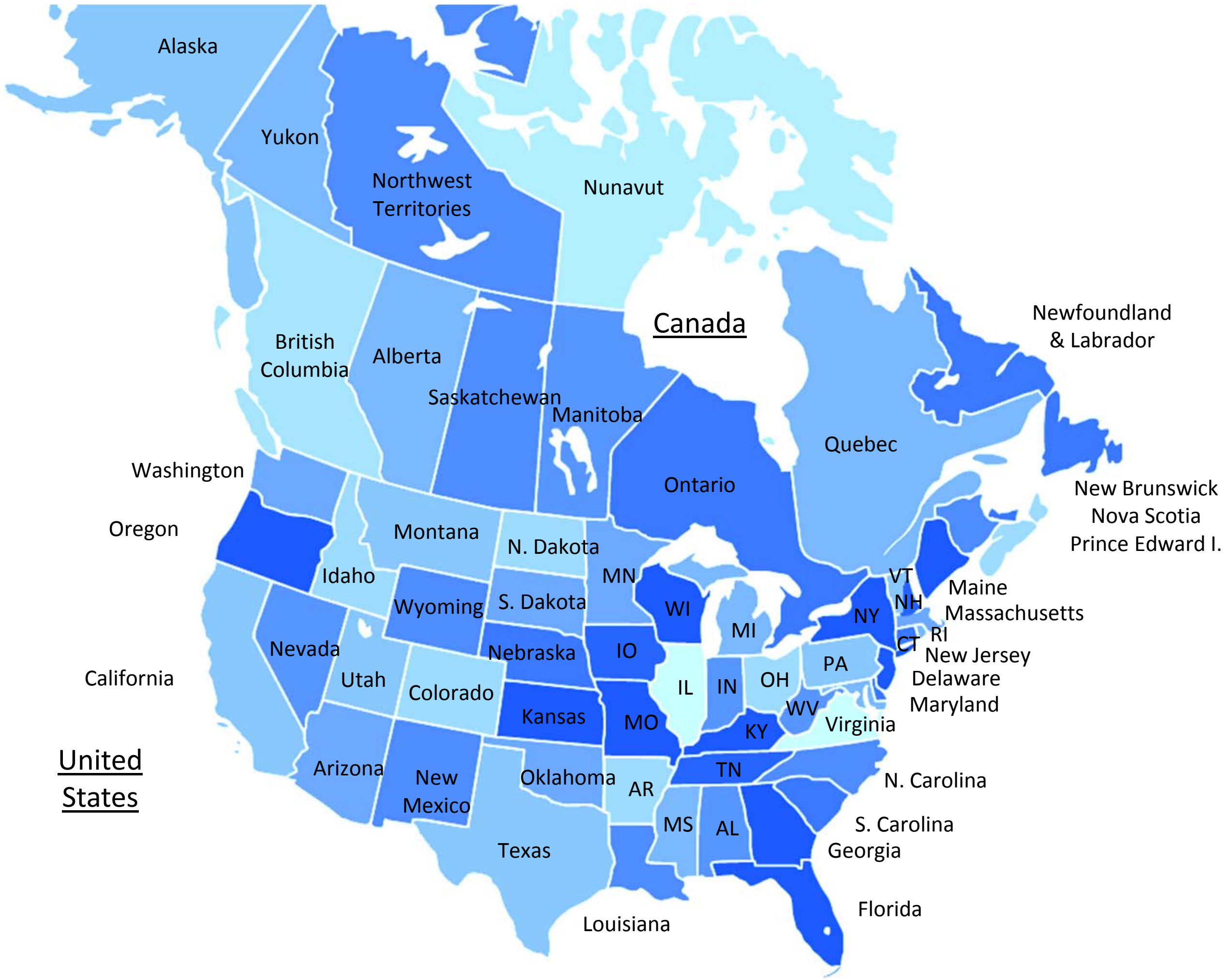
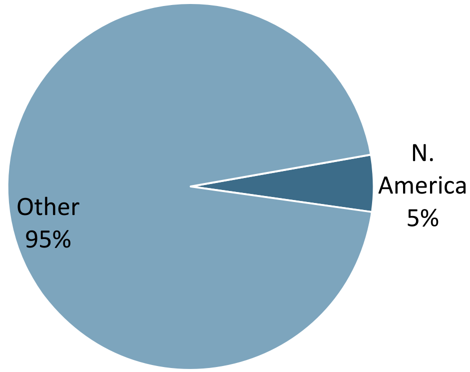
# NORTH AMERICA – REGIONAL OVERVIEW

The North American region, encompasses the United States (50 states) and Canada (13 provinces/territories), accounts for 5% of global population and 27% of global GDP

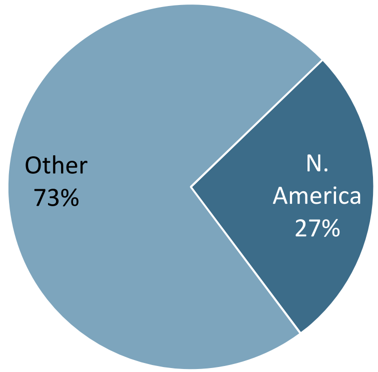
Map of countries and regions in North America
*(2010)*




% of global population
*(people; 2010)*




% of global gross domestic product
*(% US$; nominal; 2010)*

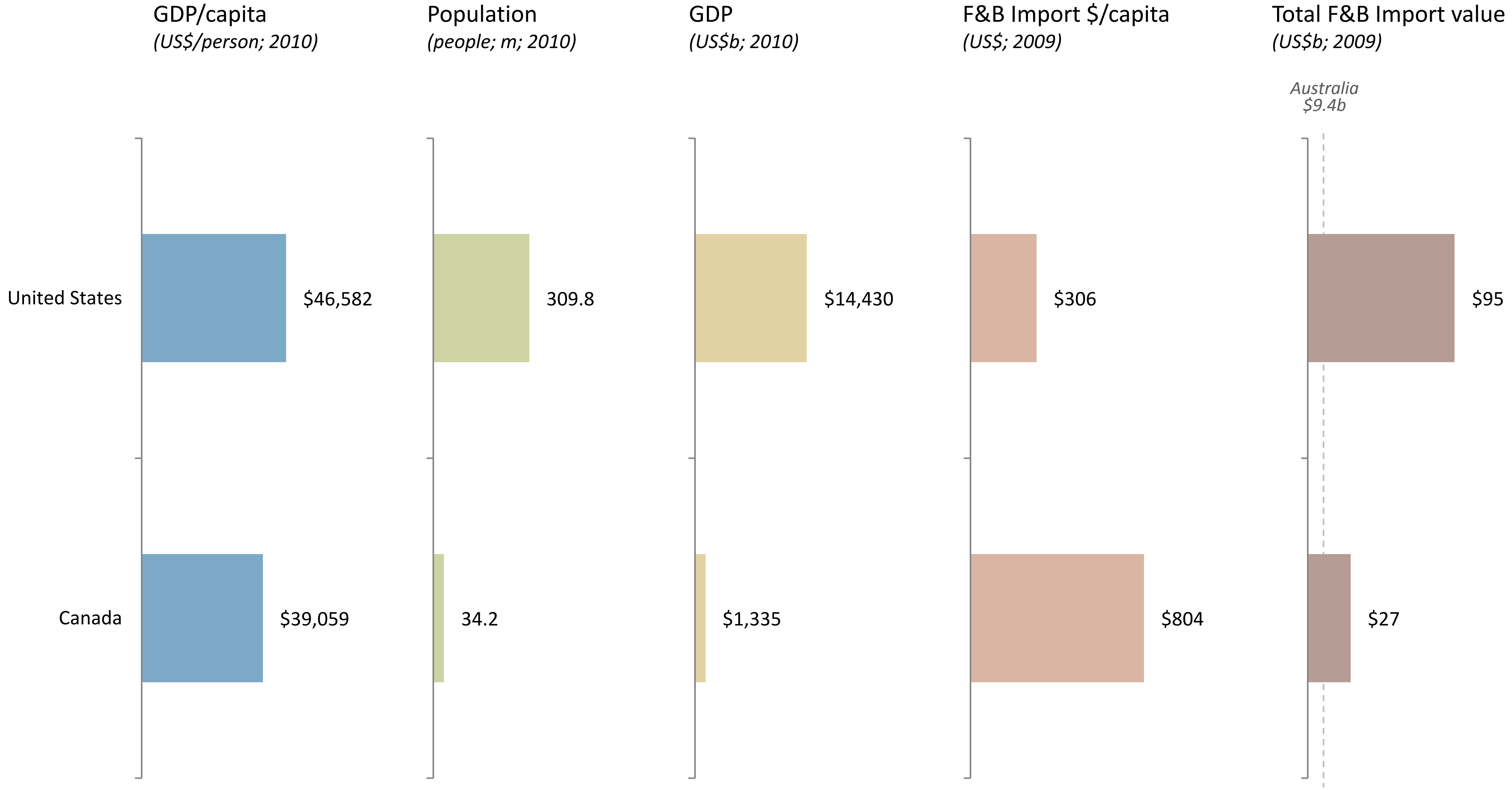





Source: Wikimedia Commons; Coriolis

# NORTH AMERICA – KEY INDICATORS

## The United States and Canada are both rich countries that import a lot of food and beverages (F&B)





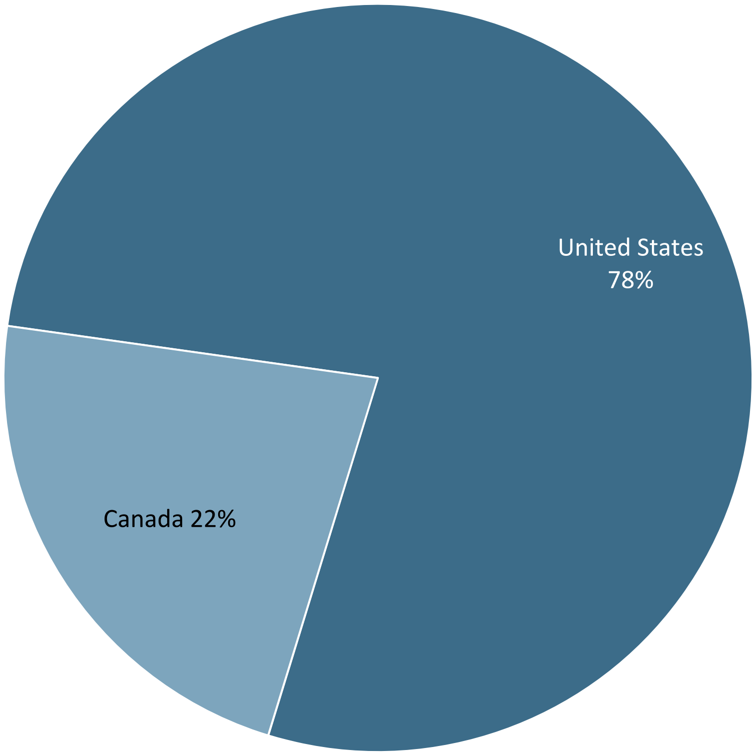

Source: CIA World Fact Book; UN Comtrade database; Coriolis analysis

# NORTH AMERICA – TOTAL IMPORT VALUE

## In aggregate North America imported US$122b worth of F&B in 2010; imports underperform in dairy and meat

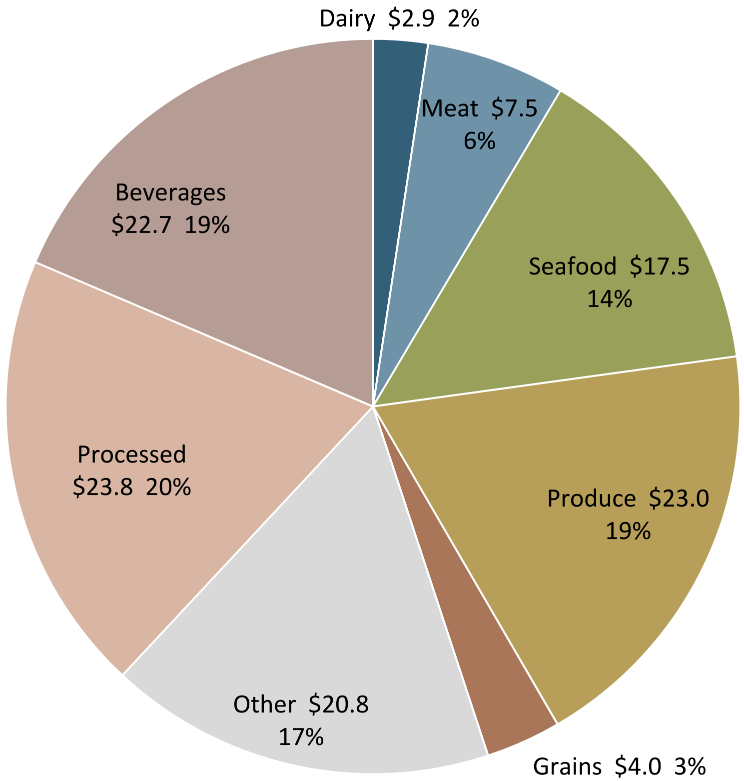
Aggregate USA/Canada total F&B import value from all source countries
*(US$b; 2010)*

By receiving country




US$122b

By product

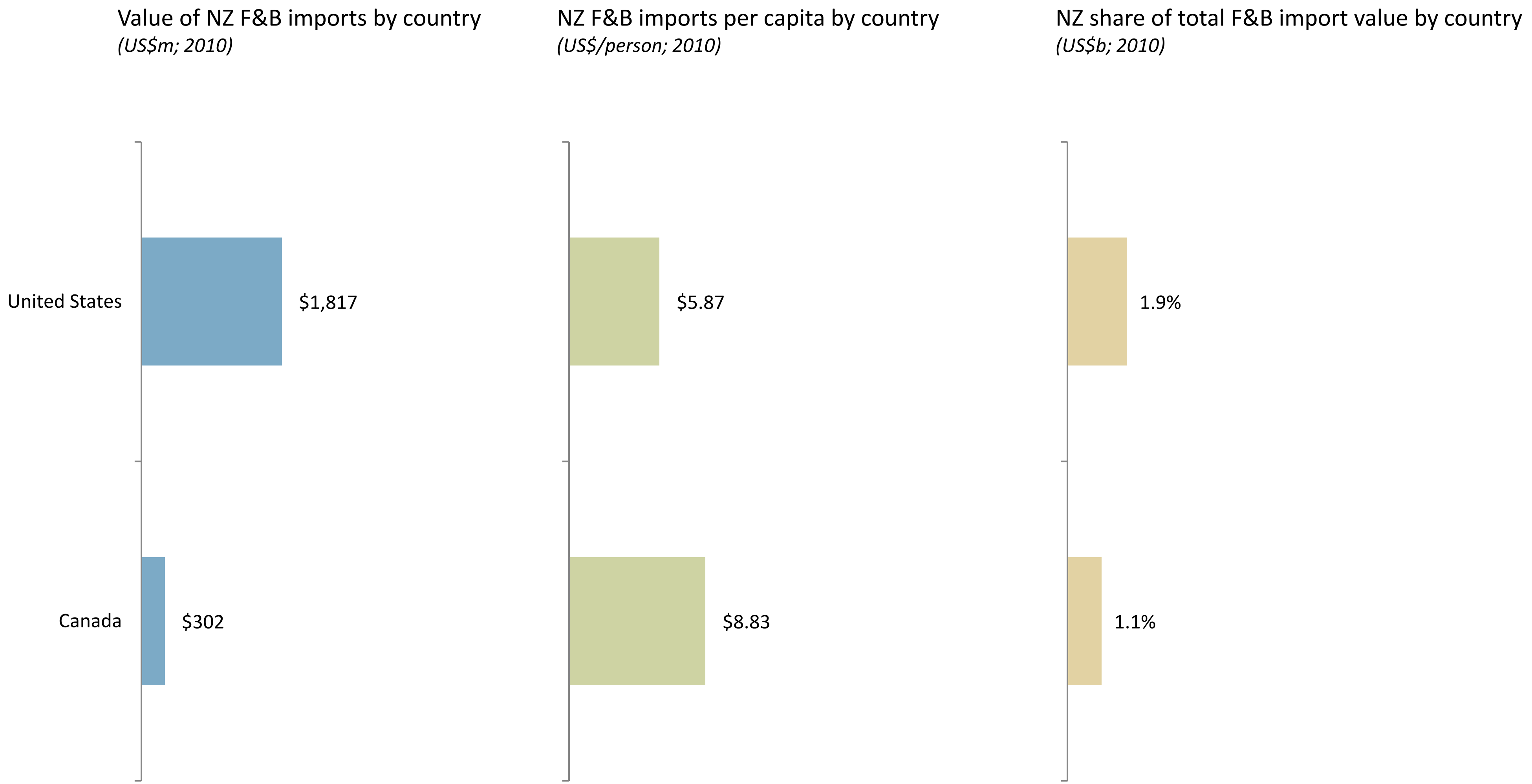



US$122b


Source: UN Comtrade database; Coriolis analysis

# NORTH AMERICA – NZ PERFORMANCE BY COUNTRY

## New Zealand is a relatively minor exporter to the United States and Canada

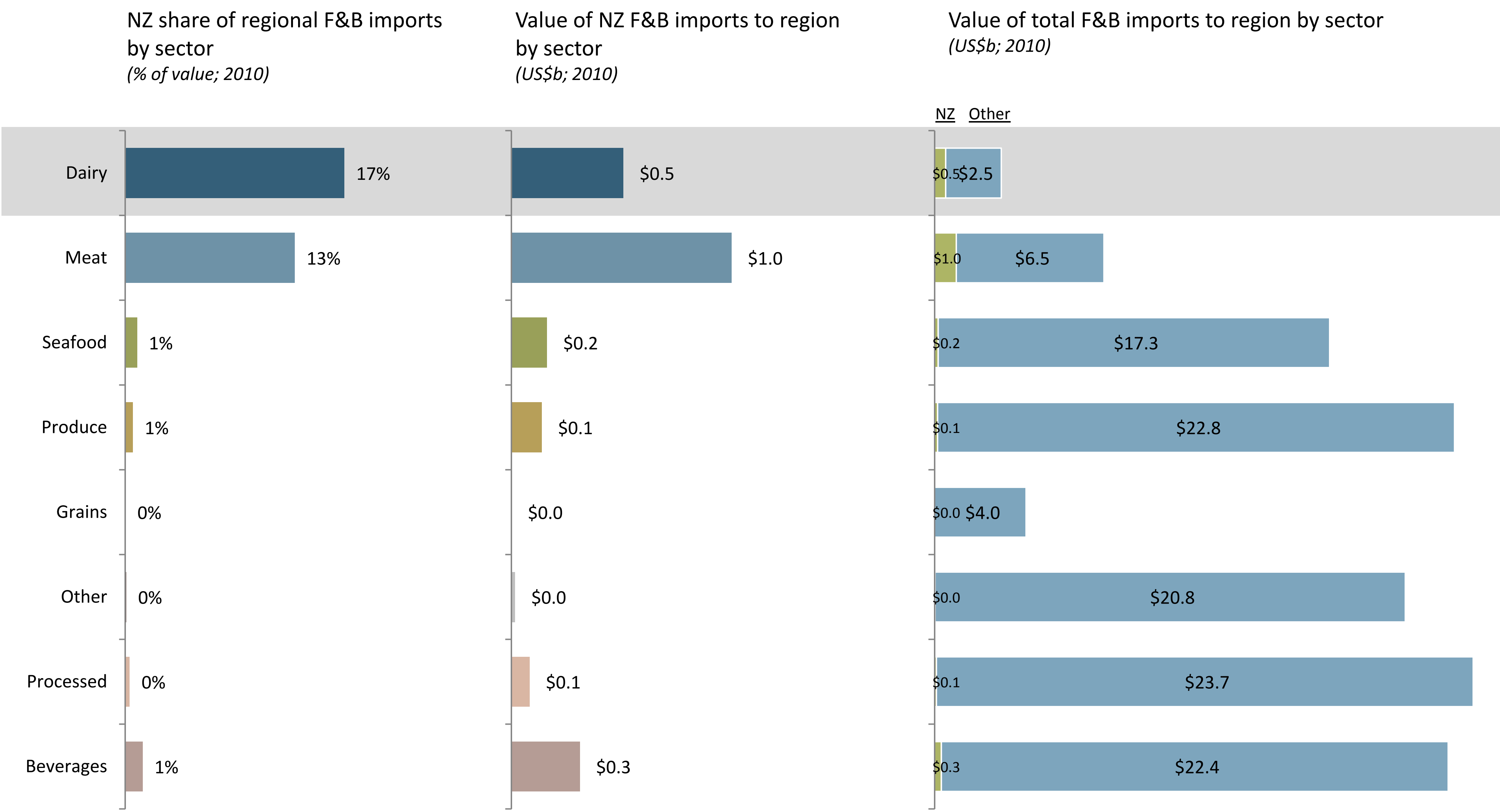





Note: Some amount of the shipments to the Netherlands and Belgium (in particular) are for on shipment to the rest of Europe; unfortunately these are not effectively separable in the data; given what is here is the receiving countries report, there will therefore be some double counting; Source: UN Comtrade database; Coriolis analysis

## NORTH AMERICA – NZ PERFORMANCE BY SECTOR

New Zealand performs well in dairy and meat into North America in terms of share; share is low otherwise






Source: UN Comtrade database; Coriolis analysis

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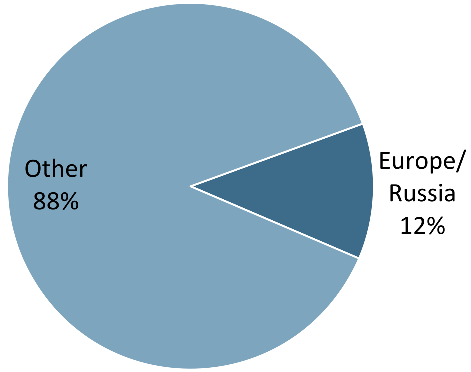
# EUROPE – REGIONAL OVERVIEW

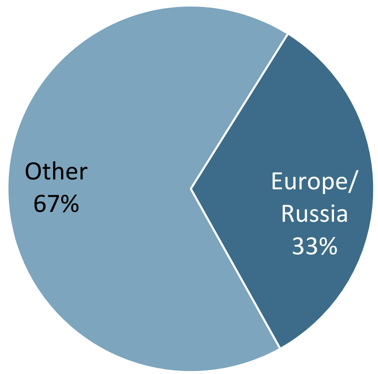
## The European region (including Russia) accounts for 12% of global population and a third of global GDP

Map of countries in Europe
*(2010)*


% of global population
*(people; 2010)*




% of global gross domestic product
*(% US$; nominal; 2010)*






Source: Wikimedia Commons; Coriolis

# EUROPE – KEY INDICATORS

## Europe is made up of a wide range of countries ranging from very rich to poor

| | GDP/capita (US$/person; 2010 or latest available) | Population (people; m; 2010) | GDP (US$b; 2010) | F&B Import $/capita (US$; 2009) | Total F&B Import value (US$b; 2009) Australia $9.4b |
|---|---|---|---|---|---|
| Luxembourg | $92,611 | 0.5 | $47 | $3,954 | $2 |
| Norway | $75,420 | 4.9 | $369 | $1,141 | $6 |
| Switzerland | $62,200 | 7.8 | $484 | $1,179 | $9 |
| Denmark | $55,647 | 5.5 | $308 | $1,755 | $10 |
| Ireland | $50,860 | 4.5 | $227 | $1,504 | $7 |
| Netherlands | $48,121 | 16.6 | $799 | $2,292 | $38 |
| Finland | $45,168 | 5.4 | $242 | $829 | $4 |
| Austria | $44,716 | 8.4 | $374 | $1,167 | $10 |
| Belgium | $42,623 | 10.8 | $462 | $2,818 | $31 |
| Sweden | $42,462 | 9.4 | $398 | $1,233 | $12 |
| France | $40,735 | 65.4 | $2,666 | $706 | $46 |
| Germany | $40,033 | 81.8 | $3,273 | $900 | $74 |
| Iceland | $37,056 | 0.3 | $12 | $1,232 | $0 |
| United Kingdom | $35,428 | 62.0 | $2,198 | $800 | $50 |
| Italy | $34,637 | 60.3 | $2,090 | $614 | $37 |
| Spain | $31,224 | 47.0 | $1,466 | $613 | $29 |
| Greece | $29,922 | 11.3 | $338 | $675 | $8 |
| Cyprus | $28,958 | 0.8 | $23 | $1,296 | $1 |
| Slovenia | $24,037 | 2.1 | $50 | $896 | $2 |
| Portugal | $20,664 | 10.6 | $220 | $869 | $9 |
| Malta | $18,528 | 0.4 | $8 | $1,406 | $1 |
| Czech Republic | $18,045 | 10.5 | $190 | $589 | $6 |
| Slovakia | $16,277 | 5.4 | $88 | $673 | $4 |
| Croatia | $13,916 | 4.4 | $62 | $416 | $2 |
| Estonia | $13,470 | 1.3 | $18 | $1,048 | $1 |
| Hungary | $12,403 | 10.0 | $124 | $365 | $4 |
| Poland | $11,083 | 38.2 | $423 | $276 | $11 |
| Latvia | $10,805 | 2.2 | $24 | $660 | $1 |
| Lithuania | $10,801 | 3.3 | $36 | $708 | $2 |
| Russia | $8,681 | 141.9 | $1,232 | $179 | $25 |
| Turkey | $8,385 | 72.6 | $608 | $73 | $5 |
| Romania | $7,486 | 21.5 | $161 | $203 | $4 |
| Montenegro | $7,122 | 0.6 | $4 | $793 | $0 |
| Bulgaria | $5,910 | 7.6 | $45 | $272 | $2 |
| Belarus | $5,177 | 9.5 | $49 | $206 | $2 |
| Bosnia Herzegovina | $4,502 | 3.8 | $17 | $368 | $1 |
| Macedonia | $4,308 | 2.0 | $9 | $310 | $1 |
| Serbia | $4,304 | 9.9 | $42 | $90 | $1 |
| Albania | $3,671 | 3.2 | $12 | $202 | $1 |
| Ukraine | $2,522 | 45.9 | $116 | $92 | $4 |
| Georgia | $2,475 | 4.4 | $11 | $152 | $1 |
| Moldova | $1,495 | 3.6 | $5 | $- | $- |

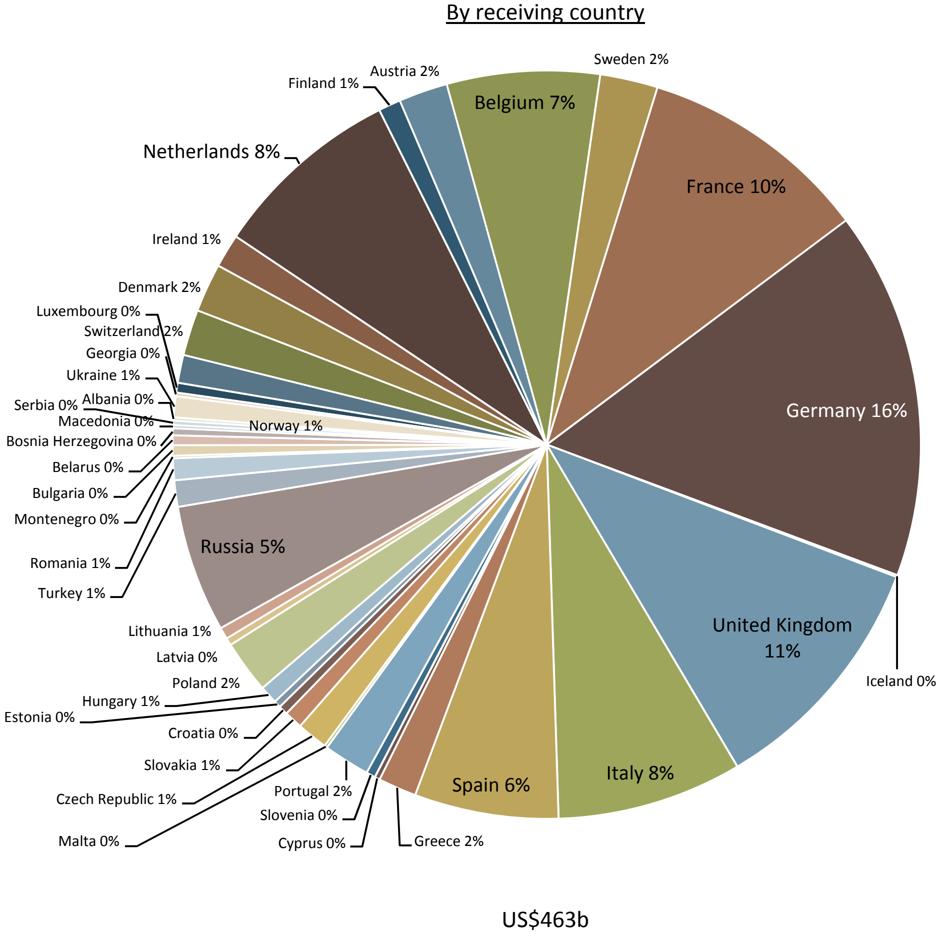


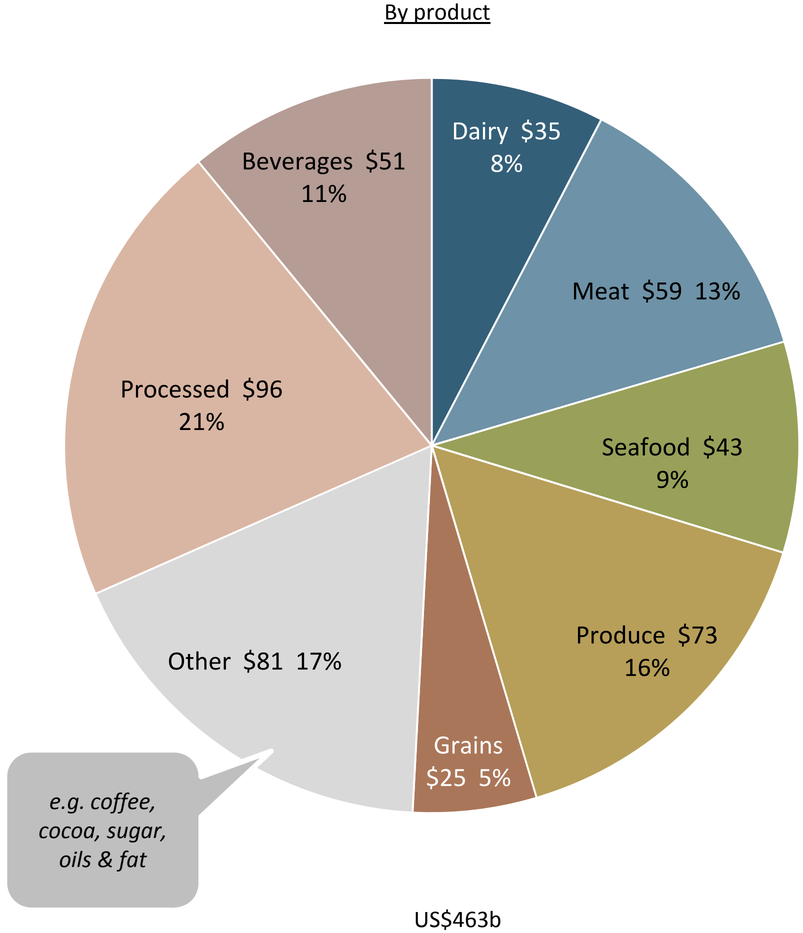
Source: CIA World Fact Book; UN Comtrade database; Coriolis analysis

# EUROPE – TOTAL IMPORT VALUE

## In aggregate Europe imported US$463b worth of F&B in 2009; imports were spread across all sectors

Aggregate European total F&B import value from all source countries
*(US$b; 2009)*



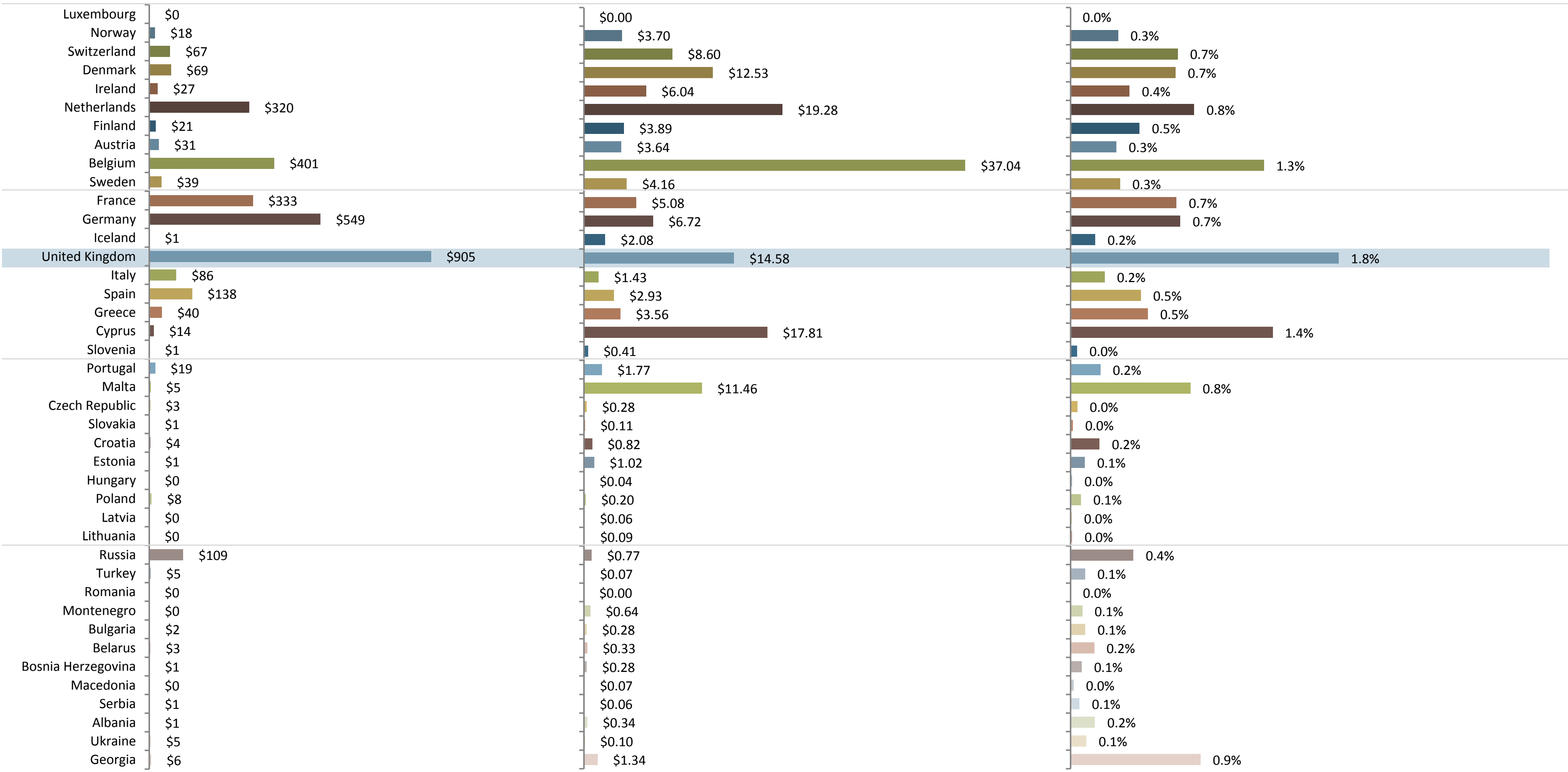



Source: UN Comtrade database; Coriolis analysis

# EUROPE – NZ PERFORMANCE BY COUNTRY

## New Zealand is a relatively minor player in European F&B imports

Value of NZ F&B imports by country *(US$m; 2009)* | NZ F&B imports per capita by country *(US$/person; 2009)* | NZ share of total F&B import value by country *(US$b; 2009)*






Note: Some amount of the shipments to the Netherlands and Belgium (in particular) are for on shipment to the rest of Europe; unfortunately these are not effectively separable in the data; given what is here is the receiving countries report, there will therefore be some double counting; Source: UN Comtrade database; Coriolis analysis

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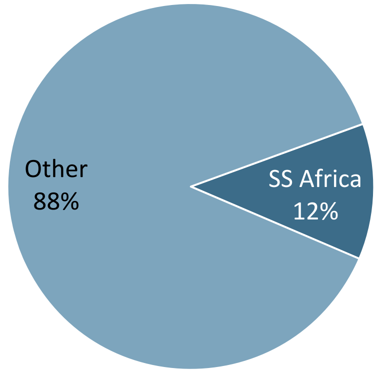
# SUB-SAHARAN AFRICA – REGIONAL OVERVIEW

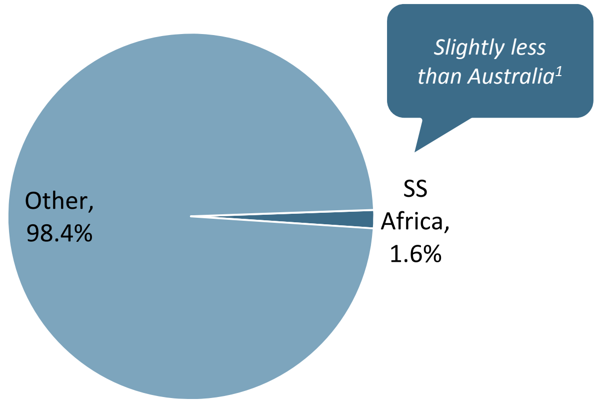
## Sub-Saharan Africa has the population of Europe/Russia and the GDP of Australia

Map of countries in Sub-Saharan Africa
*(2010)*


% of global population
*(people; 2010)*




% of global gross domestic product
*(% US$; nominal; 2010)*



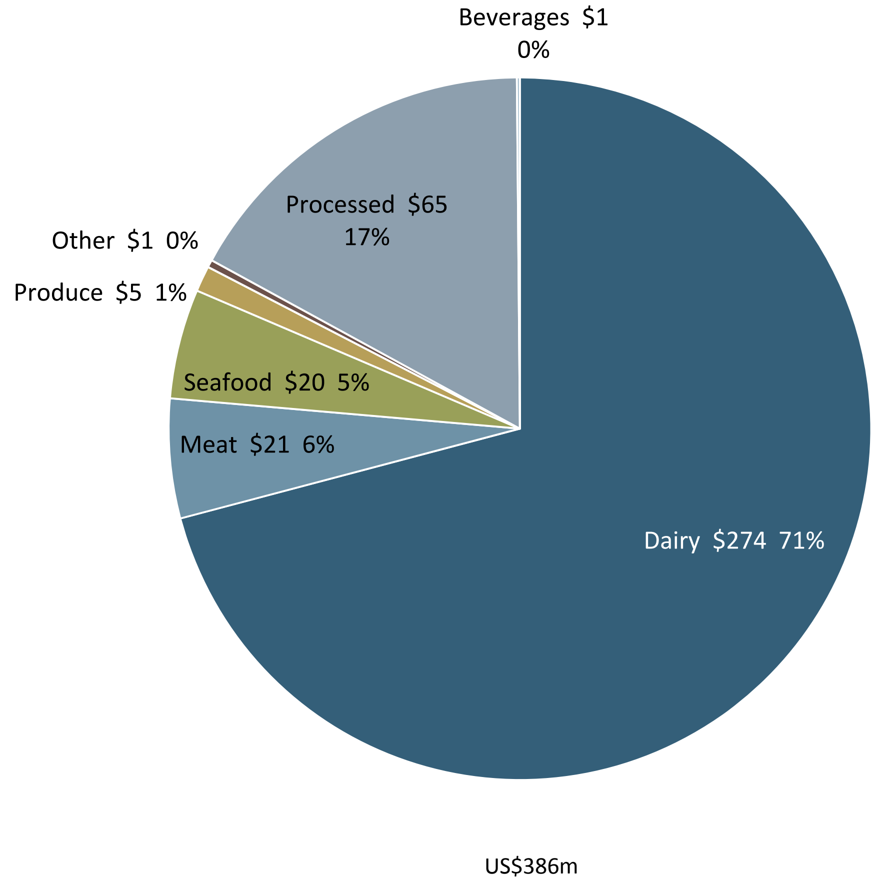



1. New Zealand has the same GDP as the 27 smallest economies in the region; Source: Wikimedia Commons; Coriolis

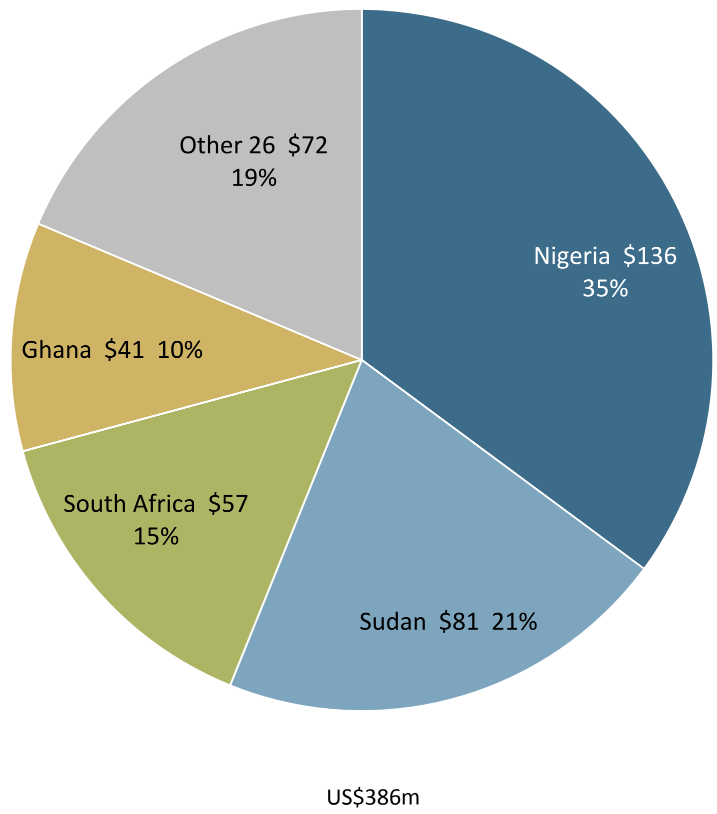
## SUB-SAHARAN AFRICA – NEW ZEALAND EXPORT OVERVIEW

### 71% of New Zealand's exports to sub-Saharan Africa are dairy products

New Zealand F&B export value to Sub-Saharan Africa by sector
*(US$m; 2010)*




New Zealand F&B export value to Sub-Saharan Africa by key countries
*(US$m; 2010)*





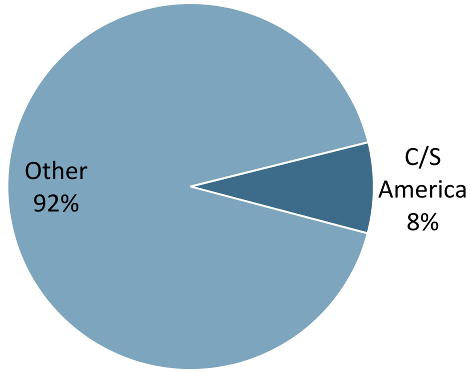

Source: UN Comtrade database; Coriolis analysis

# CENTRAL/SOUTH AMERICA – REGIONAL OVERVIEW

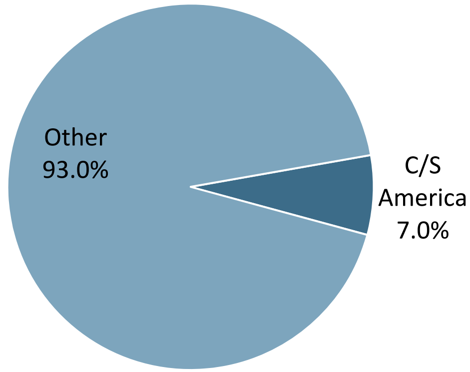
## Central and South America (effectively “Latin America”) represents 8% of world population and 7% of world GDP

Map of countries in Central/South America
*(2010)*


% of global population
*(people; 2010)*




% of global gross domestic product
*(% US$; nominal; 2010)*



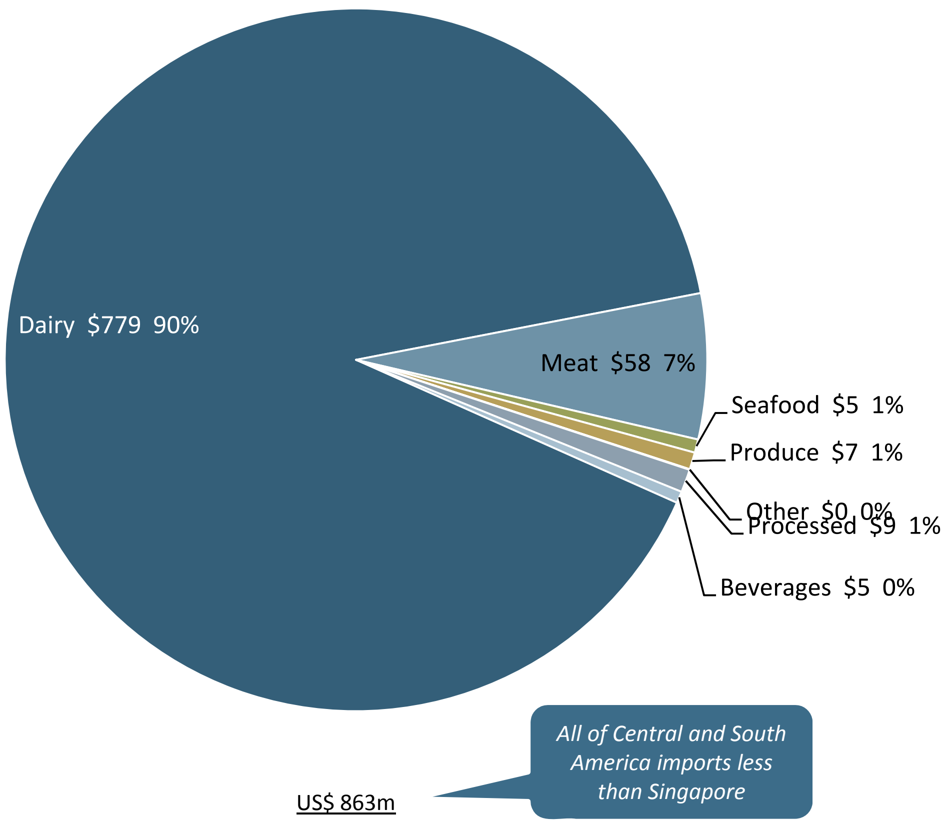



Source: Wikimedia Commons; Coriolis

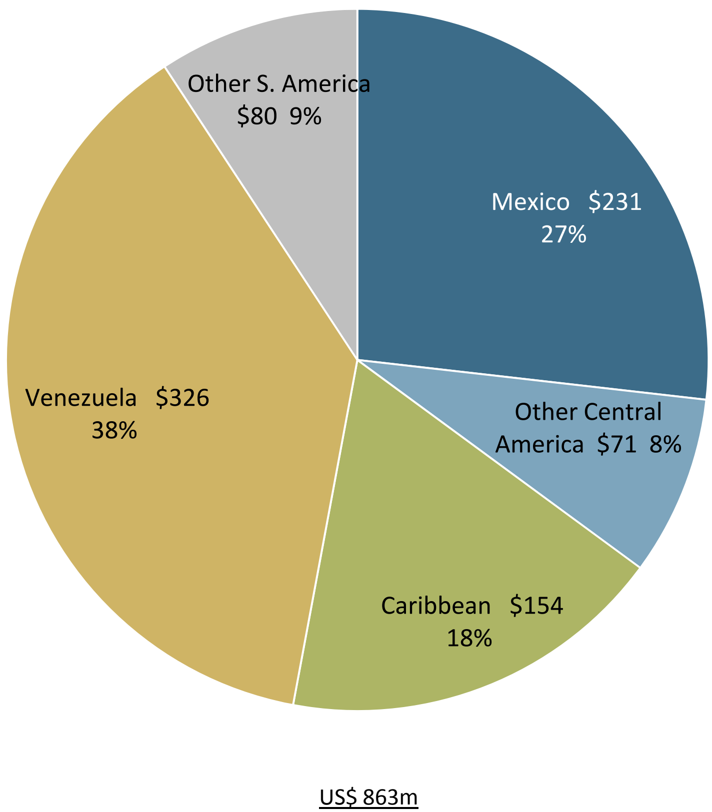
# CENTRAL/SOUTH AMERICA – NEW ZEALAND EXPORT OVERVIEW

## 90% of New Zealand's exports to Central and South America are dairy products

New Zealand F&B export value to C/S America by sector
*(US$m; 2010)*




New Zealand F&B export value to C/S America by key countries
*(US$m; 2010)*






Source: UN Comtrade database; Coriolis analysis

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Manatū Ōhanga

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TE PŪNAHA HIRINGA WHAKAEA

NEW ZEALAND MINISTRY OF FOREIGN AFFAIRS & TRADE
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