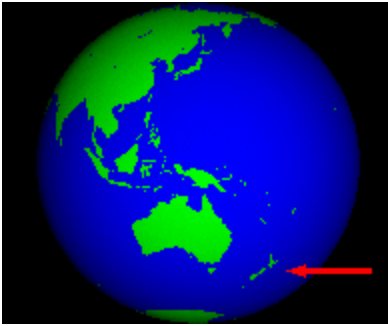


THE MARKET





STORY DETAILS

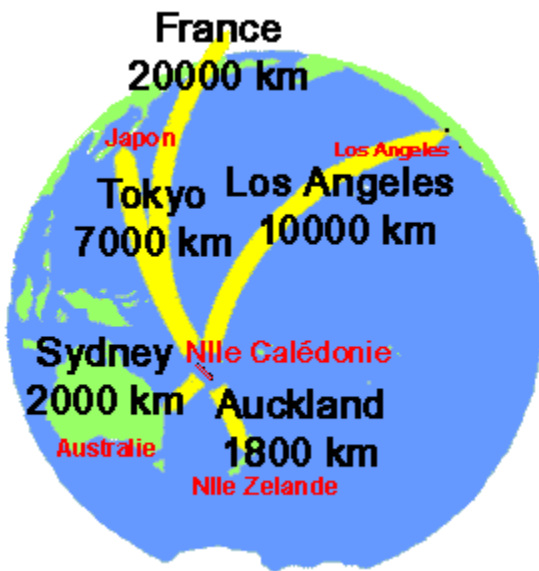
PROFILE OF NEW ZEALAND

Aotearoa: Land of the Long White Cloud - New Zealand is located in the southern hemisphere. It spans 1600 km from north to south and is approximately 2250km east of Australia. It is made up of the North Island, the South Island, Stewart Island and various surrounding small islands.

New Zealand has a population of approximately 3.8 million people with the official languages being English and Māori. Its National plant is the [Pohutukawa](#) and its National bird is the [Kiwi](#).

Where is New Zealand

New Zealand is an island nation situated in the South Pacific.



New Zealand Business

New Zealand has a market economy with sizeable manufacturing and service sectors complementing a highly efficient export-orientated agricultural sector. Energy based industries, forestry, mining, horticulture and tourism have expanded rapidly over the last decade.

The economy is strongly trade-oriented, with exports of goods and services accounting for around 32 percent of total output. Its largest export markets are Australia, the USA, Japan and the UK. Increasingly, New Zealand companies are focusing on niche markets and applying innovative science and technology based solutions to generate wealth.

New Zealand Import/Export figures <http://www.worldstopexports.com/new-zealands-top-10-exports/>

Among these top 10 markets, [beverages, spirits and vinegar] are well-placed for export:

- Around 1,4 billion dollars of sales have been exported in 2018 (3,5 % of the GNP),
- The market is decreasing (around -4% YOY expected from 2018 to 2022),
- Included: 1,2 Billion dollars (-1% YOY – Included 25% estimated sparkling wine),

Concentration: 20% of export sales are made in China, 18 % Australia, 11 % in EU & USA ...

<https://www.thereview.com/2018/12/26/five-new-zealand-wine-predictions-for-2019/>
<https://tradingeconomics.com/new-zealand/imports-by-category>

Among the top import markets, [beverages, spirits and vinegar] are not as reliable as expected:

- Around 410 million dollars of products have been imported (1/100 of the GNP),
- Only 20% of the market is concerned by wines (sparkling (champagne) = 60 %)
- Champagne market is decreasing (around -5% YOY expected from 2018 to 2022), due to low alcohol wines growth, lower alcohol drinks, etc.)
- Local development is getting bigger and bigger.

NEW ZEALAND INDUSTRY

For a better understanding, OCC export team, let's have a short overview of the New Zealand wine market. This market is already well developed. Most people have discovered the delights of wine. Some of them still enjoy selecting and drinking different styles. Consumption of local wine is increasing, though on a relatively small scale.

Being a producer country, New Zealanders enjoy their own product – particularly white wine. The majority of red wine comes from Australia, as it is able to offer higher value for money in many cases. New Zealanders enjoy the local sparkling wines but these tend to be mainstream and represent little prestige.

Though imminently an upper-class product, people still wish to enjoy champagne for many occasions – whether a celebration or simply a desire to indulge. Imports of champagne to New Zealand have decreased by 5% in the period July – October over the same period in 2018.

This is compared to an increase of 5% of total imported wines and no increase in French wines. Champagne now accounts for 15 % of the total imported wine product mix – This part is still decreasing over time.

Previous years were not very exciting for New Zealand. Main local events (such as in China in 2008) have ended. Even the 2022 FIFA world cup bid (in 2010) has been unsuccessful (victorious: the Qatar). Motivation due to the last biggest events (America's cup, Olympic Games, etc) has gone. Champagne stocks are globally rather high and encouraging sales forecasts are rare. The champagne consuming period is mainly during the end of year period (October, November, December).

CHAMPAGNE MARKET OVERVIEW

Competitors in 2000:

Champagne Charles is the obvious competitor, together with LVH, also we are confident in converting all existing Charles customers to OCC. Second only to LVH, Charles is the most poured Champagne in NZ on-premise – we intend to regain this position, this time with OCC.

Obviously there are other champagnes that are successful on this market – in particular Orange, Bond, Louvre. However, these wines are positioned at a different price level and do not offer the value that OCC offers. We point out OCC in same segments. Champagne Black is another well-priced champagne that is slowly gaining distribution, though mainly through traditional retail and grocery.

Champagne Houses

	BOND	ORANGE	LOUVRE	LVH	CHARLES	BLACK
Grocery	N/A	N/A	N/A	\$67.95	N/A	\$49.95
Chains	\$74.95	\$82.95	\$79.45	\$66.62	\$59.95	\$51.95
Independent	\$73.71	\$82.70	\$85.45	\$65.95	\$54.95	\$52.95

(in NZD, per bottle)

(N/A = not applicable)

N.B. AW is the importer of Champagne Charles.

Notice: Average champagne pricing (NZ) : 20-30 € a brut bottle (Low segment) / 40 – 80 € (medium/high)

(Source: <https://www.winenz.com/champagne-new-zealand-sparkling-wine/>) (So 30-50 NZ\$)

Prestigious champagne (Top Cuvée): 150 – 220 € (250+ NZ\$)

Case order: check for instance <https://www.nzwinesociety.co.nz/sparkling/champagne>

Champagne Houses (extract)

Distrib. Area	Veuve Cliquot Brut spec	Moët & Chardon Brut spec	Veuve Cliquot Rose	Louis auger brut	Champagne Duperrey rose	Champagne Dup. brut
Grocery	N/A	N/A	N/A	\$43	\$52	N/A
Chains	\$80	\$85	\$95	\$48	\$55	\$60
Indep.	\$90	\$85	\$100	\$50	\$60	\$56

Our objective is to stand around the Champagne Duperrey price range (with 4 years aging brut bottles).

We cannot reach the quality for value that Veuve Cliquot offers for bottles on the same segment, yet our champagne is of excellent quality, due to our low price-list with AW.

Global sales ratio (Trend analysis)

- *1: Brut (+5 % each extra aging year, on average)
- *1,1: White wines
- *1,2: Rose / Red Wines
- *1,5: Prestigious Wines (Cf. Veuve Cliquot – dry special & assimilated)
- *2: Vintage wines (from brut wines)
- *3: Top Cuvee bottles