



Media Release

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Profits brewing as NZ craft beer goes global

Something big is brewing in New Zealand's craft beer industry with over a third of our 100-plus brewers gearing up for expansion into offshore markets, research from ANZ reveals.

Off-premise retail sales of craft beer in New Zealand have soared 42 per cent in a year and the industry is chasing further growth by going global, according to ANZ's Craft Beer Industry Insights report released today on the eve of Wellington's Beervana expo.

With the number of brewers doubling in the last five years, intensifying domestic competition, ANZ estimates 25 craft brewers are now pursuing sales overseas, with another 20 considering similar moves in the next two years – all of this driven by a growing thirst for distinctive, quality brews among consumers, brewers and investors.

Sales to Asia – including China, the world's largest beer consumer – have more than doubled in two years. The vast Asian market is seen as holding the most exciting prospects as its fast-growing middle classes develop a taste for craft beer.

"We've seen a material shift in thinking over the past year with production soaring and brewers focussing more and more on overseas markets," says ANZ Regional Manager Rob Simcic, who oversees ANZ's Food and Beverage strategy. "New Zealand breweries are now selling beer in over 40 countries and they tell us exports are just getting started.

"Investors too are putting their money where their palate is, funding New Zealand craft brewers at rates significantly higher than overseas brewers and other industries – reflecting the high returns they see flowing from craft beer's exceptional growth potential."

Mr Simcic says breweries are bubbling up from all corners of the country to meet demand. "Individually they may be small beer on the global stage but their ambition is great, with some investing in offshore brewing facilities and collaborating with other brewers to deliver maximum bang-for-bucks in target markets. The formation this year of the export-focused New Zealand Craft Beer Collective promises joint marketing, with an initial focus on the UK."

Craft beer – key insights

- Off-premise retail sales of craft beer have soared 42% in a year, now accounting for 13% of beer sales by value in New Zealand. NZ also sells beer in over 40 offshore markets.
- The number of craft brewers has more than doubled to 111, from 52 in 2010. Around 25 are exporting; another 20 could join them within two years.
- Craft beer sales to Asia have doubled in 2 years to \$2.7 million; half of these go to China.
- NZ brewers attract investment at twice their annual revenue; higher than other industries and markets, reflecting strong growth expectations.
- 80% of brewers cite 'following my passion' as their top reason for being in business.

"Brewers' passion for their craft is a key ingredient for success. As the sector transforms from cottage industry to corporate this passion must be matched with business skills. Developing brewers' management skills and investing in sound planning will be key to uncapping craft beer's full export potential," Mr Simcic says.

"Industry bodies, professional service providers and government agencies have a valuable part to play in tackling skill gaps."

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