

# BREWING IN NEW ZEALAND

BEER IS A  
**\$2.3**  
BILLION  
INDUSTRY

THE INDUSTRY CONTRIBUTED

**\$640**  
MILLION

TO NEW ZEALAND'S GDP IN  
THE YEAR TO MARCH 2018

INTERNATIONAL TOURISTS SPENT

**\$242** MILLION  
ON BEER

WHILE IN NEW ZEALAND

THE BREWING INDUSTRY COLLECTS

**\$271**  
MILLION IN GST

AND

**\$315** COLLECTED AS  
GOVERNMENT  
EXCISE TAX

**CRAFT BEER & LIGHTER OPTIONS\***

HAVE BEEN GROWING AT **13%** PER ANNUM  
SINCE 2016

\*mid strength, low alcohol, low carb and flavoured

NEW ZEALAND IS HOME TO  
APPROXIMATELY  
**218**  
BREWERIES

**IPAs & PALE ALES**  
DOMINATE THE CRAFT BEER MARKET  
IN TRADITIONAL LIQUOR RETAILING  
AND SUPERMARKETS

**\$27** OF GRAINS  
MILLION AND MALTS  
**\$15** OF HOPS  
MILLION

WERE USED BY THE NZ BREWING INDUSTRY LAST YEAR



[BREWERS.ORG.NZ](http://BREWERS.ORG.NZ)

\*Source figures are from NZIER



# BREWING IN NEW ZEALAND

The Brewers Association of New Zealand (BANZ) contracted the New Zealand Institute of Economic Research (NZIER) to analyse the New Zealand Brewing industry and its contribution to the New Zealand economy in the year to March 2018. This report highlights the significant financial contribution the industry makes in New Zealand, benefitting the producers, supply chain and government tax revenue.



## ECONOMIC ANALYSIS

From the grain to the glass, the New Zealand brewing industry was worth \$2.3 billion in the year to March 2018. In this value chain, it contributes \$640 million in value added (GDP).

The industry provides a significant contribution to government with \$315 million in excise tax as well as collecting \$271 million in GST (\$149 million from on-licences and \$121 million from off licences).

## SALES

The on-licence premises domestic beer sales account for 60% of beer sales by value (\$1.4 billion), with the rest sold at off-licences (\$932 million).

By volume, off-licences dominate, with 70% of beer sales through supermarkets or liquor stores.

The higher value market share in on-licences is attributed to their higher cost structure including higher numbers of employees and capital costs resulting in a need for higher prices.

## CONSUMER PREFERENCE

Both craft beer and lighter options (mid strength (1.15-3.5%), low alcohol (Under 1.15%), low-carb and flavoured) have seen combined growth of 13% per annum since 2016. Representing 10% and 7% of sales respectively in 2018. The 'Lagers of the World' segment (for example Heineken or Stella Artois) has seen a 6% increase since 2016 and currently represents 32% of supermarket beer sales.

Pale ales dominate the craft beer market in traditional liquor retailing and supermarkets. In 2018, just under half of all craft beer sales in traditional liquor retailing and supermarkets were either a pale ale or an India pale ale.

## EXPORT

10% of beer produced in New Zealand is exported offshore (\$41 million), compared to 70% of wine.

In addition, international tourists account for around \$242 million of beer sales, which while not officially included in statistics can be considered exports.

## SUPPLY CHAIN

New Zealand brewers purchase \$593 million of intermediate products from New Zealand suppliers, this includes ingredients, transport, kegs and packaging.

The New Zealand brewing industry uses \$15 million of hops, with the majority of these grown in the Tasman region. One-third of the hops produced in Tasman go to domestic production, the rest are exported to markets including the USA, Great Britain and Europe.

Grains and malts make up \$27 million of the ingredient costs, with other ingredients (including yeast) making up \$14 million.

## INDUSTRY GROWTH

Craft beer has been growing strongly since 2008.

With 218 breweries, New Zealand has more breweries per capita (4.56) than similarly established beer markets - the United Kingdom (3.04), Australia (2.10) and the United States (1.96).

The growth in craft beer has seen an explosion of independent breweries, increasing 16% per year since 2008.

The Brewers Association applauds all those involved in the New Zealand brewing industry for their continued innovation and commitment to producing high quality products. Those businesses and individuals who make it their day to day mission to improve the category and open consumers to new and exciting experiences, make the sector what it is today.

**DYLAN FIRTH**

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Brewers Association of  
New Zealand



**BREWERS.ORG.NZ**

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