



HAWKE'S BAY

Hawke's Bay is a premium global producer, processor and exporter of primary products – beef, lamb, fruit and vegetables, forest products and wine.

The region's high sunshine hours, fertile soils, lower-cost land and competitive salaries provide strong commercial advantage for investors.

Investment opportunities exist in Hawke's Bay's world-class food and beverage industries, which are supported by access to an efficient international container port.

Growth in international visitors and the establishment of Rocket Lab's launch site in the Wairoa District present tourism opportunities.



REGIONAL HIGHLIGHTS

High-quality food and beverage production

Expert processing workforce

Growth in international visitors

International container port

AREAS OF OPPORTUNITY

A productive place to grow

Hawke's Bay is a leading horticulture and viticulture region, with a significant share of New Zealand's horticultural land and workforce. A planned irrigation project could unlock 26,250 hectares of new irrigable land in the region and open up investible opportunities through increased productivity in meat, dairy, fruit and vegetable growing, and processing.

Global food and beverage manufacturing

The region's primary production advantages support well-established and expanding food and wine industries, with low infrastructure costs attracting leading international food processing firms. Significant investment has recently been made in the pipfruit industry, and the region provides resources, workforce and export links to support a diverse range of food businesses.

Cost-competitive shared services

Hawke's Bay's ready supply of skilled labour, and low commercial property rental and construction costs, make it an attractive

place to create or relocate office-based support hubs. Hawke's Bay offers the potential for international firms to efficiently service their customer base across New Zealand and around the world.



CLOSE AND CONNECTED

Key attributes of the region

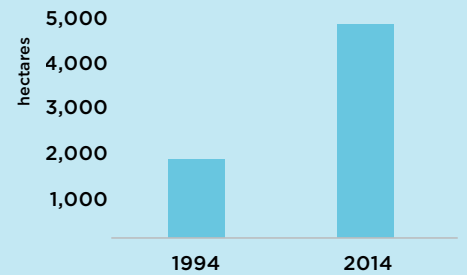
Hawke's Bay is a major agricultural and food processing hub, with farms, orchards and vineyards across its plains, and a 353-kilometre coastline. Napier and Hastings, the region's two cities, account for 86 percent of its population.

There are five business parks in the region with capacity for development and expansion, well suited to either wet or dry food processing. Manufacturing and processing plants are clustered around Napier and Hastings, and are able to leverage the concentration of agricultural production in the region.

Hawke's Bay has multiple distribution channels by sea, road and air. The Napier Port offers competitive and efficient services for international sea freight.

Hawke's Bay offers educated workers, good ICT connectivity, easy transport to and from urban centres, and low commercial rental and construction costs, offering untapped opportunities for call-centre or service hubs. Attractive climate and lifestyle also strengthen its potential as a relocation site for skilled workforces.

Hawke's Bay wine grape farming area



Source: Statistics New Zealand

Second

largest viticulture area with 75 vineyards

Strong

engineering firms supporting industry

19,373

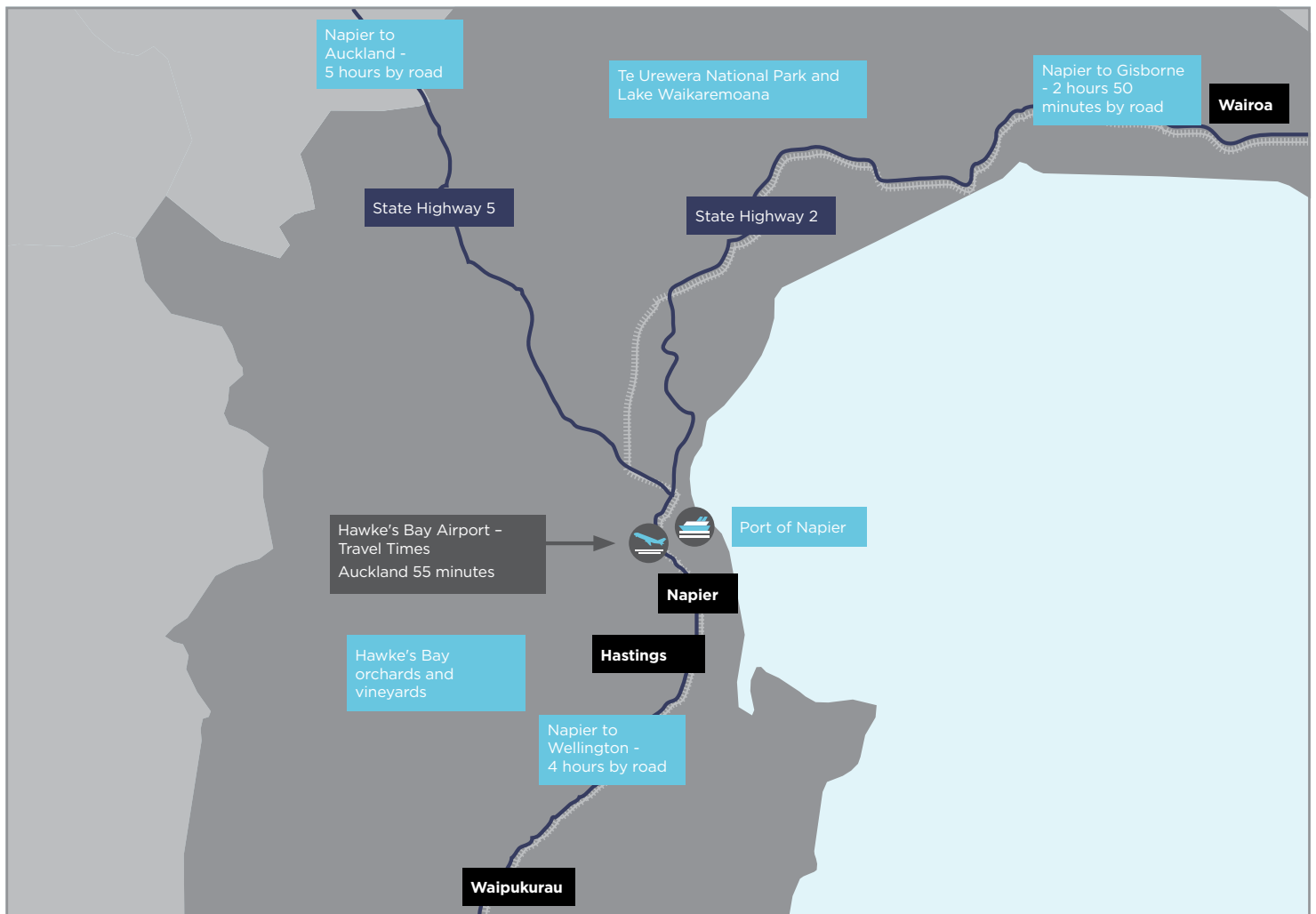
hectares of horticultural land

Six

national transport companies

Five

global food processing plants





A PRODUCTIVE PLACE TO GROW

Hawke's Bay is a major contributor to New Zealand's horticulture sector, and is the second largest viticulture area in New Zealand. The region's other key primary industries include forestry and pastoral farming, including significant dairy production. Hawke's Bay is home to 12 percent of New Zealand's beef cattle and 10 percent of its sheep.

Land-based industries and related processing and manufacturing account for approximately 25 percent of regional GDP. A planned increase in irrigable land could lead to further significant growth in the value and capacity of Hawke's Bay's primary industries, increasing its attractiveness as an investment opportunity.



People

\$20,030 a year

median earnings for jobs in primary industries in 2014 (NZ median was \$28,480)

25%

of New Zealand's horticultural growing and processing workforce

Scientific expertise

providing technical knowledge and strategic advice to support industry growth

Gold standard in wine education

Hawke's Bay offers world-class expertise in viticulture and wine science in education and research at the Eastern Institute of Technology.



Infrastructure

19,373

hectares of horticultural land, 15.3 percent of New Zealand's total

58%

of New Zealand's apple production land

Strong R&D

in bio-protection, breeding and food innovation by businesses and Government institutions

Scope for future growth

14,270 hectares of irrigated land in the region are currently devoted to horticulture, with planned irrigation projects likely to unlock further growth in production and downstream processing.



Business

75

vineyards in the region

660

horticulture farms

80+

companies growing or processing land-based products

Fertile ground for wine and pipfruit

Hawke's Bay is New Zealand's second largest wine-growing area and the country's leading red wine producer. New Zealand's pipfruit industry is also increasingly concentrated in the region.

Hawke's Bay horticulture – local roots, global potential

ENZAFOODS is a market-leading, vertically integrated fruit ingredient and fruit and vegetable juice producer, and one of the largest horticultural companies in the Southern Hemisphere. The company's fruit ingredients and processing plants are located in Hastings, benefiting from the region's high sunshine hours, long summers and ideal humidity for fruit and vegetable production. ENZAFOODS' products are marketed globally, including North America, East and Southeast Asia and Europe.

Mr Apple, New Zealand's largest integrated apple business based in Hawke's Bay, grows and exports around 25 percent of New Zealand's apple industry volume. Mr Apple is a New Zealand-owned company that employs 220 permanent staff and a seasonal workforce of up to 1,600 people.

Prevar Limited is a New Zealand joint venture-company owned by Pipfruit New Zealand, Apple and Pear Australia Limited, and the New Zealand Government-owned research institute Plant and Food Research. Prevar recently licensed a new variety of apple, which the Havelock North Fruit Company has developed as Rokit, an innovative new apple variety in the FMCG category.



GLOBAL FOOD AND BEVERAGE MANUFACTURING

Fruit and vegetable processing and winemaking are part of a well-established and growing sector in Hawke's Bay, with numerous industries building on the region's primary sector strengths to create value-added products.

The region has already attracted leading international food processing firms, and its food industry and related processing activity is well served by strong support services, readily available land and power, and multiple transport links to the rest of New Zealand and to export markets.



People

\$43,560 a year

median earnings for manufacturing in 2014 (NZ median was \$46,010)

5,280

employees in food product manufacturing

Support

significant business networks for the food and beverage industry

Education feeding regional advantage

The region's cost-competitive workforce is educated through the wide range of study programmes at the Eastern Institute of Technology.



Infrastructure

Availability

of industrial land for wet and dry food processing

Rapid

delivery time from the port to distribution centres

Renewable power

in abundance

At the doorstep of global customers

The region has multiple distribution channels by sea, road and air. The Port of Napier offers competitive and efficient services for containerised sea freight.



Business

Five

global food processing plants in the region

One of the largest

non-dairy food factories in the Southern Hemisphere

5%

of New Zealand's food manufacturing firms

Proven success draws international attention

Hawke's Bay has a track record of producing high quality food products, and has already attracted leading multinational food company representation.

Hawke's Bay processors - adding value for customers and investors

Firstlight Foods is an innovative business producing premium beef and venison for global markets. Based in Hastings, it is the world's only commercial producer of grass-fed Wagyu beef, with producer groups based predominantly in Hawke's Bay and the Central North Island. Firstlight Foods aims to provide direct connections from producer to end consumer, with profitable and sustainable returns for everyone in its value chain, and works with a portfolio of high-end retailers and chefs around the world.

Freeze Dried Foods is the largest freeze drying operation in the Southern Hemisphere. It is based in Hawke's Bay to take advantage of the fresh vegetables, meats and fruits that are readily available. The firm exports to a number of international markets including Australia, the European Union, the United States, Japan, Hong Kong, and Taiwan.

Ovation, a specialist New Zealand meat processing company with strengths in lamb processing, targeted Hawke's Bay as the best place to set up its business in 1984. Today, Ovation's head office, and its further processing and added-value operations remain in the region. Throughout its history, the company has been an industry leader in innovation and best practice.



COST COMPETITIVE SHARED SERVICES

Hawke's Bay is developing its shared services sector. The region delivers a ready supply of skilled labour, low commercial property rents and construction costs, as well as comprehensive ICT infrastructure. This makes the region an attractive place for international firms to set up or relocate office-based services such as contact centres, banking and insurance back offices and IT support services.

The region's favourable climate and lifestyle are significant factors in attracting talent. Local government and business stakeholders are focused on growing the shared services industry and have recently realised successes in this sector with firms locating their support functions in Hawke's Bay.



People

\$18,170 a year

median earnings for the administrative and support services industry in 2014 (NZ median was \$23,070)

Ready supply

of labour with appropriate skillsets

Educated workforce

50.2% of school-leavers achieved a Level 3 qualification or higher in 2014 (NZ figure: 49.8%)

Training for technology and services careers

The Eastern Institute of Technology delivers foundation, applied professional and higher education business and computing programmes from certificate level through to master's degrees.



Infrastructure

Low cost

average commercial rents of \$277/m² per annum

Convenient

access to main city centres with limited commuting times

Ultra fast

broadband available in urban centres with multiple providers

Easy transport for efficient work

Hawke's Bay has low commute times and good transport connections between its two main urban areas, Hastings and Napier.



Business

High potential

untapped market with few existing contact centres

Active

businesses relocation programme to grow the sector

Related growth

in sectors including administrative service, building a services industry ecosystem

Local and national support for growth

Regional and national stakeholders are focused on building a contact centre industry in Hawke's Bay, which is attracting new investors.

Pioneering world-class services from Hawke's Bay

Kiwibank is one of New Zealand's major domestic banks with balance sheet assets of \$18 billion, and is 100 percent New Zealand owned and operated. Hastings District Council worked with Kiwibank to establish a new office in Hastings that employs more than 100 staff, ensuring nationwide continuity of critical services supplementing core banking services provided in the Wellington head office.

IMS Payroll is a developer and provider of payroll systems, serving a range of New Zealand businesses from single-employee firms to corporates with thousands of staff. IMS began its operations in 1983, providing services to the Hawke's Bay Farmers' Meat Company, and later developed into one of the largest software developers in New Zealand. IMS' central Hastings location and the attractive Hawke's Bay lifestyle are also key factors in recruiting and retaining its skilled staff.

Bridge Street Tech Hub (Ahuriri, Napier) is a refurbishment of a 1940s Woolstore into a modern fit-for-purpose world-class 'Tech-Hub' environment. The project is anchored by NOW Communications who will occupy almost half the 2,900sq m space, and will be joined by Xero Accounting Software. This project has been constructed to service the growing numbers of technology firms locating to Hawke's Bay.

WHO HAS INVESTED IN HAWKE'S BAY?



ABB (Switzerland)

ABB, a leading power and automation technology company operating in New Zealand for over 80 years, opened a new 6,500 square metre research and development centre and factory in Hawke's Bay in 2013. The facility, based at Napier's new Airport Business Park, serves as ABB's global centre of excellence for its specialty designs, creating products destined to protect some of the world's largest and most advanced electronics factories.

Switzerland-headquartered ABB has a legacy of excellence in power electronics stretching back some 30 years, and devotes more than \$1 billion a year to various research and development activities. It runs seven corporate research centres, employs 8000 scientists and supports 70 university collaborations around the world.



BayWa AG, Munich (Germany)

BayWa, founded in Munich, Germany in 1923 and is now a global trading and services group listed on the SDAX.

In 2012, BayWa purchased 72.5% of T&G Global (formerly Turners and Growers). A long-term investor, BayWa supports T&G Global's investment strategy and has provided over \$200 million in capital expenditure for new acquisitions, technology and improved health and safety for the company.

T&G Global is a global business with a significant footprint in Hawke's Bay including packaging, processing, market floors and orchard sites. The company employs over 230 permanent staff and 1100 seasonal staff at peak, on over 700 hectares of orchards, in Hawke's Bay alone.

T&G Global is New Zealand's largest exporter of apples by volume and has ambitious growth plans. Its processed foods division in Hawke's Bay now processes up to 120,000 tonnes of apples, summer fruit and berries into juice concentrate and solids for foodservice customers in Australasia and North America each year.



Oji Holdings Corporation (Japan)

Japanese-owned Pan Pac Forest Products (Pan Pac) runs its forestry management and processing operations from a head office located at Whirinaki near Napier. Pan Pac operates across the forestry supply chain, managing 35,200 hectares of forest, and producing high-quality lumber for both domestic and international markets. Pan Pac's pulpmill uses mechanical pulping processes to produce TMP and Bleached Chemi-Thermo Mechanical Pulp (BCTMP) particularly suited to the New Zealand radiata pine soft wood resource.

Oji Holdings Corporation has invested substantially to further expand Pan Pac's lumber product offerings for interior and exterior applications, including plant for the production of Thermally Modified Timber (TMT). Oji has also invested \$70 million in a BCTMP plant which now places Pan Pac amongst the world's largest BCTMP manufacturers.



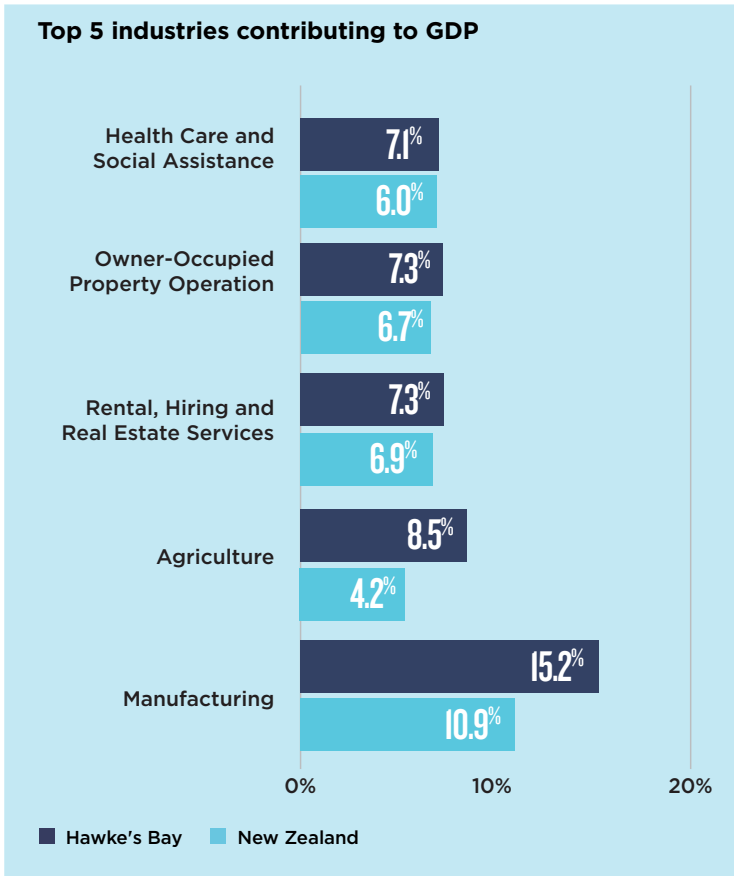
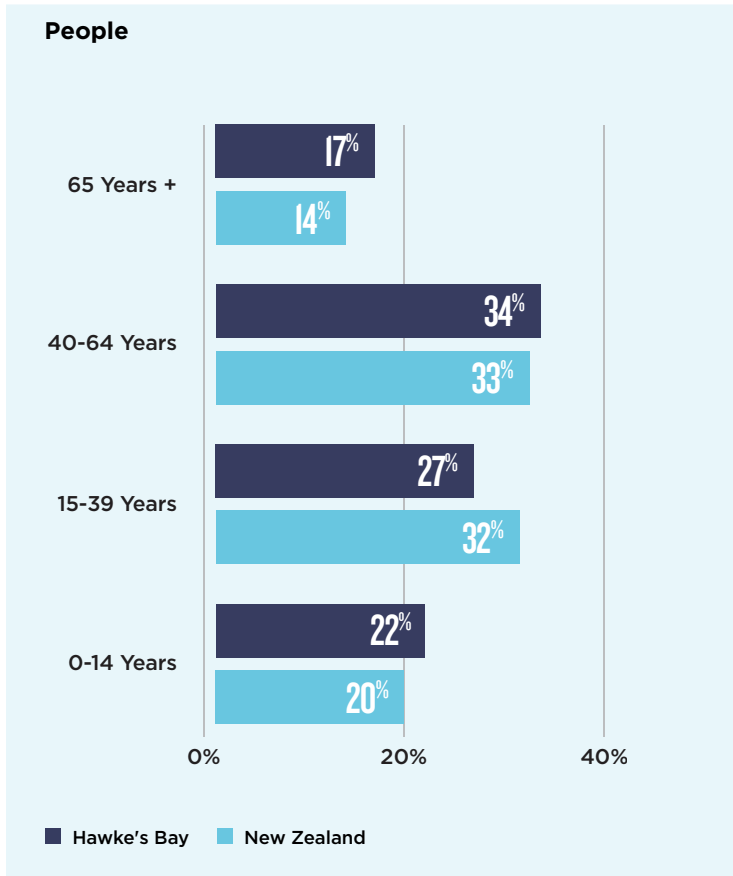
Pernod Ricard Winemakers (France)

France's Pernod Ricard Winemakers holds Church Road as its key Hawke's Bay brand, producing wines from its Taradale winery near Napier. Hawke's Bay's latitude and a maritime climate similar to Bordeaux in France produces world-class fruit, crafted through traditional winemaking techniques into award-winning wines with "complexity, texture and a sense of place".

Pernod Ricard Winemakers is the largest premium wine company in the world, with vineyards in Australia, New Zealand, Spain, Argentina, China and the United States, and ranks amongst the largest producers of wine in New Zealand.

HOW HAWKE'S BAY COMPARES

Population 161,500 Hawke's Bay <hr/> 4,693,000 New Zealand	Annual net international migration 676 Hawke's Bay <hr/> 69,954 New Zealand	Regional GDP (NZbillion) \$6.6 Hawke's Bay <hr/> \$241.2 New Zealand	GDP per capita \$41,323 Hawke's Bay <hr/> \$52,953 New Zealand
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Education
% of all school leavers achieving university entrance standard (2015)

40.1% Hawke's Bay	40.6% New Zealand
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Mean household income

\$78,037 Hawke's Bay	\$91,198 New Zealand
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Median house price

\$350,050 Hawke's Bay	\$432,500 New Zealand
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Mean weekly rent

\$320 Hawke's Bay	\$408 New Zealand
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Unemployment rate

6.5% Hawke's Bay / Gisborne	4.9% New Zealand
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Mean weekly office rent (\$/m²)

\$260 Napier-Hastings Area (Average of Mid-Point Values)

WELCOMING INVESTORS



Business Hawke's Bay (BHB), the region's business growth and attraction agency, is the investor's first point of contact. It is jointly funded by the private sector and Hawke's Bay Regional Council, and Napier City and Hastings District Councils.

BHB's collaborative network is strengthened through a regular stakeholder forum called the Advisory Group, which brings together regional representatives from all councils in the region, Tourism Hawke's Bay, central government agencies, the Chamber of Commerce and others. Together with the Advisory Group, BHB identifies and supports new investment opportunities within the region's respective boundaries.

BHB has led the establishment of the Hawke's Bay Business Hub, which facilitates a collaborative approach for regional business development by co-locating over 10 organisations at a single location for local businesses to seek advice and support.

Economic development strategy

BHB's objectives are to:

- Provide business development and support
- Stimulate and support key industry clusters and working groups
- Market the region as a great place for business opportunities.

BHB is a stakeholder in the Hawke's Bay regional economic development strategy, Matariki, launched July 2016. The strategy focuses on growing jobs across the region, increasing household incomes and raising Hawke's Bay's economic performance into the top quartile of New Zealand's regions.

How we help investors

BHB, in conjunction with regional, city and district councils, helps the investor by executing a planned, systematic approach to business attraction and growth. BHB coordinates and promotes business support services across the region, including services to new and prospective investors.



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Region-led initiatives

Business Hawke's Bay (BHB), supported by councils and business support agencies, is acting as a catalyst for the establishment of a goat and sheep dairy industry within Hawke's Bay, where farmers will supply dairy products to manufacturers of value-added products (including infant formula). Through research, collaboration and communication, BHB is bringing together the main components of the infant formula value chain in Hawke's Bay, as well as leveraging existing infrastructure and capabilities. The initiative will help investing companies to deliver high-quality shelf-ready products to a growing export market.

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