



OTAGO

Otago is a leading region for **tourism, agriculture, superior wool production, horticulture, winemaking, design technology and specialised manufacturing.**

Dunedin, the region's capital, is home to the University of Otago, which is in the top echelon of the world's universities. Enhanced infrastructure at the University is creating investible opportunities in advanced manufacturing and health technologies. Dunedin was the winner of New Zealand's 13-month-long Gigatown competition, becoming the first town to receive Internet speeds of 1 gigabit per second, the fastest in the Southern Hemisphere.

Central Otago's Queenstown is a world-famous tourist hub offering investment opportunities in hotel, tourism ventures and conference facilities.

Thanks to its unique location and climate, Central Otago has become an internationally recognised wine region at only 30 years since commercial production began. The region's advantages in stone, pip and berryfruit production also offer significant opportunities to investors.



REGIONAL HIGHLIGHTS

World-renowned tourism

Centre of higher learning & technology

High-value niche manufacturing

International container port

AREAS OF OPPORTUNITY

Global tourist hub

Otago is one of the Southern Hemisphere's premier year-round lake and alpine resort and ecotourism destinations. Significant growth in visitor numbers over the last 5 years has driven a need for further international investment in hotel and convention infrastructure. Current demand and supply projections indicate that Queenstown's hotel sector will be increasingly supply-constrained over the next decade, resulting in annual occupancy rates approaching 90 percent in 2025.

Premium research, design and engineering

Otago offers attractive investment opportunities in education and learning, design technology, and niche manufacturing. The region's university, polytechnic and support agencies partner to develop an export-focused cluster in design technology and niche manufacturing. Gigabit internet speed offers opportunities for businesses including faster file sharing, rapid download and upload speeds, potential for increased innovation, and cost-efficient Internet-based backup systems for large data.

Premium fruit and wine

Otago is recognised for its boutique red and white varietal wines, and for its stone and pipfruit. A recently expanded \$48 million irrigation scheme will unlock further investment opportunities in horticulture and viticulture, as well as associated food and beverage processing.



EDUCATED AND INNOVATIVE

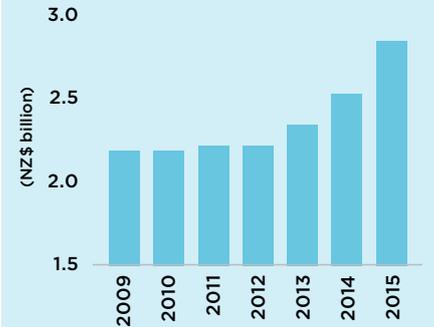
Key attributes of the region

Otago boasts an attractive combination of world-class education and advanced engineering and knowledge-based industries, working in tandem. The University of Otago, based in Dunedin, hosts one of New Zealand's two research-intensive medical schools and the country's only dental school, which was recently ranked 12th in the world – the highest international ranking achieved by any New Zealand university. In addition, the University of Otago ranks within the world's top 100 in 13 disciplines including business and management studies, law and psychology.

Otago has a significant agricultural economy, with strengths in sheep, beef, dairy and grain farming and associated value-added products including merino wool. The region is also known for its wines, stone and pipfruit.

The region is home to two international airports, an international container port, and Queenstown, one of the world's premier tourist destinations.

Otago visitor spending



Source: StatsNZ

Specialised engineering hub

with 40 firms across the region

28% growth in visitor spending

over last 3 years – New Zealand increased 16%

127

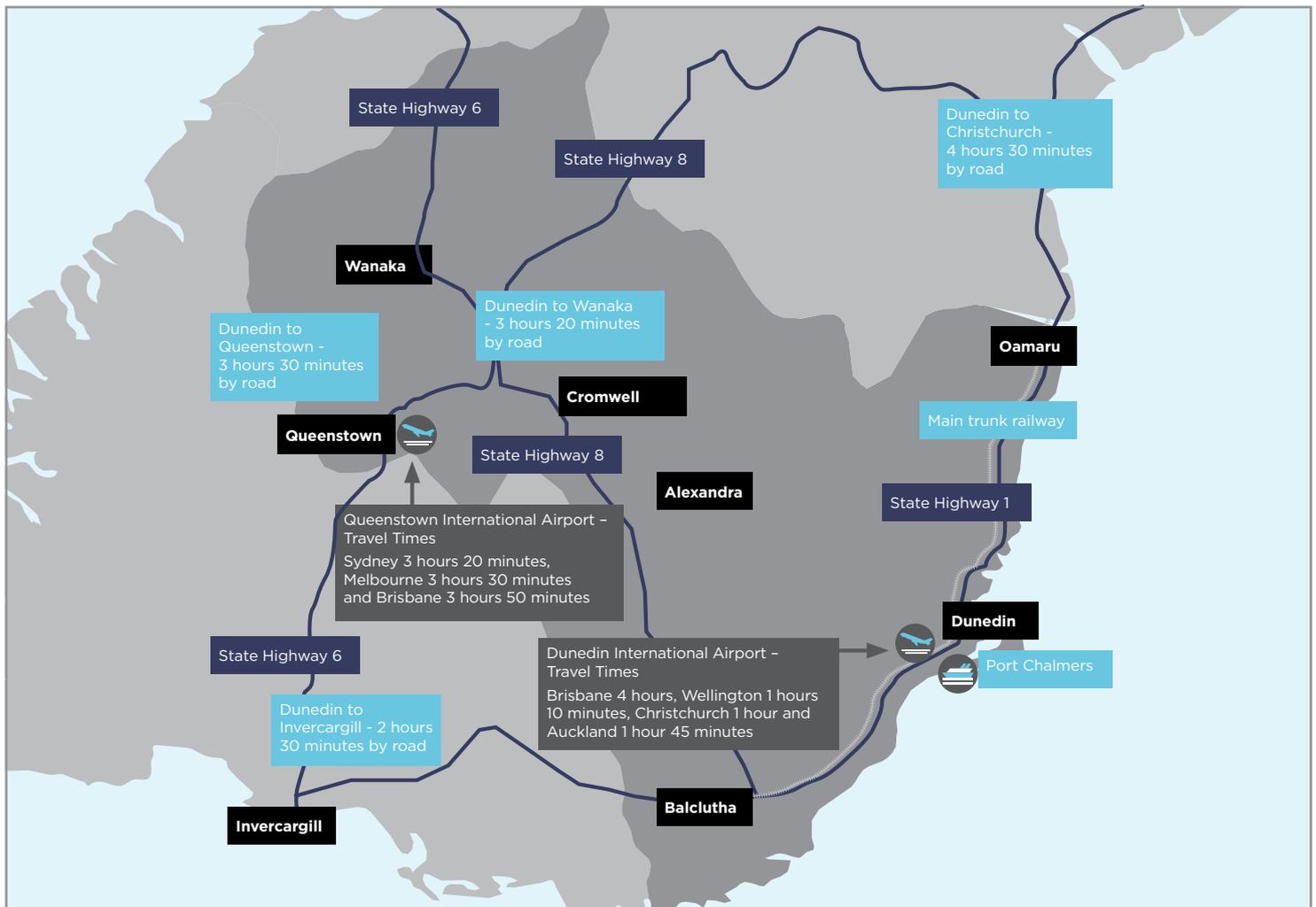
wineries

Key export port

for the South Island at Port Otago

Two international airports

at Queenstown and Dunedin





GLOBAL TOURIST HUB

Queenstown is the Southern Hemisphere's premier year-round lake and alpine resort, famous for its winter sports and adventure tourism activities. Otago is also home to several of New Zealand's "Great Rides" for cyclists.

The Otago Peninsula in Dunedin is one of the finest examples of ecotourism in the world, where visitors can view the world's only mainland breeding colony of royal albatross and rare yellow-eyed penguins, only 40 minutes' drive from central Dunedin. The city's extensive Victorian architecture reflects its rich cultural heritage, with the railway station being one of the most photographed buildings in New Zealand.

Otago's tourism sector has experienced strong growth over the past 10 years, and will require further investment to support future growth, with a 46% increase in tourist jobs forecast for the region. The region is experiencing accommodation shortages during peak demand periods, indicating a need and opportunity for investment in the hotel sector.



People

\$46,670 a year

median earnings for construction – a proxy for tourism infrastructure (NZ median is \$45,200)

46%

growth in tourism jobs forecast over next few years

Film and screen

a concentration of film and TVC professionals and diverse scenery and architecture, in the third-largest production centre in New Zealand

Winter and adventure sport destination

Otago's entrepreneurs have successfully pioneered a strong adventure and adrenaline tourism sector. Queenstown also has four ski fields (Cardrona Alpine Resort, Coronet Peak, The Remarkables, and Treble Cone) within easy reach, offering tourists a range of winter sports.



Infrastructure

Five

national-level tourism educators in the region, spread across Dunedin, Queenstown, and Invercargill

Two international airports

connecting travellers with the rest of New Zealand and the world

14.3%

of total New Zealand guest nights over past year, serviced by a mature and growing accommodation sector

Opportunity to expand

Otago has strong demand for further accommodation capacity, including high-end hotels, and the region offers suitable construction expertise along with good national and international connectivity. Queenstown is currently exploring the possibility of building a major \$58 million convention centre, with capacity for up to 750 delegates. Dunedin is also exploring the establishment of a 5-star hotel.



Business

Global presence

with Hilton, Accor, Millennium and Copthorne hotels in Queenstown. Potential for development in Dunedin

88%

of all New Zealand cruise ship passengers visit Dunedin

37.3% increase

in the value of accommodation and food services over five years

Tourism innovation

With 18.5% of New Zealand's international tourism expenditure, Otago is known for its innovative and enterprising tourist industries, with ecotourism and immersive visitor experiences a cornerstone of Dunedin's offerings. The sector continues to develop and open up new opportunities for growth and investment.

Pioneers of world-class experiences

AJ Hackett Bungy New Zealand, which opened the first commercial bungy jump operation near Queenstown in 1988, is a globally recognised brand. The Shotover Jet boat in Queenstown was another world first in adventure tourism, opening in 1965. Highlands Motorsport Park is a world-class year-round tourist destination and international motor racing circuit, located in Cromwell, Central Otago.

Otago Museum's Perpetual Guardian Planetarium enables visitors to experience the wonders of the universe in a state-of-the-art 360° immersive theatre. The 3D dome surrounds the audience, giving visitors a sense of floating and flying through space and orbiting planets, using current images from space telescopes. Offerings feature a Māori constellations and creations show, and 3D scientific films.

Dunedin's Victorian and Edwardian buildings make up one of the best preserved collections in the Southern Hemisphere. This heritage offers potential for tourism and for redevelopment, with many buildings being repurposed to house a growing number of tech companies.



PREMIUM RESEARCH, DESIGN AND ENGINEERING

Dunedin has a strong design technology and niche manufacturing sector, driven by a network of companies with a global focus and a strong emphasis on design and innovation. This is underpinned by the internationally recognised research capacity of the University of Otago, and the market validation and product development capability of Otago Polytechnic.

The University has made a commitment to a \$650 million building programme over the next 15 years, and is recognised as one of the 16 most beautiful campuses in the world.

Investible opportunities are created by Dunedin's premier research and design centres, a reliable infrastructure, a burgeoning talent pool, and cohesive business networks.



People

\$46,980 a year

median earnings for professional, scientific and technical services (NZ median is \$54,520)

7,539

employees in professional, scientific and technical services

22.7%

of Dunedin's adult residents hold a Bachelor's degree or higher (NZ average is 20%)

Education supporting innovation

The University of Otago's commercialisation arm, Otago Innovation, provides support to researchers with marketable ideas.



Infrastructure

Further industrial land

being freed up for development as part of regional plan changes in 2013

Business infrastructure

supported by policies and processes, to encourage business growth and adaptability

Gig City

100mb citywide fibre-based internet network - a first for the Southern Hemisphere

Key export port

Port Otago gives South Island manufacturers critical access to export markets, and is expanding its warehouse offerings to meet export demand as part of the \$30 million 'Next Generation Port Otago' upgrade.



Business

6.9%

of regional GDP is from manufacturing

40

specialised engineering firms

Collaborative clusters

active in sectors including engineering, tech and tourism

Engineering export hub

A number of engineering firms in Otago sell products and services internationally. They include Milmeq, Scott Technology, Farra Engineering, Escea and BISON.

Innovation for global markets

Igtimi is an electronics and communication technology development house, with significant experience in live broadcast events and high-tech sports. Igtimi's technology has been used at several international sailing regattas and golf tournaments.

Kamahi Electronics is a growing global electronic and design manufacturing house, producing cutting edge solutions for international companies and universities. The company is export intensive with 70 percent of its work destined for overseas markets, and also hopes to improve its market share in New Zealand.

ADInstruments provides world-leading data acquisition and analysis systems for life sciences, enabling users to record and analyse data quickly and efficiently, for use in academic or private research or in biomedical classrooms. ADInstruments provides its systems to over 10,000 organisations worldwide, including Toyota, the Mayo Clinic, the Human Genome Project, Pfizer, Lockheed Martin, and all of the 2010 Top 100 Life Sciences and Biomedical Universities in the world, including Oxford, Cambridge, Harvard and Stanford.



HIGH QUALITY FRUIT AND WINE

Central Otago offers excellent growing conditions for fruit producers due to warm, dry summers. Planned irrigation projects have the potential to unlock new productive land in the region, and open up investible opportunities in the secondary processing of high-quality, stone, pip and berryfruit.

Central Otago is the world's southernmost wine producing region, with an international reputation in particular for pinot noir, of which it is New Zealand's second-largest producer. Other varieties include chardonnay, pinot gris, and riesling.

Otago offers an opportunity for international investment in market-led industry consolidation and vineyard expansion, with numerous global businesses already investing and forming partnerships in the region.



People

\$43,100 a year

Median earnings for manufacturing (NZ median is \$46,010)

10,227

employees in primary industries

Leading scientists

at national research institutions based in the region, including Plant and Food Research at Otago University

Sustaining regional advantages

Otago Polytechnic's Centre for Sustainable Practice delivers programmes, ranging from supporting businesses to operate successfully in a future-focused economy to reinforcing producing high quality, organic food.



Infrastructure

5,560 hectares

of horticultural land (including wine)

93,874 hectares

of irrigable land, with planned irrigation projects to unlock room for growth

83%

of New Zealand's planted area for cherries, based on suitable land and climate

Unique climate

The southernmost wine region in the world, Central Otago is situated at a latitude of 45 degrees south. This provides a rare semi-continental climate in New Zealand, ideal for producing excellent examples of the varieties grown.



Business

127

wineries in Central Otago

1987

the year the first commercial wine was produced in Otago

Major

stonefruit growing region (one of two in New Zealand)

Collaborative growth

Otago is home to strong, active associations in the wine and fruit growing industries, including the Central Otago Winegrowers Association (COWA) and collaborative groups such as Central Otago Premium Fruit.

World-class quality, worldwide connections

Otago's first commercial wine was produced as recently as 1987, from a pioneering operation at Gibbston Valley. From a collection of small vineyards, the region has continued to grow and now produces nearly 9,000 tonnes annually. Otago wine producers are also diversifying their varieties into aromatic whites, to complement the region's famed pinot noir.

Central Otago Premium Fruit is a branding collaboration between several local growers of cherries, apricots and other summer fruit. The initiative draws on the provenance of Central Otago, including its distinctive schist soils and climatic extremes. The Central Otago Fruit brand represents superior fruit, meeting growing and quality standards for overseas markets.

Milmeq develops, designs and delivers food processing technology to local and global markets. Established in 1952, the company meets customers' requirements through a combination of engineering expertise in refrigeration, mechanical processes, controls and analysis, using its core manufacturing site in Dunedin, coupled with international offices and agents.

WHO HAS INVESTED IN OTAGO?



Accor (France)

France's AccorHotels manages four hotels in Queenstown: Sofitel Queenstown Hotel and Spa, the 134-room Hotel St Moritz Queenstown, MGallery by Sofitel, Mercure Queenstown Resort, and the 273-room Novotel Queenstown Lakeside. These properties span the range of some of AccorHotels' midscale and luxury brands. The AccorHotels network features more than 4,000 hotels in 94 countries, with a strong network of 33 hotels throughout New Zealand's main centres and tourist destinations and a strong development pipeline.



Cloudy Bay Vineyards (New Zealand, France)

Cloudy Bay Vineyards invested in the Otago wine industry by acquiring Northburn Wine Company and its vineyards in 2014. It was the brand's first investment outside of Marlborough, and highlighted its commitment to producing world-class pinot noir. Exporting to more than 30 international markets, Cloudy Bay is one of the most iconic producers of New Zealand sauvignon blanc in the world.

Cloudy Bay is part of the Moët Hennessy Estates & Wine division, owned by multi-national luxury goods firm Louis Vuitton Moët Hennessy (LVMH).



JBS (Brazil)

Global food giant JBS has become a cornerstone investor in Dunedin-based Scott Technology, acquiring a majority shareholding in the company in 2016. Scott Technology provides manufacturing and production technology to international customers in a range of sectors, including meat and food processing, and is a global leader in robotic and X-ray manufacturing technology.

The partnership offers Scott the opportunity to "scale up" its output through JBS' investment in its Dunedin operation, and offers JBS access to Scott's leading robotics and automation technologies.

JBS is the world's largest exporter of animal protein, headquartered in Brazil and exporting to over 150 countries via a network of production facilities in South America, North America and Australia.



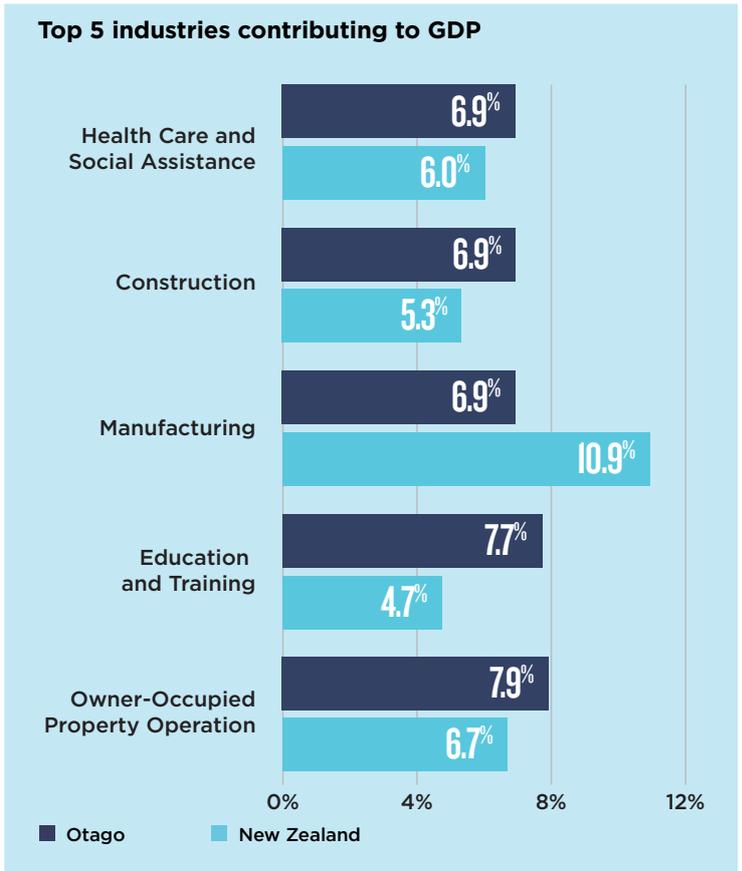
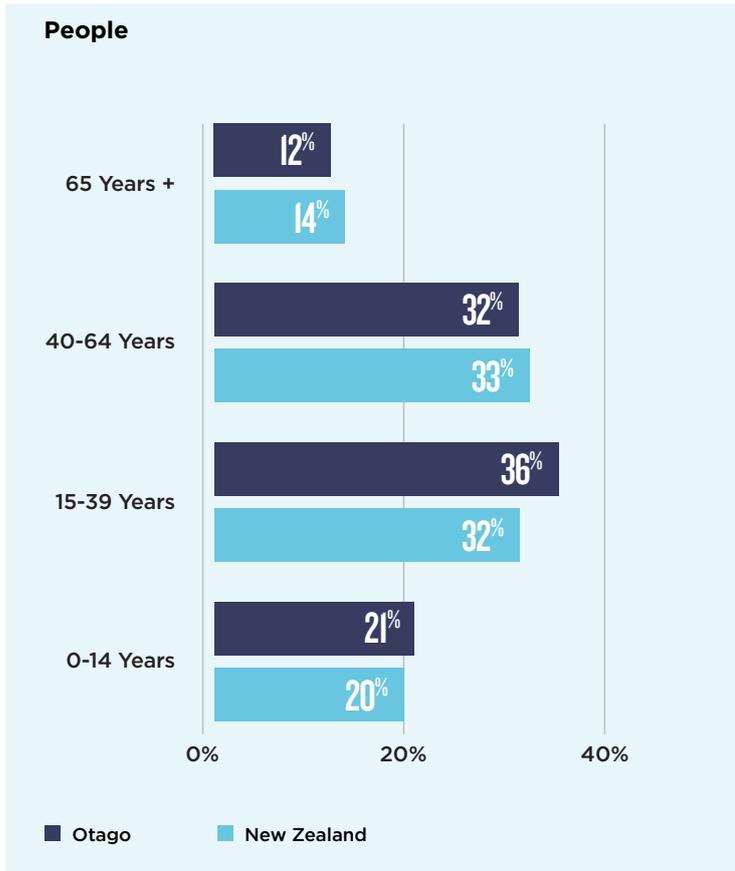
Shanghai Maling (China)

Silver Fern Farms, located in Dunedin, is New Zealand's largest processor, marketer and exporter of lamb, beef, venison and associated products, selling to more than 60 countries. As a co-operative, it represents more than 16,000 shareholding farmers. It owns and operates 18 processing sites throughout New Zealand and a network of sales and marketing offices overseas.

Shanghai Maling, China's largest meat processor, has invested \$261 million in cash to own half of Silver Fern Farms' business, with the co-operative owning the other half.

HOW OTAGO COMPARES

Population 219,200 Otago <hr/> 4,693,000 New Zealand	Annual net international migration 1,954 Otago <hr/> 69,954 New Zealand	Regional GDP (NZbillion) \$10.2 Otago <hr/> \$241.2 New Zealand	GDP per capita \$47,641 Otago <hr/> \$52,953 New Zealand
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Education
% of all school leavers achieving university entrance standard (2015)

49.2% Otago	40.6% New Zealand
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Mean household income

\$85,514 Otago	\$91,198 New Zealand
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Median house price

\$316,000 Otago	\$432,500 New Zealand
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Mean weekly rent

\$387 Otago	\$408 New Zealand
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Unemployment rate

3.7% Otago	4.9% New Zealand
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Mean weekly office rent (\$/m²)

\$218 Dunedin

Enterprise Dunedin is a part of the Dunedin City Council and is the largest regional economic development agency in Otago. Its mandate is to grow the economy of Dunedin, and it also cooperates with relevant partners throughout the region to accelerate economic growth in Otago as a whole.

Economic development strategy

Enterprise Dunedin's goals are:

- To help Dunedin become one of the world's great small cities, renowned as a confident, competitive, productive and sustainable knowledge centre and community supported by enterprise and creativity
- To create a collaborative and effective economic environment, to enable businesses to start up, grow and flourish in the Dunedin and wider Otago region.

To achieve those goals, Enterprise Dunedin works to implement Dunedin's Economic Development Strategy, which has been developed to increase skills, incomes, job opportunities and investment in the region, and to support partnerships that harness and leverage strengths and collaboration to create business growth.

Partners in the Dunedin Economic Development Strategy include the University of Otago, Otago Polytechnic, Otago Southland Employer's Association, Otago Chamber of Commerce, Ngāi Tahu, and Dunedin City Council.

How we help investors

Dunedin recognises the benefits of supporting commerce, and takes a proactive attitude to assisting new business and investors. Dunedin has adopted a relationship management model to manage the process for businesses wanting to set up or expand in the city.

Dunedin City Council, Enterprise Dunedin and its partners help encourage local economic prosperity by:

- Investing in new and existing infrastructure
- Supporting business development initiatives
- Helping promote Dunedin to current and potential investors, skilled staff and others with access to resources
- Working to ensure the city's economy is resilient to future change
- Establishing a business management model to manage the process for businesses and investors
- Driving the GigCity initiative, including the delivery of major projects under the plan for success, building relationships with people in business and the community, and creating opportunities between Dunedin City Council and the community.



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Region-led initiatives:

North Otago Irrigation Company Ltd (NOIC) is responsible for the establishment, management and operation of an irrigation scheme for the North Otago Downlands area and the provision of water for irrigation, stock, domestic, industrial and community use. The scheme has the capacity to pump 8 cumecs of water 160 metres up from the Waitaki River and distribute it across the North Otago downlands. The company's economic and social impact assessment indicates that land use before stage one was mainly for dryland sheep and beef, and is now primarily dairy and dairy run-off. The scheme has contributed an estimated \$48 million in GDP and 274 FTEs to the Waitaki district.

Dunedin City Council's **Shanghai Tertiary Student Mayoral Scholarship** Initiative has been adjusted to reflect a growing drive towards international internships. Ten students from Shanghai, studying at institutions linked with counterparts in Dunedin, were chosen through a competitive process to spend two weeks in Dunedin. Most of these students spent their time as interns with local businesses interested in China or already doing business in that market, with leading Dunedin companies such as Scott Technology, Forsyth Barr and AbacusBio taking part. All parties gained from the experience, with students completing practical work and gaining knowledge of Western business practices, and their hosts also gaining a deeper understanding of the processes, people, relationships and culture of Chinese business.

This document was produced by New Zealand Trade and Enterprise, New Zealand's international business development agency. www.nzte.govt.nz

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ISBN 978-0-908344-35-2 December 2016