

New Zealand's changing retail food sector

**PFSO Annual Meeting 2005
Kunming, China**

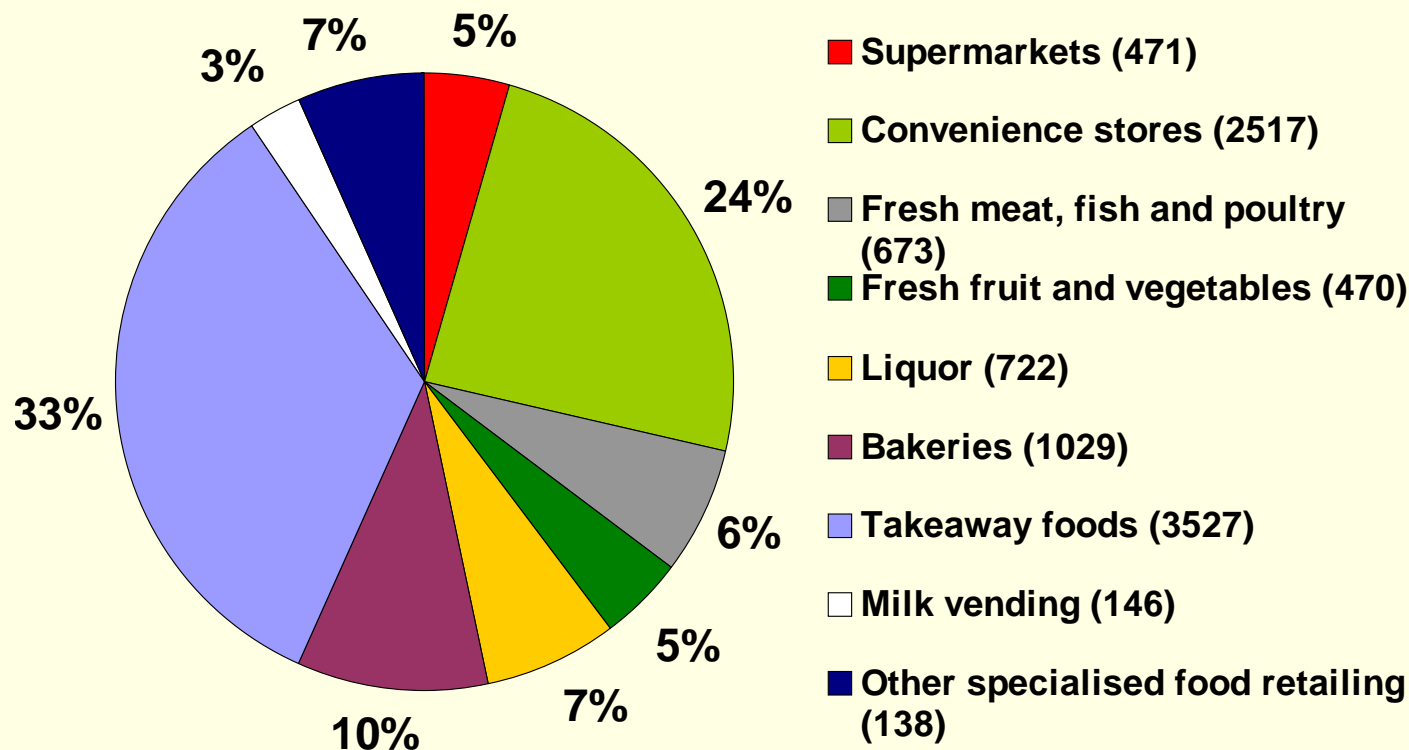


Mark Walton



Food retailing structure in New Zealand

Number of outlets

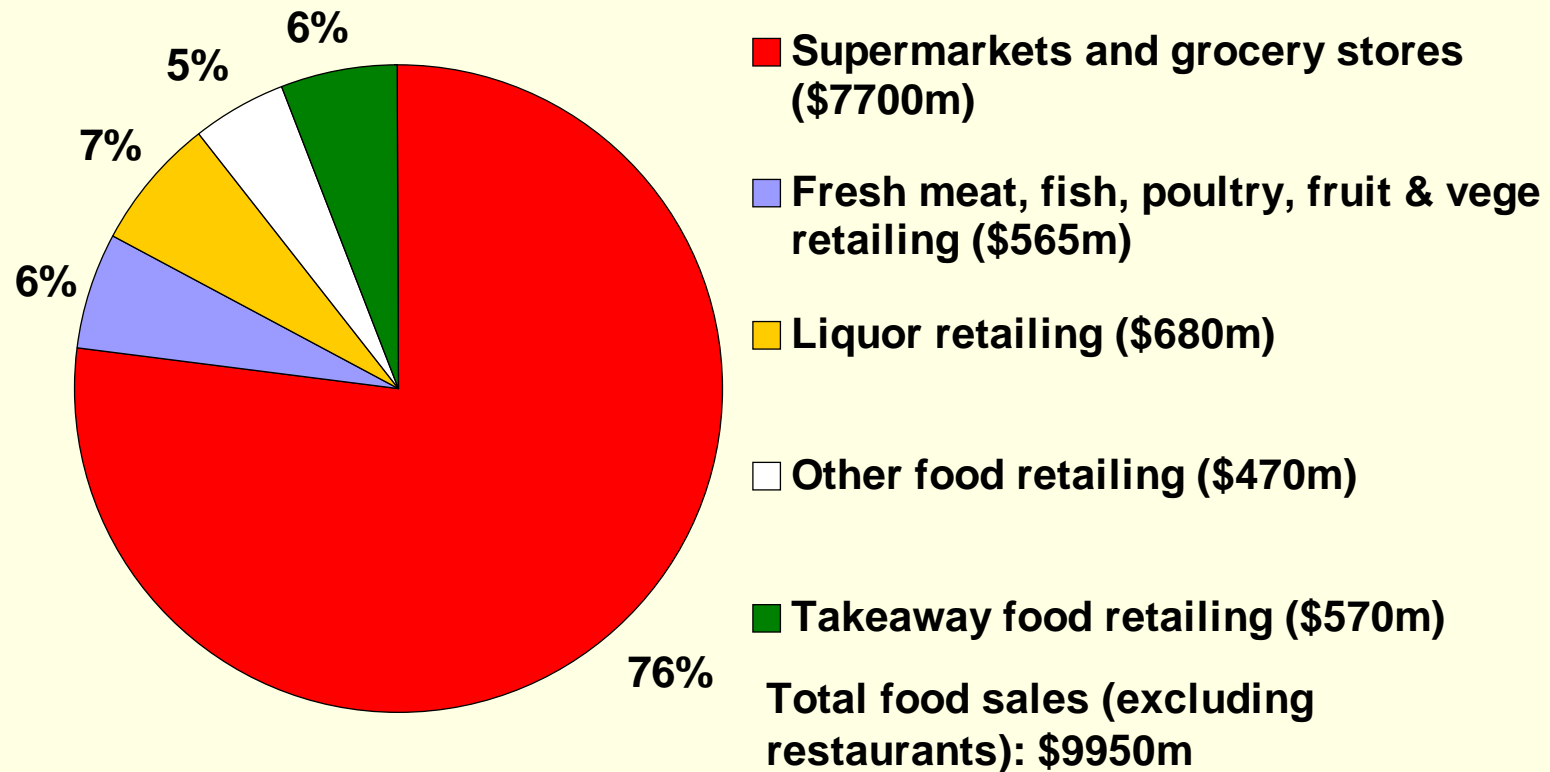


Total food retailing: 10395 outlets
(excl over 7000 restaurants and cafes)



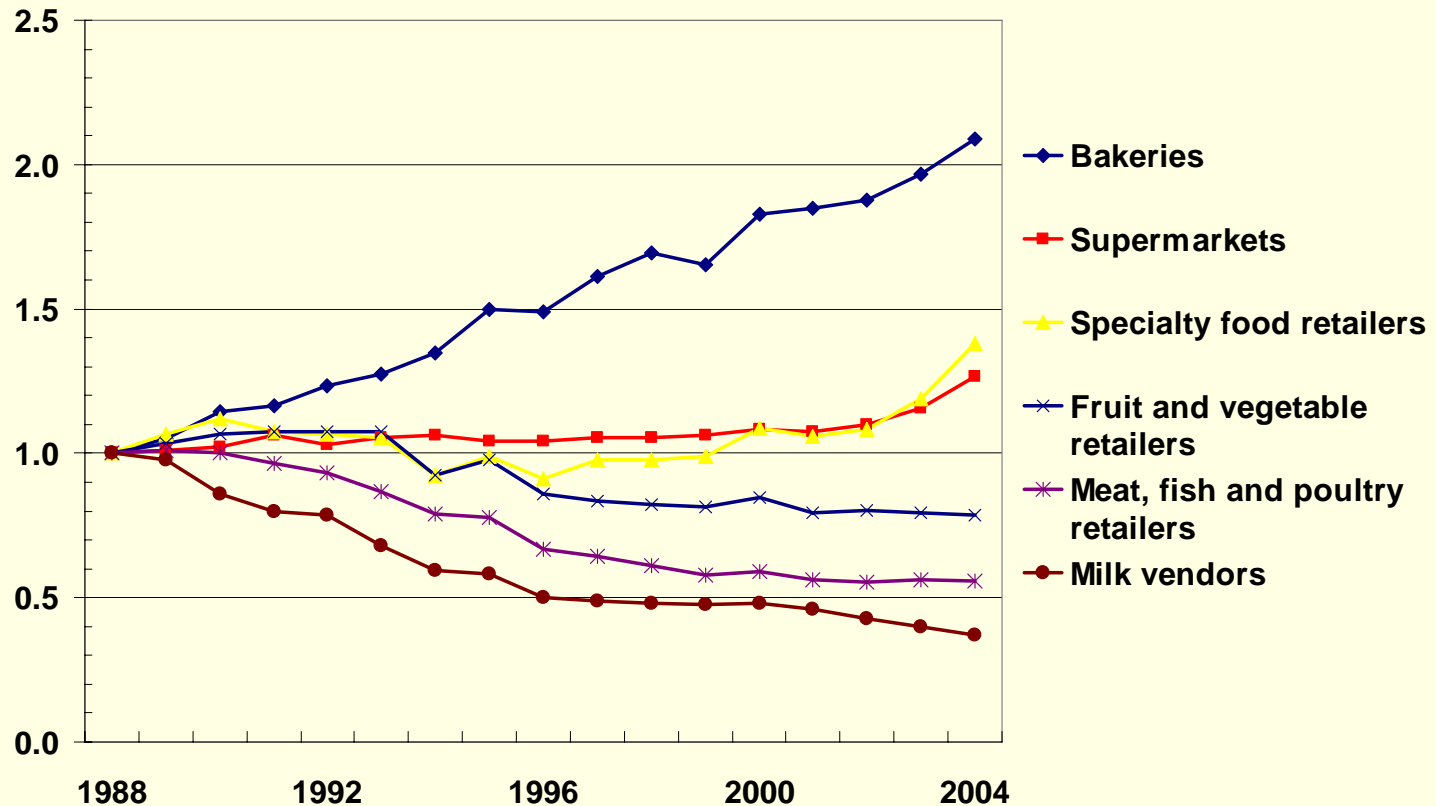
Food retailing structure in New Zealand

Value of sales



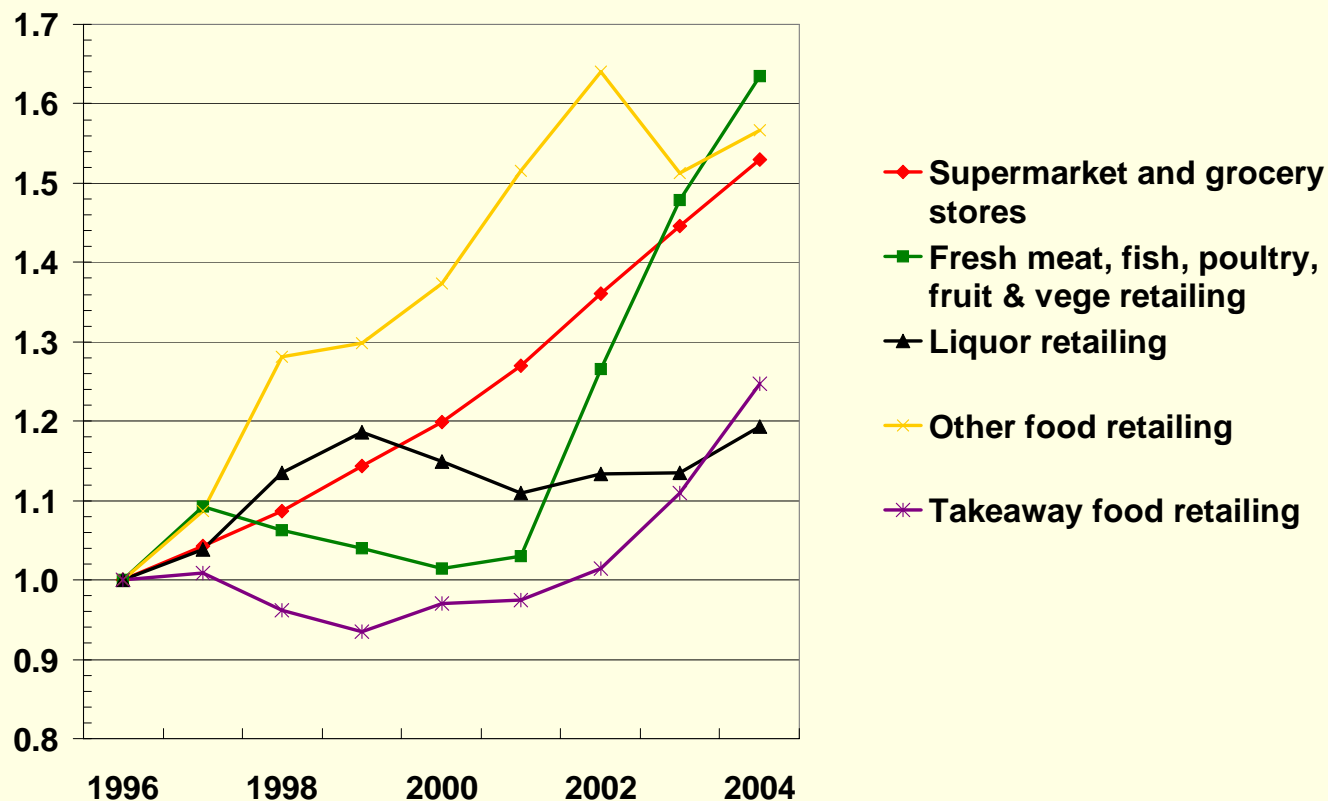
Food retailing growth

Number of outlets








Food retailing growth

Value of sales



Supermarket ownership in NZ

Progressive	Foodstuffs
50% share	55% share
    	  

- Dominated by 2 players
- Around 5% of supermarket sales through independent stores
- Purchase of Woolworths by Progressive in 2002 subject to anti-competition scrutiny...

Government policy - domestic

- Limited largely to protecting consumers' interests:
 - Commerce Commission: anti-competition watchdog
 - NZFSA/FSANZ: food health and safety
 - Resource management



Government policy - external

- Government policy focus tends to be outward looking
- Reflects NZ status as net exporter of food:
 - Around 55% of food exported
 - 95% of dairy and 80% of meat
 - Food makes up over 50% of goods exports
- In turn reflects relatively tiny size of domestic market



Government policy - external

- Developments in overseas food retail markets more important than changes at home
- NZFSA dual role:
 - Domestic food safety
 - Facilitation of market access
- Codex meat and dairy committees



Summary: New Zealand points of difference

- Highly consolidated supermarkets
- No tradition of wet-markets
- Split between food & non-food retailing
- Domestic policy limited to consumer interests
- New Zealand net food exporter
- Policy generally outwardly focussed

