



Canadian Trade Successes 11-06
Canadian Iceberg Vodka

A QUALITY COMPETITOR IN A SPIRITED INDUSTRY

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Key Quotation:

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Story details:

Vodka, as it turns out, is just the tip of the iceberg.

In the near future, the Newfoundland & Labrador-based Canadian Iceberg Vodka Corporation will use harvested icebergs to produce rum, gin, and even premium bottled water. Actually, says Iceberg’s senior vice-president, David Hood, it’s “iceberg” water, adding somewhat painfully that it “cost the company more than \$150,000 in legal and FDA fees for the right to call its bottled water iceberg water.”

Such is life in the small but intensely competitive world of spirits. For Canadian companies that want to compete internationally, it can be expensive, frustrating and challenging, says Hood. And, because the market is largely ruled by price, it’s even more difficult for those companies—like the Canadian Iceberg Vodka Corporation—that focus on producing quality products.

And how do you make it work?

“In some cases we do it because it will enable us to introduce related products into these markets,” he explains, “and we make it work by spreading profitability across the company.” That formula appears to be working. Since the company was incorporated in 2004, sales of its key product—ultra-premium vodka made from harvested icebergs and triple distilled natural grain spirits—have risen dramatically, from 10,000 cases in 1998 to 250,000 cases in 2005. Sold across Canada and by individual distributors worldwide, Iceberg Vodka has been honoured again and again for its high quality.

Hood says Iceberg owes much of its international success to the support it has received from different levels of government. In 1997, for example, financial assistance from Foreign Affairs and International Trade Canada’s programs and services enabled the company to attend the Wine and Spirits Wholesalers of America annual conference in Boston. Two years later, DFAIT financial assistance helped Iceberg gain a valuable foothold in Germany, France and England.

In February 2006, Hood was part of an international trade mission to the Middle East, with stops including Egypt, Qatar, Beirut and a booth at Gulfoods in Dubai. And in the spring of 2006, a senior Iceberg representative participated in a government-sponsored trade mission to Mexico. Iceberg’s Mexican distributor is no longer in business so the company is eager to re-establish itself in that market.

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Meanwhile, using barges and tugboats, the Canadian Iceberg Vodka Corporation will continue to harvest the growlers (small icebergs broken off from large ones) that drift south from Canada’s Arctic. When melted, these pure, pristine icebergs will produce quality Canadian spirits—and premium water—for an eager, ever-expanding line-up of consumers