Export Growth China
- China open doors for opportunities
NSW Business Chamber – Danielle Sun (China Trade Advisor)
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Part 1: China Market Opportunities
Why China?

- **6% of Chinese consumers eat instant noodles at least once a day**
- **Pet Ownership**
  - One-child households and an ageing population have created an environment in which pets have become an extension of the family.
- **International Travel**
  - China is home to the world’s fastest growing travel market with 65 million outbound departures.
- **The Skincare market in China**
  - Planned to reach $19.38 billion AUD by 2017.
- **Health Foods and Nuts**
  - China’s health food market is expected to grow to $70 billion by 2015.
- **Wine Consumption**
  - China is currently the world’s fastest growing wine market with imported wine sales growing faster than domestic brands.
- **Luxury Goods**
  - China will account for more than 20% of the world’s luxury market by 2015.
- **China’s beer market grew by 29%**
  - to an all-time high total volume of 50 billion litres for the first time in 2011.
- **Online sales in China**
  - Year-on-year growth of 30%.
- **Overseas Education**
  - 12% of all Chinese tertiary students studying overseas, study in Australia.
- **Mobile Internet**
  - China has surpassed 1 billion mobile connections and mobile phones are owned by nearly 90% of adults in China.
- **China’s department store retail market doubled in value to 683 billion AUD**
- **China has overtaken the U.S. as the world’s largest economy**
- **China is experiencing the fastest growth for environmental products and services in the world.**

**Export Growth CHINA**
China passed the U.S. in 2011 for the first time to become the biggest importer of agricultural products. In 2016, the overall Chinese consumer expenditure for F&B products is expected to reach a total of US$976 billion. (Source: Euromonitor)
Key drivers for imported food and beverage consumption in China

- Aspiration for quality product & concerns for safety and health
- Income growth
- Personal growth experiences
- Urbanisation
- Growing middle class

The world’s largest consumer market
Drivers
-- Urbanisation

China’s urban and rural populations

Drivers
-- Growing Middle Class

China’s Growing Middle Class*

*Households with income above $20,000 US.

Source: Global Insight
Drivers
-- Income Growth

Income per person by income group

Note: 2009 incomes by income group were reported originally in yuan and were converted to US dollars according to a fixed exchange rate of 6.8310 yuan/USD, as provided by the US Federal Reserve (2013). This exchange rate was applied over the projection period.
Drivers
-- Aspiration for quality products & concerns for safety and health

China milk powder     Imported milk powder

Mom, I want imported milk!
Drivers
-- Chinese visitors arrival in Australia
Current market opportunities across a range of segments

Top 10 food categories in imported trade value

- grease and oil: 37.4
- dairy products: 35.3
- aquatic products: 33.1
- meat: 31.4
- cereals and products: 26.4
- wine: 16.7
- sugar: 14.7
- beverage: 5.5
- other processed foods: 4.3
- dried nuts: 3.8
- others: 13.5

Unit: 100 million dollars
2011-2017 the online dairy products transaction
Frozen Meat & Seafood

In 2015, China imported 156,000 tonnes of chilled beef. Australia was the largest supplier of chilled beef to China and saw its exports increase by 50% during that time.
High-End Confectionery, Biscuits and Snacks

As China’s GDP and the urbanisation increases, consumers are looking to upgrade their living standards. Imported food that offers high quality, health benefits, new tastes, variety and promotions are often welcomed by younger generations of Chinese consumers.
In 2014, China’s production, importation and consumption of wine totalled 1.16 billion litres, 383 million litres and 1.58 billion litres, respectively.
The Great Wall of e-Commerce

NUMBER OF MONTHLY Internet users in 2013
564 Million (Internet users)
6 Million (internet users per month)

HOW MUCH THE AVERAGE CONSUMER PURCHASES
49% of the Chinese population made at least one online purchase in 2013
22% make more than 40 online purchases per year

Average spend per online shopper is AU $1,270

ONLINE SHOPPERS BY GENDER
55.6% Rural
44.2% Urban

RURAL VS URBAN USER
Rural 27.6% (156 Million)
Urban 72.4% (408 Million)

WHAT CHINESE ONLINE CONSUMERS BUY
68% Apparel & Accessories
39% Digital Goods
33% Consumer Electronics
33% Books & Audio
30% Cosmetics & Beauty

TOP B2C ECOMMERCE SITES

THE VALUE OF ONLINE SHOPPING
140 Million online shoppers in 2010 (0.5% of total user base)

LUXURY GOODS

2010 China's luxury goods consumption hit AUD 7.11 Billion
2015 China expected to overtake Japan
2020 180 Million consumers of luxury goods

Sources: Bain and Co, Emeredin, Research, Udong, CNBC, CNBC, Baidu/Baidu

THINGS THAT INFLUENCE CHINESE CONSUMERS

WEB BROWSER USAGE IN CHINA
GENERAL BROWSING:
88% Google
35% Baidu

CHINA'S LEADING SEARCH ENGINE, Baidu, REWARDS:
Sites that offer good user experience
High quality site content (over external links)
Original content
Sites that offer the user genuine, useful information
High click-through rates

44% check social media to make buying decisions
61% are aged 16-30

ONLINE SHOPPING
Singles Day is the world's biggest online sales event

(Black Friday and Cyber Monday have not taken place yet this year)
2015 TMALL 11.11 Global Shopping Festival
Part 2: Export Growth China Program

NSW BC video
The Export Growth China program

1. Showroom Display
2. Online and Social media promotion
3. Offline business matching and marketing
The Export Growth China program

- Endorsement
- Low risk
- Authenticity
EGC turns 1 year old!

- **100** participants
- **178** buyer leads after screening over **2600** leads
- **6500** Chinese buyers in our network
- Promoting EGC participants’ products in China in the past 12 months:
  - 2 launches
  - 2 receptions
  - 5 workshops/business matching events
  - 6 expos/tradefair
  - China website with product/brand/company info
  - Social media: weekly WeChat post, frequent Weibo post
  - Weekly Product Catalogue
EGC turns 1 year old!
Shanghai Showroom Display
Marketing Events in China
非凡澳洲，成就不凡

关于澳大利亚商会

澳大利亚商会是澳大利亚的专业组织，为澳大利亚商业
提供一系列的服务和活动。

成立于1895年，澳大利亚商会是澳大利亚最重要的业
业组织之一。商会提供商业、财务和法律服务，以及商
业信息和培训等。商会的会员包括企业和政府机构。

商会致力于促进澳大利亚的经济和商业利益，并为会员和
企业提供各种资源和支持。

我们提供最新的商情报告和市场分析，帮助会员企业
把握市场趋势和机会。商会还提供一系列的培训课程，
帮助企业和政府机构提升竞争力。

商会的会员包括企业和政府机构。商会为企业提供
咨询、培训和研究服务，帮助企业把握市场机会和
提高竞争力。
China Social Media - WeChat

Connecting a half billion people just got more personal
E-Platforms Cooperation

- JD Worldwide
- Tmall.com
- VIP.com
- Jumei.com
- SFHT.com
- Kaola.com
- 1号店
- SunnyTao.hk
- Cofco
- Zzhbest.com
- Taotaoyang.com
- CNbuyers.cn
Retail Chain Cooperation
Expos and Trade Shows

Exhibit

SIAL 2016
The Asian Food Marketplace
China

FDF
China Food & Drinks Fair

HOTELEX
Shanghai

Participate

CBME
Children-Baby-Maternity Expo
China

China Beauty EXPO
21st Edition
China
Currently Nova Spring Water exports **A$100,000** worth of bottled water to China per month

**Case Study – Nova Spring Water**

**Apr 2015**
- Company & product info translated and uploaded
- Sample sent and received
- Commencement of showroom display & online promotion
- Promotion workshops with CCPIT in Tianjin
- Hangzhou Wine Workshop
- Trade Fair in Zhengzhou

**Jun 2015**
- GIFMS Guangzhou Food & Ingredients Fair
- Australian Day Expo in Changsha

**Jul 2015**
- Media coverage on leading portals for the year
- Received and passed 1st business lead

**Aug 2015**
- Launch event - Showcase of Australian Excellence
- Received and passed 2nd business lead

**Sep 2015**
- Promotion workshops with CCPIT in Guangzhou and Chongqing
- Guangzhou Health Care Food and Nourishment Expo (HCI)

**Oct 2015**
- Hangzhou Leisure Expo

**Nov 2015**
- Shanghai Launch event with NSW Premier
- China FHC
- Canton Fair Business Matching

**Dec 2015**
- Follow up with interested buyers generated from our promotion events
- **Won 1st Export Contract**

**Jan 2016 to now**
- We are continually working hard with you to promote your products and strive to achieve the best possible outcomes

Currently Nova Spring Water exports A$100,000 worth of bottled water to China per month.

**Case Study – Nova Spring Water**

Currently Nova Spring Water exports A$100,000 worth of bottled water to China per month.
Achievements
Achievements

15 sales with a combine value of A$4.3 million
Successful cases:
PENRITH

Water showcased in China

PENRITH’S Nova Spring Water has been showcased at a gala event in Shanghai. The Export Growth China event lets small and medium sized Australian businesses reach a global audience. The company’s Nitin Lotliker said it was “exciting opportunity” to introduce its bulk water, which is bottled in BPA-free packaging.
# Export Growth China program – China Activities Calendar

**Regular Program**

<table>
<thead>
<tr>
<th>Marketing routine task</th>
<th>Jul-16</th>
<th>Aug-16</th>
<th>Sep-16</th>
<th>Oct-16</th>
<th>Nov-16</th>
<th>Dec-16</th>
<th>Jan-17</th>
<th>Feb-17</th>
<th>Mar-17</th>
<th>Apr-17</th>
<th>May-17</th>
<th>Jun-17</th>
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<tbody>
<tr>
<td>Display on website/WeChat</td>
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<td>Display on shelves in the showroom</td>
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<td>Reception</td>
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**Calendar**

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**Trade fair participation (For internal use only)**

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<th>CBME</th>
<th>China International Health Industry Expo</th>
<th>Shanghai Fashion Week</th>
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**Offline promotion**

|-------------------------------------------------------------------------|-----------------|--------------------------------|--------------------------------|

**Public relations**

|----------------------------------------------|-----------------|--------------------------------|--------------------------------|

**One-on-one client visit**

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<tr>
<th>By appointment</th>
<th>Wine and liquor</th>
<th>Winter workshop</th>
<th>Press release: Summer workshop</th>
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**Promotion**

- To put EGGer on display within the first week of its EGC rotation (if the EGGer provides photos); or within the first month, if we need to have the products shot.
- To add newly-joined EGGer onto the catalogue in the first week of its EGC rotation.
- To display samples at the arrival of the samples in the showroom.
- To display videos at the reception of the samples in the showroom.
- Upon appointment.
Danielle Sun
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Helping over 20,000 businesses maximise their potential every year.