



Professionals  
in International  
Trade

## Event Insights: Doing Business in Asia

*By Professionals in International Trade –  
International Policy Team*

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Australia is perfectly positioned at the heart of the Asian century. At the Professionals in International Trade's (PIT) 'Doing Business in Asia' event held on 2 March 2020, a panel of representatives from government trade offices, advisory firms and financial services agreed there are great opportunities for Australian companies in Asia despite current challenges. Businesses should take the time now to "get their house in order" by:

- firming up marketing and market entry strategies
- strengthening organisational resilience by diversifying customers and having backup suppliers
- working on building long-term relationships
- exploring [Landing Pads](#), [export development grants](#) and other services from [Austrade](#)
- getting an understanding of the unique opportunities that trade agreements unlock; and
- networking with diverse entrepreneurs in start-up hubs across Australia.

The new decade started with a shock across many sectors in Australia. Challenges wrought by persistent drought are joined by bushfires,

weakening consumer sentiment, floods and the novel coronavirus.

Originating in China, the coronavirus is causing volatile domestic and international stock markets, low business confidence, interest rate cuts, travel restrictions, cancelled orders and stimulus packages for affected communities, small businesses and industries. The cost to Australia's economy will continue to climb as any single or a combination of these events extend their impacts.

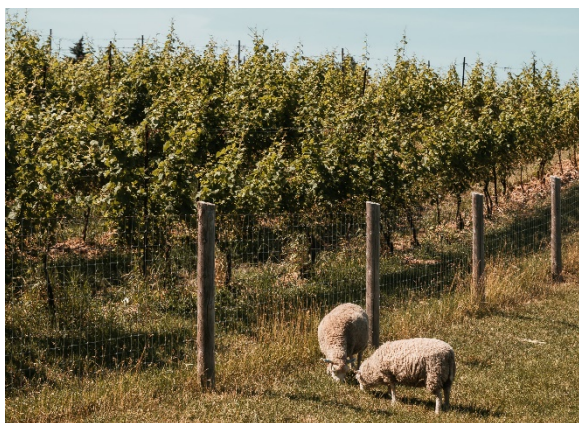
According to Atlassian co-founder [Mike Farquhar](#), the most adaptable companies will survive, and **"it's not about planning for today, it's about planning for the future."** Now more than ever businesses should be open to change, including looking to opportunities abroad on Australia's doorstep.

### Why Asia?



Source: [worldatlas.com](#)

Asia is more than a low-cost manufacturing zone for the world's products. Using official Department of Foreign Affairs & Trade figures, China is the top export destination for most of Australia's states and territories (e.g. 35% of [NT's exports](#) and 22% of [Victoria's exports](#), but only 16.5% of [NSW's exports](#)). However, commentators have [warned](#) about Australia's overreliance upon China even before the coronavirus outbreak.



The expanding middle class across Asia has an increasing appetite for premium, safe and healthy products. The region's span and diversity allow for annual per capita incomes ranging from \$849 in Nepal to \$57,714 in Singapore. Asia is not only relatively close in geographic distance but being across the same time zone is a comparative advantage for Australian firms to respond in a timely manner, hold teleconferences and make deals that can strengthen relationships.

There is also a lot of competition within Asia. For the Association of Southeast Asian Countries (ASEAN), the top three [import destinations](#) are China (25.8%), Japan (11.5%) and South Korea (9.9%), and Australia is listed eighth (2.5%). Indonesia is on Australia's doorstep and part of the Australia-New Zealand-ASEAN Free Trade Agreement yet does not make the top ten list for export destinations. The Australia-Indonesia Comprehensive Economic Partnership aims to change things. There are a lot of missed opportunities for Australian companies to realise.

Successful Australian exporters are likely to draw on support from government or advisory firms and develop deep cultural awareness. The [Australian Department of Foreign Affairs and Trade](#), [Austrade](#) and foreign trade offices like the [Philippine Trade & Investment Center](#) in Sydney continue to build awareness of the benefits of FTAs. As one panellist at 'Doing

Business in Asia' emphasised, **"FTAs give us a benefit that no other country has."** Also, government agencies can help 'open the door,' for businesses by removing trade barriers or finding market leads.

### FREE TRADE AGREEMENTS BOOST AUSTRALIAN FRUIT GROWER'S EXPORTS

FTA CASE STUDY | JUNE 2019

In 13 years, family-owned AGRIFresh has become Western Australia's largest cherry grower, packer and exporter. Australia's wide-ranging Free Trade Agreements (FTAs) are helping the company expand its global presence.

Joseph Ling, Co-Founder and Managing Director of AGRIFresh, describes himself as a "fruit & veggie guy" by commitment to producing high quality, safe and healthy products. AGRIFresh's success has been built on the company's commitment to quality, safety and ethical sourcing of its produce.

AGRIFresh grows cherries, mandarins, kiwis and avocados, which are exported to over 20 countries. The company's success is due to its commitment to quality, safety and ethical sourcing of its produce.

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### AUSTRALIAN CHOCOLATE MAKER RAISES THE BAR IN ASIA

FTA CASE STUDY | JUNE 2019

Origin Chocolate started out in a small home kitchen in Orange in rural NSW four years ago. With the help of Australia's Free Trade Agreements (FTAs), the company is selling its bean-to-bar organic chocolate into overseas markets.

Matthew Clements' dream of becoming an award-winning chocolate maker was born in his home kitchen in Orange, NSW. He started Origin Chocolate in 2014, and today the company is selling its bean-to-bar organic chocolate into overseas markets.

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Source: [DFAT](#)

Out of Australia's eleven bilateral [free trade agreements](#), seven are with countries in Asia,<sup>1</sup> and all are with countries in the Asia Pacific Economic Cooperation forum. Multilateral agreements with ASEAN and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership further extend market access opportunities.

### ALCHEMY CORDIAL DRINKS TO EXPORT SUCCESS

FTA CASE STUDY | JUNE 2019

Australia's free trade agreements have helped Cordial's Alchemy Cordial to find new markets for its cordials and syrups. Exports now comprise 10 per cent of the company's turnover.

In 2017, the company also found that Alchemy Cordial's products were in high demand in the United States, Canada, the United Kingdom, the United States, and the United States. The company's success is due to its commitment to quality, safety and ethical sourcing of its produce.

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### FTAs MAKING A SPLASH FOR OLIVE OIL EXPORTS

FTA CASE STUDY | JULY 2019

Australia's Free Trade Agreements (FTAs) helped South Australian olive oil grower and packager Chappal to expand its international footprint. The company has grown its export market to over 20 countries.

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Source: [DFAT](#)

<sup>1</sup> Singapore, Thailand, Malaysia, South Korea, Japan, China, Hong Kong



Photo credit: Meat Livestock Australia

Trust in Australian products and brands, selling through the [right channels](#), a welcoming environment for tourists, world-class education and the willingness to develop a relationship founded on respect have sustained major sectors. Being proactive to mitigate [fraud](#) including intellectual property theft is also critical.

Looking to 2030, Australian businesses will find opportunities in Asia by taking advantage of:

- advanced payment systems (e.g. Alipay)
- government support for start-ups in fintech and other industry sectors (e.g. [QBO in the Philippines](#), [Start-up Thailand](#), [South Korea](#));
- growth in accounting, consulting and superannuation support services
- [foreign investors](#) seeking to do business in Australia; and
- appealing to large demographic groups depending on the country – in some cases, a burgeoning youth population with a high mobile phone saturation rate, and in other cases an ageing population.

For businesses large and small, external shocks have shown that adaptability and being open to new opportunities will be key to surviving or thriving. Setting up operations abroad, exporting products and services or securing a foreign investor are major operational steps that take research, consultation, planning, patience and funding. Even in these tumultuous times, business can start to put these strategies in place.



To learn more about trade and investment opportunities and expand your network, go to our [website](#) and join our mailing list to stay on top of upcoming events and job opportunities in the sector.

#### About the contributor

Genevieve Neilson is a member of the Trade Policy Committee for Professionals in International Trade. She is a former presidential management fellow for the U.S. Department of Commerce and U.S. Department of State. In her current role, Genevieve drives business support for disaster resilience and safer communities in Australia. Views expressed in this article are her own. Follow @GenNeilson

#### About Professionals in International Trade

Professionals in International Trade (PIT) was founded to connect and support like-minded individuals who work and share a common interest in international trade and investment, business and foreign affairs.

PIT's aim is to create opportunities for members to connect on both a social and professional level and to help foster long term relationships built on trust and business collaboration.