

# South East Asia e-commerce markets



August 2018



Chamber of Commerce  
and Industry WA



Australian Government  
Australian Trade and Investment Commission

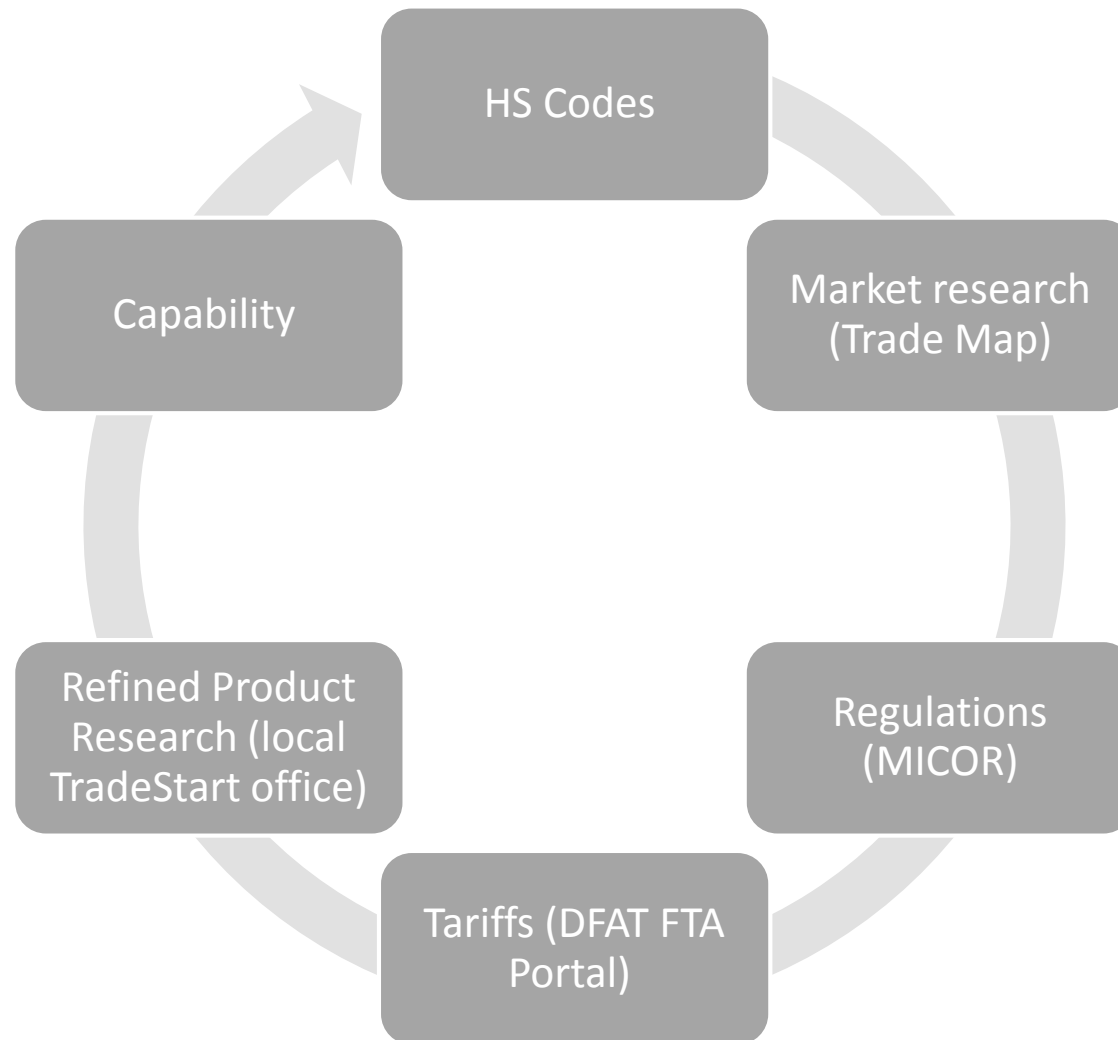




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TradeStart advisor at CCIWA ITIC

Export Research Requirements:  
“Pre-Market Due Diligence”

# Presentation Format

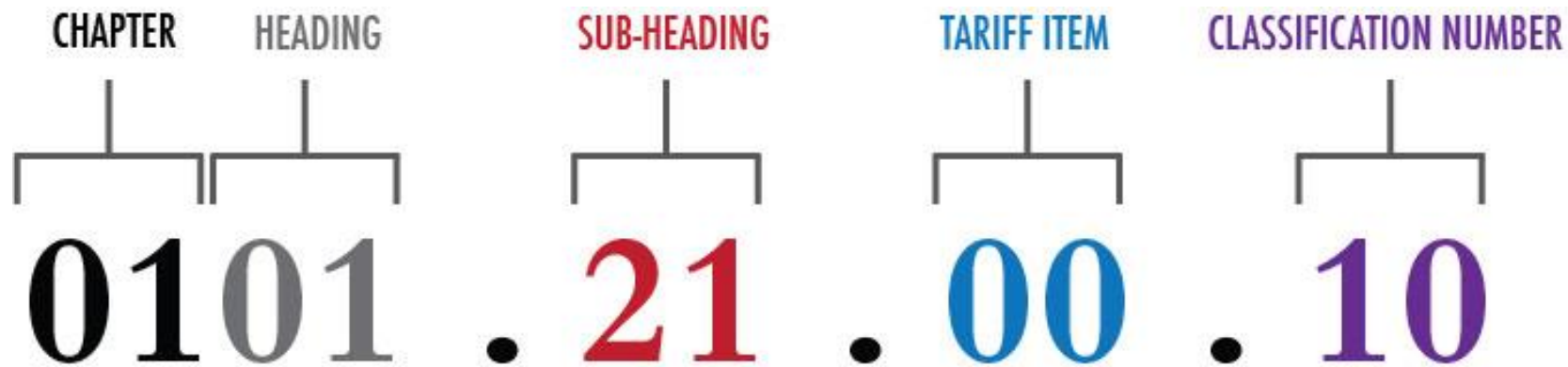


# HS Codes and Tariff Classifications

## The Harmonized Commodity Description and Coding System ('HS')

There are 5200 six-digit product categories used to identify products for tariff treatment

- ChAFTA: Australia and China use 8 digit tariff codes for customs duties
- JAEPA: Japan uses 9



# HS Codes and Tariff Classifications

## Section / Chapter Label

Section 1 – Agricultural Products  
Chapter 04 - Dairy produce; birds'  
eggs; natural honey; edible  
products of animal origin

**04**

## Heading Label

Butter and other fats and oils  
derived from milk; dairy spreads

**0405**

## Subheading Label

Butter

**0405.10**

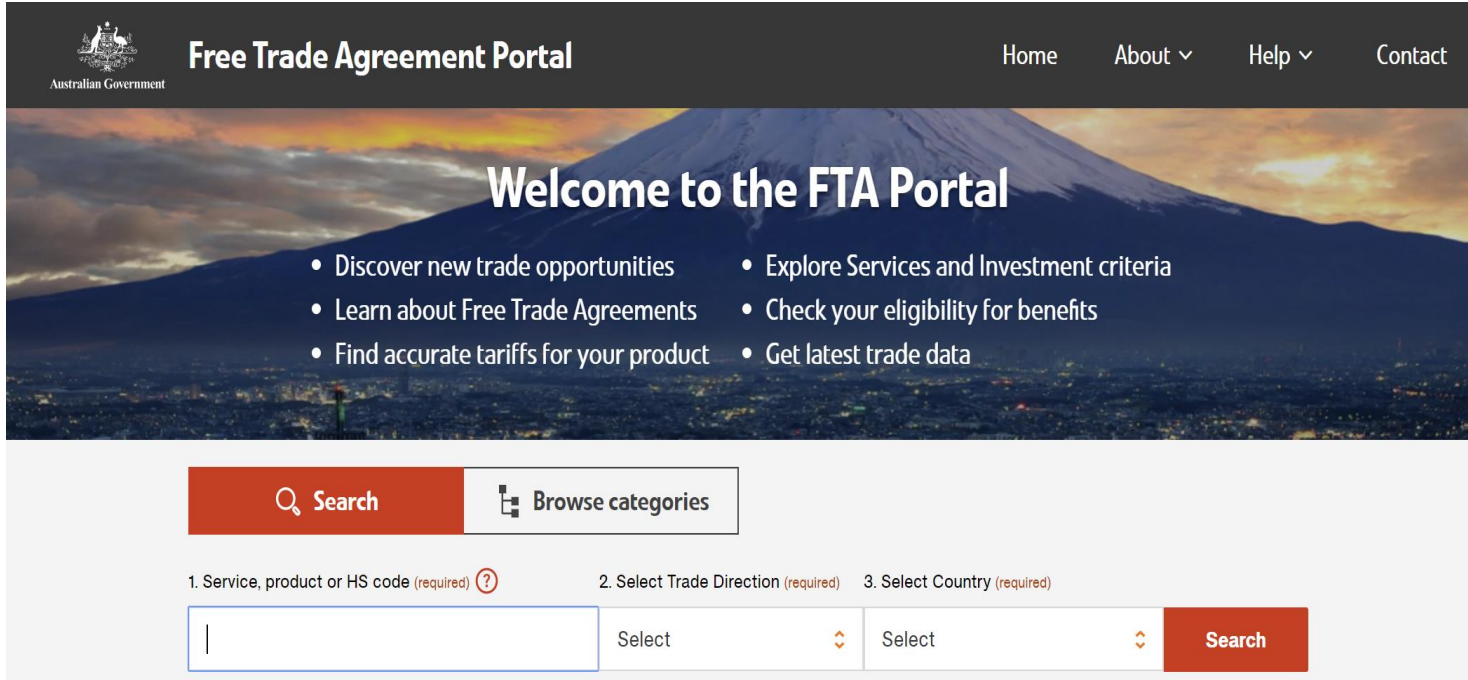


## Subheading Label

Dairy spread

**0405.20**

# How can I research the correct HS Code?



The screenshot shows the 'Free Trade Agreement Portal' with a dark header containing the Australian Government logo and navigation links: Home, About, Help, and Contact. Below the header is a large banner image of Mount Fuji at sunset with the text 'Welcome to the FTA Portal'. Under the banner are six bullet points: 'Discover new trade opportunities', 'Learn about Free Trade Agreements', 'Find accurate tariffs for your product', 'Explore Services and Investment criteria', 'Check your eligibility for benefits', and 'Get latest trade data'. Below the banner is a search section with a red 'Search' button and a 'Browse categories' button. At the bottom are three required fields: '1. Service, product or HS code (required)', '2. Select Trade Direction (required)', and '3. Select Country (required)'. The first field is a text input, the second is a dropdown menu, and the third is a dropdown menu. A red 'Search' button is to the right of the third field.

Australian Government

## Free Trade Agreement Portal

Home About Help Contact

### Welcome to the FTA Portal

- Discover new trade opportunities
- Learn about Free Trade Agreements
- Find accurate tariffs for your product
- Explore Services and Investment criteria
- Check your eligibility for benefits
- Get latest trade data

Search Browse categories

1. Service, product or HS code (required) 2. Select Trade Direction (required) 3. Select Country (required)

Select Select Search

- Always check with a licensed customs broker for confirmation.
- When unsure – apply for a customs ruling.
- What can go wrong using an incorrect HS code?
  - Overtaxing and under-taxing
  - Technical Fraud – Penalties
  - You are responsible
  - Delayed clearance time

# Market Research

## Case Studies: Honey/Yoghurt

### Australian Exports of Natural Honey- 040900 (2017)

- \$31M USD
    - 20% (\$6M) to **China**
    - 11.4% (\$3M) to Canada (*Queen Bees*)
    - 10.6% (\$3M) to **Singapore**
- Followed by **Hong Kong and Malaysia**

#### Global Market Trends?

- \$2B USD global industry
- Australian honey **imports** outweigh export quantities
- **New Zealand** dominates natural honey export markets in China, Singapore etc.
- **Australia** leads New Zealand only in Malaysia

### Australian Exports of Yoghurt- 040310 (2017)

- \$23M USD
    - 60% (\$14M) to **Singapore**
    - 12.3% (\$2.8M) to **Hong Kong**
    - 10% (\$2.3M) to **Malaysia**
- Followed by **Thailand and China**

#### Global Market Trends?

- \$2B USD global industry
- **Australia**, followed by Switzerland exports **most expensive** (on average) yoghurt USD/unit
- Australia dominates Singapore, Malaysian, and Thai Yoghurt import markets.

# Market Research How-To:



## TRADE MAP

Trade statistics for international business development  
Monthly, quarterly and yearly trade data. Import & export values, volumes, growth rates, market shares,

Imports Exports

Service Product

☒ Single ☐ Group

040310 - Yogurt, whether or not flavoured or containing added sugar or other sweetening matter, ...

✕ i [Advanced search](#)

☒ Country ☐ Region

Australia

✕ i

☒ Partner ☐ Region

Please enter a country/territory or region name (optional)

✕ i

Trade Indicators

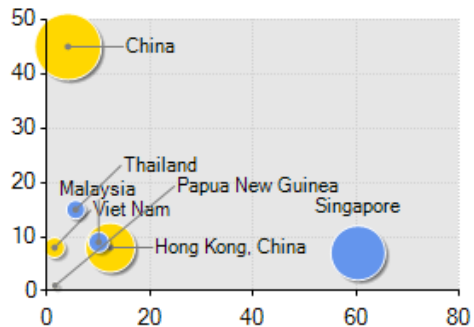
Yearly Time Series

Quarterly Time Series

Monthly Time Series

Companies

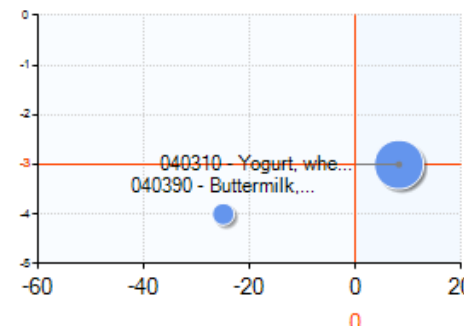
Share of importing markets in 2017  
Exporting country: Australia  
Product: 040310 - Yogurt, whether or not flavoured or containing added sugar or other sweetening matter, ...



Importing markets in 2017  
Exporting country: Australia  
Product: 040310 - Yogurt, whether or not flavoured or containing added sugar or other sweetening matter, ...



National supply and international demand in 2017  
Exporting country: Australia



Where do I begin my market research?

1. [Trade Map](#)
2. Create log-in (free)
3. Choose your product indicators
4. Explore



# Australian Yoghurt Exports to SEA



## TRADE MAP

Trade statistics for international business development  
Monthly, quarterly and yearly trade data. Import & export values, volumes, growth rates, market shares, etc.

**List of importing markets for the product exported by Australia in 2017 <sup>i</sup>**  
**Product: 040310 Yogurt, whether or not flavoured or containing added sugar or other sweetening matter, fruits, ...** ⏪ ⏩  
 Australia's exports represent **1%** of world exports for this product, its ranking in world exports is **22**

Importers	Value exported in 2017 (USD thousand) ▼	Trade balance 2017 (USD thousand) i	Share in Australia's exports (%) i	Quantity exported in 2017	Quantity unit	Unit value (USD/unit) i	Growth in exported value between 2013- 2017 (% p.a.) i	Growth in exported quantity between 2013- 2017 (% p.a.) i
World	23,298	17,910	100	6,124	Tons	3,804	5	7
<a href="#">Singapore</a>	14,069	14,069	60.4	3,495	Tons	4,025	14	13
<a href="#">Hong Kong, China</a>	2,857	2,857	12.3	806	Tons	3,545	-6	-1
<a href="#">Malaysia</a>	2,336	2,336	10	717	Tons	3,258	16	15
<a href="#">Thailand</a>	1,294	1,279	5.6	441	Tons	2,934	21	36
<a href="#">China</a>	943	943	4	189	Tons	4,989	-16	-10
<a href="#">Papua New Guinea</a>	364	364	1.6	95	Tons	3,832	-3	0

Image: ITC Trade Map

[Trade Map](#)

# Market Competition



## TRADE MAP

Trade statistics for international business development  
Monthly, quarterly and yearly trade data. Import & export values, volumes, growth rates, market shares, etc.

### List of supplying markets for the product imported by Singapore in 2017 <sup>i</sup>

**Product: 040310 Yogurt, whether or not flavoured or containing added sugar or other sweetening matter, fruits, ...** ↔

Singapore's imports represent **1.4%** of world imports for this product, its ranking in world imports is **20**

Exporters	Value imported in 2017 (USD thousand) ▼	Trade balance 2017 (USD thousand) <sup>i</sup>	Share in Singapore's imports (%) <sup>i</sup>	Quantity imported in 2017	Quantity unit	Unit value (USD/unit) <sup>i</sup>	Growth in imported value between 2013- 2017 (% p.a.) <sup>i</sup>	Growth in imported quantity between 2013- 2017 (% p.a.) <sup>i</sup>
World	35,101	-34,549	100	11,630	Tons	3,018	7	10
<a href="#">Australia</a>	15,175	-15,175	43.2	3,543	Tons	4,283	12	13
<a href="#">Thailand</a>	5,051	-5,050	14.4	1,895	Tons	2,665	47	38
<a href="#">Switzerland</a>	4,575	-4,575	13	1,065	Tons	4,296	2	2
<a href="#">Malaysia</a>	4,415	-4,291	12.6	2,542	Tons	1,737	-8	-1
<a href="#">China</a>	1,664	-1,664	4.7	1,131	Tons	1,471	347	150

Image: ITC Trade Map

[Trade Map](#)

# Regulation Compliance

Visit: [Manual of Imported Country Requirements \(MCoR\)](#)

Import and export country-specific food safety requirements on:

- Dairy
- Meat
- Seafood
- Plants
- Live Animals
- Non-Prescribed Foods

E.g. Search “Your product + export destination”

**Result?** Knowing if you have the capability/resources to meet the regulations of desired export destination in the first place.



## Meat

Includes fresh meat, processed meat, and animal byproducts such as skins, hides, petfood, rendered products, and technical products.



## Dairy

Includes milk, milk powder products, butter, cream, cheese and other processed dairy products.



## Plants

Includes fruit, vegetables, nursery stock, cut flowers & foliage, seeds, grains, stockfeed and timber.



## Fish

Includes finfish, other seafood such as bivalves, crustaceans, echinoderms, gastropods, cephalopods, tunicates, and crocodile meat.



## Live Animals

Includes livestock, companion animals, horses, zoo animals, birds & hatching eggs, fish, bees & other invertebrates, and reproductive material.



## Eggs and non-prescribed goods

Includes shell eggs and egg products, honey and bee by products, and processed foods.

Image: MCoR

# Regulation Compliance

Visit: [Department of Agriculture and Water Resources](#)

Provides additional export information, including:

- Approved audit providers
- Export certificate assistance and links
- Assistance for small exporters
- Exporter registration requirements
- Export quota information
- As well as similar MICO information (specific dairy, meats seafood, etc)

## Exporting

Exporting from Australia

Manual of Importing country requirements (MICO)

Export Documentation System (EXDOC)

Fees and charges

Payments

Export forms

Assisting small exporters

Live animals

Exporter Supply Chain Assurance System (ESCAS)

European Union Cattle Accreditation Scheme (EUCAS)

Meat and meat products

Export quotas

Image: Department of Agriculture and Water Resources

# Using Free Trade Agreements (FTAs) and Comparing Tariffs

Visit: [Department of Foreign Affairs and Trade \(DFAT\) FTA Portal](#)

Australia has **7 FTAs in Asia:**

ChAFTA (China)

JAPEA (Japan)

AANZFTA (ASEAN + New Zealand)

KAFTA (South Korea)

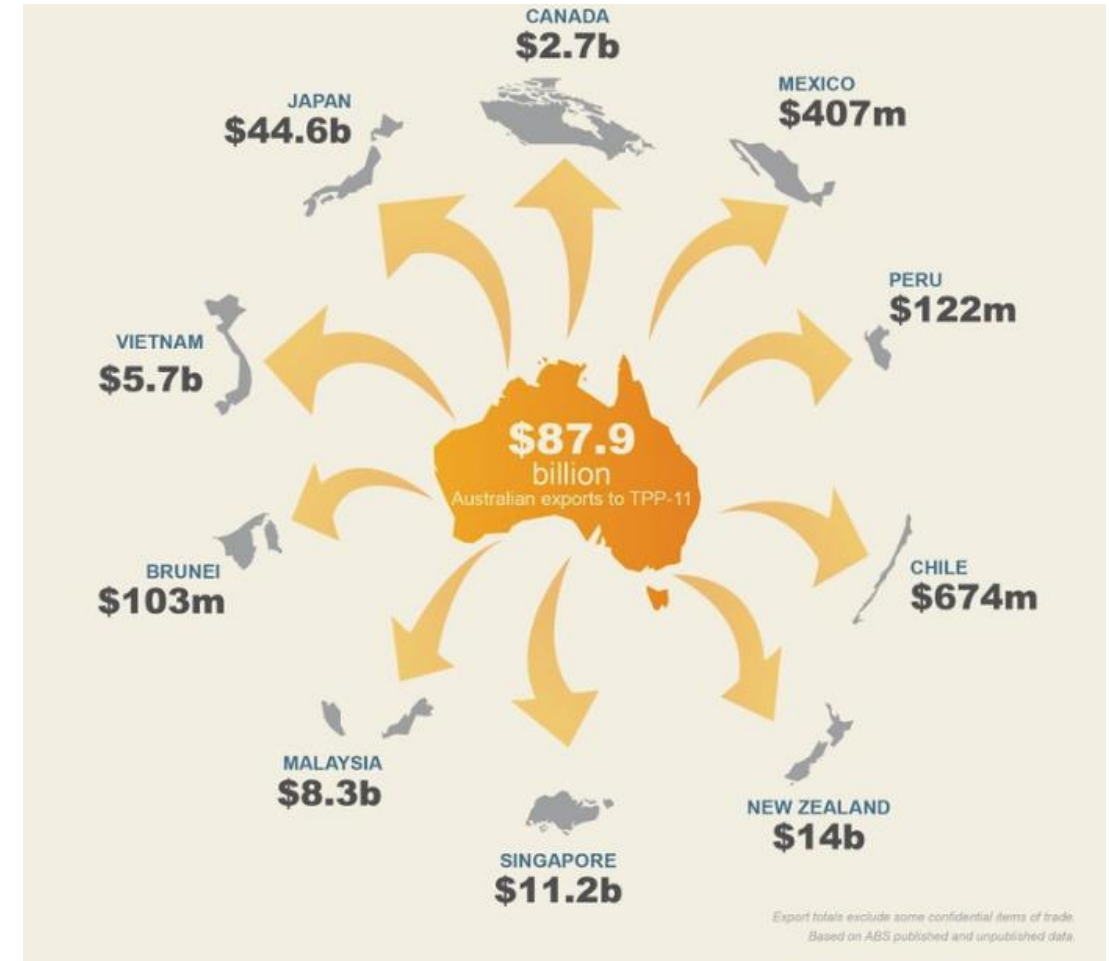
SAFTA (Singapore)

TAFTA (Thailand)

MAFTA (Malaysia)

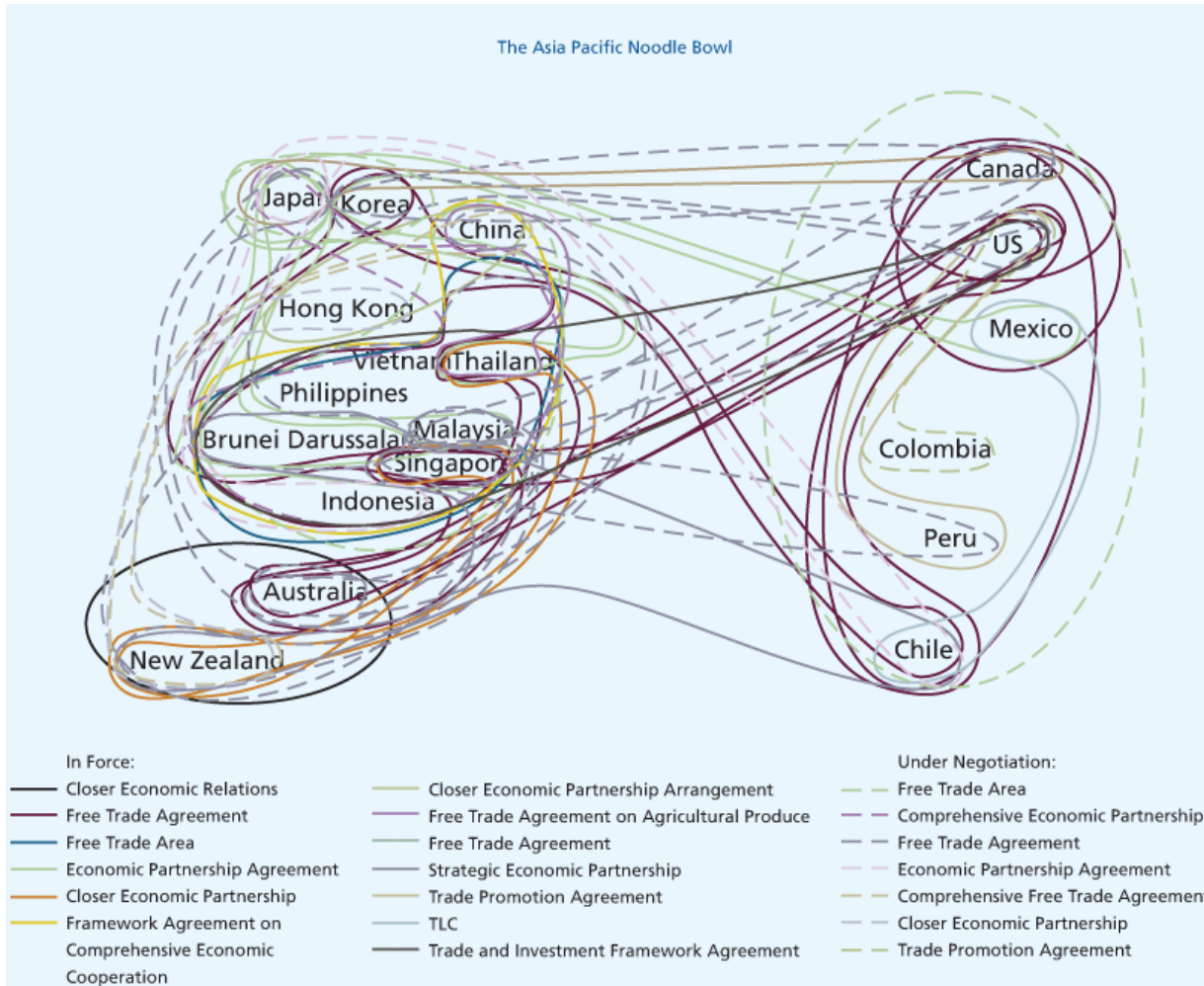
## Benefits of FTA Portal:

- Comparing tariff rates between potential export destinations or between available FTAs (e.g. TAFTA vs AANZFTA)
- Waiting for appropriate time to export (gradual tariff reduction, seasonal rates)





# The Noodle Bowl and Rules of Origin



## Rules of Origin

WO: Wholly Obtained – grown or mined in Australia


WP: Wholly Produced the good can be wholly produced in Australia or China. WP is not a category in any other FTA.

Change in Tariff Classification – According to the Product Specific Rules

Regional Value Content – calculation according to the product specific rules.


$$RVC = \frac{\text{Value of Goods} - \text{Value of Inputs}}{\text{Value of Goods}} \times 100$$

# How can I research tariff discounts?

Australian Government

Free Trade Agreement Portal

HomeAbout ▾Help ▾Contact



Welcome to the FTA Portal

- Discover new trade opportunities
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- Check your eligibility for benefits
- Get latest trade data

Search

Browse categories

1. Service, product or HS code (required) ?

2. Select Trade Direction (required)

3. Select Country (required)

Select ▾

Select ▾

Search

# Refined, local market research

**So...**you know what your HS code is, you've done your preliminary market research to find the best possible export market, you're able to meet food safety and customs regulations, and you know which FTA you'd like to export under.

*What's next?*

## Refined Product Research

1. Online Platform Research
2. Local TradeStart office






## Benefits

1. Local marketing trends
2. Comparing pricing points
3. Observing Australian/international/local product competitors
4. "on the ground" knowledge

Visit:

**Fairprice**

**RedMart**

 <p>Tamar Valley Dairy Kids Greek Style Yoghurt - Strawbe...</p> <p>110g</p> <p>Buy any 3 and get \$1.15 off</p> <p>\$2.55</p> <p>1 Add</p>	 <p>Tamar Valley Dairy Kids Greek Style Yoghurt - Tr...</p> <p>110g</p> <p>Buy any 3 and get \$1.15 off</p> <p>\$2.55</p> <p>1 Add</p>	 <p>Tamar Valley Dairy Kids Greek Style Yoghurt - Va...</p> <p>110g</p> <p>Buy any 3 and get \$1.15 off</p> <p>\$2.55</p> <p>1 Add</p>	 <p>Bulla Frozen Greek Style Yoghurt - Raspberry &amp; F...</p> <p>500ml</p> <p>\$7.95</p> <p>1 Add</p>	 <p>Bulla Frozen Greek Style Yoghurt - Golden Kiwi</p> <p>500ml</p> <p>\$7.95</p> <p>1 Add</p>
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Above: Australian yoghurt selection (Fairprice)

Image: Fairprice



# What is capability?



Including

- Quotas
- Cost of local and international compliance
- Logistics
- Seasonal access
- International political environment including trade policies and public objection
- Rules of origin

## Who are we?

- The Australian Trade and Investment Commission – Austrade – is a Government agency responsible for promoting trade, investment and international education, and tourism policy, programs and research.
- Austrade leverages the deep commercial knowledge and relationships of our international and domestic networks, and the badge of government, to deliver value for our clients and investors.
  - Connect export-ready Australian businesses to overseas opportunities and work with them to achieve commercial outcomes;
  - promote Australian capability internationally;
  - provide authoritative commercial insights and information to help clients to make informed business decisions;
  - inform and influence policy to support positive trade and investment outcomes.



# Austrade's Network

Why work with Austrade?



August 2014

Sourced from Austrade – TradeStart 2018

# Chamber of Commerce and Industry of Western Australia

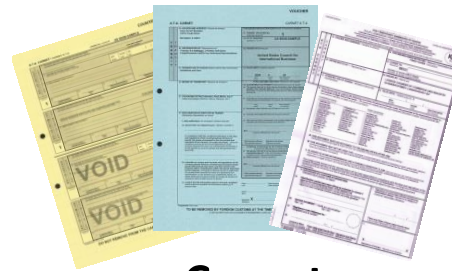
## Documentation



**Australian Made Logo**



A certified trademark with instant brand recognition that will win you more sales for Australian made products locally and overseas.



**Carnets**



An ATA Carnet is a temporary customs clearance document that removes the need to raise bonds or deposit duty at customs posts. It reduces the clearance time on importation and re-exportation.



**Certificates of Origin**



Includes other supporting documents for exports

**Thank you**