

Bulletin



Issue 22 | November 2015



CHAIRMAN'S UPDATE

I am pleased to hear from Mirjana and the team that our programmes have been progressing well. Since coming back from leave, I have engaged with various stakeholders to catch up on the changes within the Government and across the industry.

Last week the Industry Growth Centre Chairs met to review the last Industry Growth Centre proposal for the Oil, Gas and Energy Resources sector. I am delighted to inform you that this proposal was approved and now all five Industry Growth Centre proposals have been approved and are at various stages of implementation. The Chairs also discussed the Industry Growth Project Fund of which \$78 million will be made available to assist the Growth Centres to undertake collaborative projects in their respective key growth sectors. These guidelines will be released in early 2016 and I encourage you to make contact to start discussions on projects of interest to the sector.

The FIAL Board also met on the 13th October where various aspects of governance and project work were discussed. The next Board meeting is scheduled to take place in February 2015 where a first draft of the 'Food and Agribusiness Sectoral Strategy' will be reviewed and discussed, before the team embarks on wider industry consultation to seek feedback on the plan before it is submitted to the Minister for review.



MESSAGE FROM THE MANAGING DIRECTOR

We are very happy to have our Chairman back, who is looking well and gearing up for the challenges in the coming year.

In this bulletin, we introduce our new member, Ms Monica Gill, who has been kindly seconded by the Department of Industry, Innovation and Science, to help FIAL develop the Competitiveness Plan for the sector.

We also provide highlights on some projects and dates of forthcoming workshops that are not to be missed.

NEW FIAL TEAM MEMBER – MS MONICA GILL

I would like to welcome Monica to the FIAL team, as FIAL's new Project Manager. Monica will work with FIAL until 30 June 2016 to assist us in writing the Competitiveness Plan.

Monica has an extensive background in marketing consumer brands, including FMCG and beverages, and a Master of Agriculture from the University of Sydney.

She has been working in the Department of Industry, Innovation and Science since starting their Graduate Program in 2013, and has most recently been working in the Food Industry Policy Section of the Department. I know you will make her feel welcome.



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Food Innovation Australia Ltd
671 Sneydes Road, Werribee 3030
Private Bag 16, Werribee 3030
+61 3 9731 3422
www.fial.com.au

INDUSTRY GROWTH CENTRE INITIATIVE



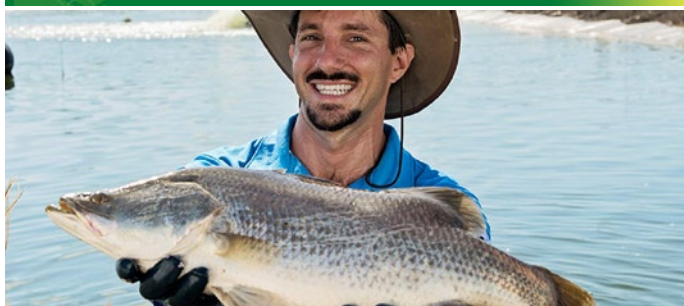
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For those who are not familiar with Food Innovation Australia Limited (or FIAL), it is the not-for-profit company responsible for delivering the activities of the Food and Agribusiness Growth Centre. FIAL may make reference to the Industry Growth Centre Initiative, as this is the Programme that is supporting FIAL's activities. The name of Food Innovation Australia Limited will remain the same. Read more [here](#).

ENTERPRISE SOLUTION CENTRE CASE STUDY



HUMPTY DOO FISHERIES

Humpty Doo Barramundi Pty Ltd based in Northern Territory were supported through the SME Solution Centre in early 2015. Their business is growing at 30% p.a. but transport costs to the Southern States are a significant barrier to continued expansion of their business. To gain a win-win on quality and cost, Humpty Doo partnered with DAF Queensland, to investigate how to improve the quality of their produce throughout the supply chain.

The end result is that Humpty Doo Barramundi better understands their consumer needs and can deliver a high quality product to match consumer preferences.

Read more [here](#).

UPCOMING EVENTS

EXPORT BRAND BUILDING & PROTECTION - PILOT

In partnership with the Export Council of Australia, FIAL is piloting a new workshop tailored to helping companies understand some approaches to protecting your brand once your product is in market.

The workshops will cover a range of topics including; name searches, e-commerce and your brand, IP and trade marks in China.

Date	Location	To Register
Tuesday Nov 10	Newcastle	Click here
Tuesday Nov 17	Perth	Click here
Wednesday Nov 18	Margaret River	Click here

NEW WORKSHOP DATES

MARKET DIVERSIFICATION WORKSHOP

The half day workshop facilitated by industry experts on the **Market Diversification Program**, will help SMEs discover domestic opportunities that will deliver growth and reduce risk. The program focuses on how to maximise business with current customers and expand your current customer base.

Case studies and exercises focusing on participants' current business issues are used to enable individuals to develop tangible, business specific strategies and initiatives.

The workshop will be held on **24th February 2016** in Sydney at Level 47, MLC Centre, Martin Place. Secure your place by clicking [here](#).

RETAIL & FOOD SERVICE READINESS WORKSHOP

To build on the learning from the Market Diversification Workshops, the **Retail & Food Service Readiness Workshop** aim to give companies the skills and confidence to compete more effectively in retail and food service channels.

You will be provided with information and tools to:

- Identify where you currently sit on the retail and food service readiness matrix
- Understand retail and food service buyer KPIs
- Understand how to price for profit
- Understand the market audit process
- Identify and communicate your Unique Selling Proposition
- Prepare for buyer meetings.

It is advisable that you attend both the Market Diversification and Retail & Food Service Readiness workshops for optimum learning but you can also attend each workshop separately.

Join us on **23rd March 2016** in Sydney at Level 47, MLC Centre, Martin Place. Register now by clicking [here](#).

We look forward to seeing you at one of these events soon!



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ECOMMERCE & DOUBLE 11 PROMOTION



The Chinese Government policies are designed to cement China as a global e-commerce leader. This is in line with China's transition from an investment-heavy growth plan towards a more consumption-driven model. The speed at which the Chinese e-commerce industry has grown in the past 3 years has come as a surprise to many.

In 2000, China had yet to develop any e-commerce applications and only had 2.1 million internet users¹. Payment systems and physical delivery mechanisms to facilitate the development of e-commerce transactions were well-developed in other markets but were simply lacking in China.

Fast forwarding to 2015, Chinese internet users are quickly approaching 632 million plus², with a Chinese Government target to connect 1.2 billion people to the internet by 2020, which is 85% of the population³. Yes that is staggering!

Despite the current microeconomic slowdown in China, online consumer spend is growing at close to 50 per cent per annum. China is on pace to surpass the U.S and become the largest e-commerce market in the world.

These trends and others are fundamentally re-shaping the ways Chinese consumers purchase goods and services. In particular, the growing middle-class is expected to expand from 80 million to 180 million people, and by 2022 the upper middle class will account for 54 per cent of all households⁴.

Chinese home-grown platforms, which underpin the rise of on-line transactions, have increasingly adapted to deliver Chinese consumer products and food from around the globe. Increasingly there is a need to invest in both supply chain and social media and mobile devices because of the important role they play in driving demand for products and services.

Alibaba's 11.11 Singles-Day Online Shopping Festival is an example of China's consumer force. Double eleven is already the largest online shopping day around the world.

On the 11th of November 2015, Alibaba is aiming to set a new sales record of US\$16.9 billion⁵. This would effectively double the US\$8.98 billion⁶ of goods sold last year in a 24-hour period on Alibaba's C2C marketplace Taobao and B2C site Tmall, which also set a record high for online shopping for the year.

To put this into perspective, online sales on Cyber Monday in the US surpassed \$2 billion⁷ in 2014, which was the biggest ever recorded U.S online shopping day.

To prepare well for the coming 11.11 shopping festival, Alibaba will be mainly targeting the theme of globalisation. It will feature 6 million products from more than 40,000 merchants and 30,000 brands, including more than 5,000 famous brands from 25 overseas countries⁸.

Statistics from Alibaba show that over 50 million⁹ goods will offer discounts, and imported goods will hit the world's lowest price and some may be tax free and/or offer free delivery. Participate in **Alibaba's 11.11 Singles-Day Online Shopping Festival** now.

Written by Rod Arenas,
Manager Market Development,
Food Innovation Australia Ltd

1 Nielson, China sees more sophisticated online shoppers, September 2014
2 E-commerce in China a guide for Australian Business, Australian Trade Commission, June 2015
3 Dezan Shira and Associates, Trends in China's E-commerce Market, June 2014
4 McKinsey and Company, Meet the 2020 Chinese consumer, March 2012

5 China Internet Watch, Alibaba sales value to top 100 Billion on double 11 2015
6 China Daily, Alibaba to Offer Nov 11 Deals in Offline Stores, 23 October 2015
7 Fortune.com, Cyber Monday Sales Pass \$2Billion in Biggest E-commerce Day Ever, Dec 2014
8 Alibaba Group.com, Press Release October 20, 2015
9 China Internet Watch, Alibaba sales value to top 100 Billion on double 11 2015