

# The Sydney Morning Herald

SE **Business**  
HD **Entrepreneurs keen to tap Asian boom**  
BY Nigel Bowen  
WC 664 words  
PD 5 May 2014  
SN The Sydney Morning Herald  
SC SMHH  
ED First  
PG 26  
LA English  
CY © 2014 Copyright John Fairfax Holdings Limited.  
LP

MY SMALL **BUSINESS**

We've had the mining boom and are in the early stages of the "dining boom".

TD

But it's not only resource-sector multinationals and agribusiness behemoths that are poised to siphon off a fraction of Asia's exploding wealth; small to medium-size Australian businesses, some without so much as a local shop or office to their name, are gunning for a piece of the action.

Gary Gregory, a senior lecturer at the University of NSW's Australian School of **Business**, reels off a series of statistics to quantify just how big a market Asia will become.

"By 2025, **China**'s middle class is expected to number 520 **million** and India's 600 **million**. By the end of this decade, 60 per cent of Indonesian households - 250 **million** people - are expected to be middle class. By 2030, it's estimated 66 per cent of the world's middle class will be located in the Asia Pacific."

And what will all those newly cashed-up Asian consumers be in the market for? "Financial services, insurance and luxury goods to name just three of the biggest growth areas," Dr Gregory says. Especially in **China**, the Asian population will be growing older and continuing to crowd into often polluted megacities and Dr Gregory predicts "there will also be lots of opportunities for SMEs in the healthcare field, as well as those marketing green products and services".

Carolyn Palliardi figures it takes blood, sweat and tears to crack any market, so you may as well concentrate on one with plenty of free-spending consumers. "I'm trying to export premium Australian skincare products to Asian consumers at the same time Australians are overwhelmingly opting to **buy** cheap skincare products imported from Asia," Ms Palliardi says. "My **brand**, 808 Dude, is aimed at males aged 10 to 16 and unfortunately there are only 1 **million** of them in Australia. It's as hard, arguably harder, for a small **brand** to be successful in Australia as an Asian market, so why not concentrate on making it big overseas in an age where the internet has created a global marketplace?"

"Mass-produced French perfumes aren't highly esteemed by Asian consumers," notes Bud Parfums founder Howard Jarvis. Jarvis has been selling his product, handmade in his Warburton perfumery, to Asian consumers since launching his **business** in 2010.

"We always planned to target Asia and it currently accounts for 10 per cent of our sales," he says. "Independent perfumes made from natural ingredients are highly regarded in the region - wearing a custom scent makes customers feel special and gives them bragging rights."

Ron Bensimon's plans to disrupt the jewellery industry with the eponymous **company** he launched in 2012 always included a big focus on increasingly bling-hungry Asian consumers. "Around 15 per cent of Bensimon's customers come from Asia, predominantly **Hong Kong** and Singapore," says the Melbourne-based jeweller. "Our **business** model revolves around cutting out middlemen and allowing customers to go online to purchase the jewels they want. Asian customers have proven more willing to transact online than Australians."

Of course, there are also plenty of gaps in emerging Asian markets for those peddling more prosaic wares. AstraZeneca, one of only a small number of global pharmaceutical companies manufacturing in Australia has experienced what it describes as "exponential growth" over the past five years by selling respiratory medication to smog-afflicted Asian consumers.

"It's not widely recognised, but Australian pharmaceuticals generate more export income than either the **wine** or automotive industries. In 2012, for example, they brought in \$4 **billion**," an AstraZeneca spokesman says.

"Most of our growth has come from Japan and particularly **China**. AstraZeneca is selling respiratory treatments in **China**, which allows access to the emerging middle class of newly diagnosed patients. And only 8 **million** of the 95 **million Chinese** who suffer respiratory issues are currently being treated."

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

**PUB** Fairfax Media Management Pty Limited

**AN** Document SMHH000020140504ea550002d