

SE **Business**

HD **Pitching Australian-made dream to **China****

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EXCLUSIVE THE Australian Made green-and-**gold** kangaroo is about to embark on an audacious journey to **China** in a retail opportunity its backers claim could be worth **billions** to Australian manufacturers.

The Australian Made logo, which started life under the Hawke government as means of promoting the importance of buying local, will be used to promote Australian products in up to 200 Australian Made-branded stores across **China** in the next two years.

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The project is the brainchild of Queensland exporter David Goodwin, who pursued the idea after losing a Liberal National Party Senate preselection bid to James McGrath.

"After just missing out on the preselection, which was frankly a blessing, I pulled this project off the shelf and started pursuing it.

"Within two weeks of losing the preselection I was back in **China**," Mr Goodwin told The Australian.

Mr Goodwin had been investigating opportunities for export to **China** on and off for several years and began to realise the power of the Australian Made logo to **Chinese** consumers.

"Australian Made so far only concerned with selling products to Australians. It is probably the most recognised **brand** in Australia but also out of it. Go to **China** on our premium products, with the exception of **wine**, will have the yellow and **gold** kangaroo on it. The **brand** represents what Australia is to **Chinese**. It must be clean; it must be green; it must be a wilderness." Mr Goodwin pitched the idea of opening retail shops with the logo only a year ago to the Department of Trade, which signed off on Mr Goodwin's **company** using the trademark. "It costs the government absolutely nothing. I've leased the use of the logo from them, and they stand to make a lot out of it in the coming years." Such was the momentum of the project, the deal was only finalised in a meeting between Mr Goodwin and Minister for Small **Business** Bruce Billson in **China** last month, with the first shop to open in Shanghai in January.

"I flew into Shanghai to discover the plans for my distribution centre had actually been built. Mr Billson was in Shanghai and I said, 'Bill we have a live one here, we have to get on this'. He said he'd meet with us. After that the capital for the project was approved. The Australian government don't have to do anything.

"That will put close to \$1 **billion** behind the Australian Made logo in the next few years. A **billion** dollars behind people who run with Australian Made on their products." The corporate structure has Mr Goodwin's Australian-owned **company** taking a 51 per cent **stake** in a **Chinese company** registered in Shanghai's free-trade zone.

With **Chinese** backers, including building material and real estate mogul Jie Zhang, the **company** will operate not as a franchise, but what it has termed as a "managed model" where there are a series of partners in **Chinese** local provincial provinces.

Chinese backers have invested \$30 **million** and the **company** has what Mr Goodwin described as "significant trade credit facilities". **Chinese** investors in the project will be in Australia for talks with government officials this week to finalise the deal. Mr Goodwin sees no reason why he can't have 200 stores within two to three years.

"We have 15 local provinces ready to go, which will provide 10 stores per province. So there's our first 150." It is one thing, however, to talk of big plans in **China**, and another to see them eventuate, especially given the plan hinges on dealing with a series of provincial governments in a capricious governance and regulatory environment.

Mr Goodwin said the current graft crackdown would only benefit the Australian Made project.

"In the very short term it might make it harder to get decisions, but in the nearer short term it will ... enable people to contract with confidence. I've been seeing that change over a few years." Despite the obvious challenge, he said the potential upside was just too big to ignore, and the real problem would be keeping up with demand. "Our first order for baby formula was for over \$2m paid in cash ... Securing long-term supply with partners will be a problem if all goes to plan."

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