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| **STRENGTHS*** Perception in China that Australian products come from a clean/green environment
* Higher quality and higher levels of food safety in Australian products – therefore high level of confidence in these products in China
* Australian food products easier to differentiate and brand
* Credibility of Australian food products
* Traceability of Australian food products
* Foreign ‘heritage’ and exotic nature of Australian products
* All of the above make it more difficult to imitate these products
 | **WEAKNESSES*** Lack of resources in Australian SMEs
* Lack of experience in China business (lack of market knowledge)
* Cultural/language barriers (and distance)
* Lack of established relationships (guanxi) in China (i.e. contacts/networks)
* Complex distribution channels in China, often ad hoc or arbitrary
* Multi-tier market/ China a single country with many stages of development
* Difficulties related to compliance and local logistics
* High supply chain costs
* Inefficient operational practices
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| **OPPORTUNITIES*** China now the world’s largest consumer market for food & beverages
* Average growth rate of food & beverage imports was approx.. 15% during the last five years
* Food consumption patterns have changed dramatically (i.e. one area of growth is confectionery and snack products
* Demand increasing for more variety in collective diet in China (i.e. recent growth in demand for fresh dairy products)
* Multi-tier economy in China offers a range of opportunities to market a variety of different products
* Rapid growth of e-commerce in China
* Rapid uptake and use of social networking and social media – can assist with product marketing
 | **THREATS*** Increasing business complexity
* Increasing global uncertainty
* Turbulent trade and capital flows
* (therefore increased risk from the above three factors)
* Political uncertainty
* Imitation/counterfeiting from Chinese
* Changing regulatory environment
* Levels of regulatory frameworks (bureaucracy)
* Inability to adapt/ reconfigure supply chains in a complex, rapidly changing environment
* Possible safety or contamination incidents
* Exchange rate volatility
* Lack of formalised free trade agreement with China
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