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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 |
| **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 |