

## Market Overview

Australia remains an attractive market for SUSTA region companies. This nation is the 13th largest economy with a nominal GDP of \$1.5 trillion USD. Australia is on the verge of becoming one of the top ten nations with the highest nominal GDPs. Australia's population is behaving in a similar manner to its economy, both are growing and most of the growth is taking place in urban centers. Urban areas are the main target for food grocery sales in Australia because this is where disposable income is the greatest. It is estimated that over 85 percent of the products on Australian supermarket shelves are imported, made from imported ingredients or produced locally by foreign owned companies.

In 2014, Australian exports accounted for over 20% of its GDP. Australia's major export markets are China, Japan, Korea, and the United States. Similarly, most of its imports come from China, the United States, Japan, Singapore and Germany. The presence of food products from the SUSTA region has been growing during the past decade, hovering around \$300 million USD since 2010. A major free trade agreement known as Trans-Pacific Partnership (TPP) will strengthen the relationship between Australia and the United States.

The U.S.-Australia Free Trade Agreement (AUSFTA) facilitates market access, promotes price competitiveness and altogether reduces barriers to trade. For example, tariff rates for U.S. food products exported to Australia dropped to zero upon exercise of the agreement in January 2005. Australia's population growth in urban areas mirrors its growing level of consumer expenditure, a condition that makes Australia an exceptional market for SUSTA region companies wishing to export and explore other food markets.

### Opportunities and Advantages

- Australian consumers are experimental and desire new and innovative products. This presents an opportunity to test such products and capture/gain market share.
- U.S. products have an excellent image and are widely accepted.
- U.S. culture is very similar to Australia
- No language barriers for packaging or business activities.

### Market Challenges

- Australia is a significant producer of a wide variety of agricultural products and the 'Buy Australian' campaign has had much success.
- Australian labeling and advertising laws are different from the U.S. This may require some changes to food labels.

### SUSTA Sponsored Events in Australia: Fine Food Australia

- [http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Egyptian%20Susta\\_Canberra\\_Australia\\_8-21-2015.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Egyptian%20Susta_Canberra_Australia_8-21-2015.pdf)
- Euromonitor, Passport Site-Country Profile: Australia

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