

SERVICIOS AL  
**EXPORTADOR**

DEPARTAMENTO DE  
INTELIGENCIA DE MERCADOS

## Trade Opportunities

Australia



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# Australia

## 1. Background Data

Official Name	Commonwealth of Australia
Capital	Canberra
Language	English
Currency	Australian Dollar
Population (2016)	23 Million

Source: World FactBook. Prepared by: Promperú

## 2. Macroeconomic Indicators

Year	2014	2015	2016*
GDP Growth (%)	2.7%	2.4%	2.9%
Per Capita GDP (US\$)	46,550	47,318	48,404
Inflation Rate (%)	2.5%	1.8%	2.6%

Source: IMF. Prepared by: Promperú. Note: \*Projected

## 3. Exports Peru - Australia (FOB US\$ million)

Sector	2011	2012	2013	2014	2015	Var.% 15/14	TCP.% 15/10
Traditional	78	42	56	64	48	-24.2	-11.4
Nontraditional	37	57	75	64	52	-18.4	8.9
Total	115	100	131	127	100	-21.3	-3.4

Source: SUNAT. Prepared by: Promperú

## 4. Preferences Obtained in Trade Agreements

To date, Peru does not have an existing Bilateral Trade Agreement with Australia. However, both parties are signatories to the Trans-Pacific Partnership Agreement (TPP), which will allow preferential relations between twelve economies of the Pacific Rim.

It is in this context that products of interest to Peru, such as fresh grapes, cocoa powder, special chocolates, preserved vegetables, prepared olives, fruit juices, preserved tuna, strips and friezes for parquet, as well as cotton and fine animal hair apparel, will enter the Australian market duty-free after the effective date of the agreement.

## 5. Trade Opportunities<sup>1</sup>

### Foods

<sup>1</sup>Through ECLAC (Economic Commission for Latin America) methodology, it has been possible to identify opportunities for products classified into two main groups: "Star" and "Promising". The "Star" products are those that have shown strong dynamism in their respective sales volumes during the last five years and have a significant share of total imports. In other words, they are the products that have the greatest potential for success in the destination market today. On the other hand, the "Promising" products are those whose imports are growing at above-average rates but do not yet have a significant share of the total sales volume. These products are the ones with the best prospects for success in the future should the trend continue, and could be exploited by domestic exporters.

RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru	Participation Supplier
1	'081190	Fruit pulp, frozen	Star	81	0%	Chile - 25% USA - 18%
2	'200599	Vegetables, prepared and/or preserved	Star	64	5%	N. Zealand - 24% Italy - 17%
3	'200899	Fruit, prepared or preserved, fresh or in syrup	Star	60	0%	N. Zealand - 17% China - 15%
4	'080440	Avocado, fresh	Star	53	0%	N. Zealand - 98%
5	'200989	Juice, of other fruits	Star	47	5%	Thailand - 49% China - 9%
6	'081120	Strawberries and raspberries, frozen	Star	36	0%	Chile - 58% China - 18%
7	'030499	Fish fillets and other fish meat, fresh, chilled or frozen	Promising	21	0%	Norway - 31% Vietnam - 23%
8	'070920	Asparagus, fresh or chilled	Promising	18	0%	Mexico - 63% Peru - 33%
9	'081340	Dried fruits, other	Promising	16	5%	USA - 41% China - 30%
10	'081040	Blueberries, fresh	Promising	15	0%	N. Zealand - 98%

Source: Trademap. Prepared by: Promperú

### Clothing and Decorations

RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru	Participation Suppliers
1	'610910	Cotton knit T-shirts, for women and girls	Star	423	5%	China - 46% Bangladesh - 35%
2	'611020	Cotton sweaters, cardigans, waistcoats, and similar articles	Star	190	5%	China - 73% Bangladesh - 10%
3	'630231	Cotton bedding, linen	Star	167	5%	China - 72% India - 12%
4	'611120	Knitted cotton garments and clothing accessories, for babies	Star	134	3.3%	China - 71% Bangladesh - 15%
5	'610711	knitted cotton underpants, for men and boys	Star	78	5%	China - 84% Cambodia - 7%
6	'611241	Knitted synthetic fiber swimwear	Star	65	5%	China - 87% Bangladesh - 3%
7	'611011	Woolen and fine hair sweaters, cardigans,	Star	61	5%	China - 72%

		waistcoats and similar articles				Hong Kong - 5%
8	'610442	Cotton dresses, for women	Promising	35	5%	China - 70% Bangladesh - 10%
9	'610831	Knitted cotton nightgowns and pajamas, for women and girls	Promising	30	5%	China - 57% Bangladesh - 23%
10	'620331	Woolen or fine animal hair jackets, for men	Promising	27	5%	China - 57% Italy - 10%

Source: Trademap. Prepared by: Promperú

### Miscellaneous Manufactured Articles

RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru	Participation Suppliers
1	'848180	Faucets and similar fixtures	Star	1 258	2.5%	China - 26% USA - 17%
2	'392690	Plastic manufactures, miscellaneous	Star	632	5%	China - 45% USA - 14%
3	'732690	Manufactures of iron or steel, miscellaneous	Star	619	5%	China - 49% USA - 10%
4	'330499	Makeup preparations, other (Natural cosmetics)	Star	458	5%	USA - 35% France - 16%
5	'730799	Couplings, for mining	Promising	192	4%	China - 40% Singapore - 16%
6	'730840	Scaffolding material	Promising	90	4%	China - 71% India - 8%
7	'732591	Grinding balls and similar articles, for mills	Promising	50	4%	Thailand - 56% China - 33%
8	'790700	Zinc manufactures, other	Promising	8	2.5%	United K. - 42% China - 31%

Source: Trademap. Prepared by: Promperú

### 6. Consumer Trends

The third highest disposable income per household in the world (US\$87,100/year), combined with a stable economy, make Australia an attractive market to do business in. Some of the trends shown by this market are:

- ✓ **DEMOGRAPHIC BOOM.** Euromonitor International estimates that the Australian population will total 30 million inhabitants in 2030, an increase of 25.9% with respect to 2015. However, the age group that will show the greatest growth will be composed of adults of over seventy years of age with an expansion of 70.3% over the next fifteen years.
- ✓ **THE EXOTIC FACTOR.** As a result of their greater exposure to tourism, and programs featuring international cuisine and social networks, Australian consumers are in search of new cuisines and flavors, a fact which has encouraged major retailers to expand their lines through the marketing of exotic fruits and ethnic products.

- ✓ **HEALTHFUL LIFE.** New global trends such as the *paleo diet*, consumption of *raw foods* and the popularity of *superfoods*, have created a new consumer segment focused on health and wellness which shows preferences for fresh presentations instead of the processed alternatives. It is therefore not surprising that Australia has positioned itself as the twelfth largest market for functional foods at a worldwide level.
- ✓ **A STABLE DEMAND FOR FOODS.** The sales volume of fresh foods in Australia will grow at an average annual rate of 1% until 2019. Nevertheless, dried fruits and marine products will show the best prospects, due, basically, to the healthy positioning that both product groups maintain.
- ✓ **FAST FASHION LEADS THE WAY IN AUSTRALIA.** Consumer expectations about the availability of products and prices have changed significantly since the entry of the main chains of fast-fashion. The collections are no longer restricted only to spring/summer and autumn/winter; on the contrary, consumers demand a greater variety of clothing throughout the year at affordable prices. And for that reason, many local brands have chosen to follow this business model by means of the *maquila* or assembly of their garments in low-cost countries.