



*Canberra as a International
Airfreight Gateway
October 2017*

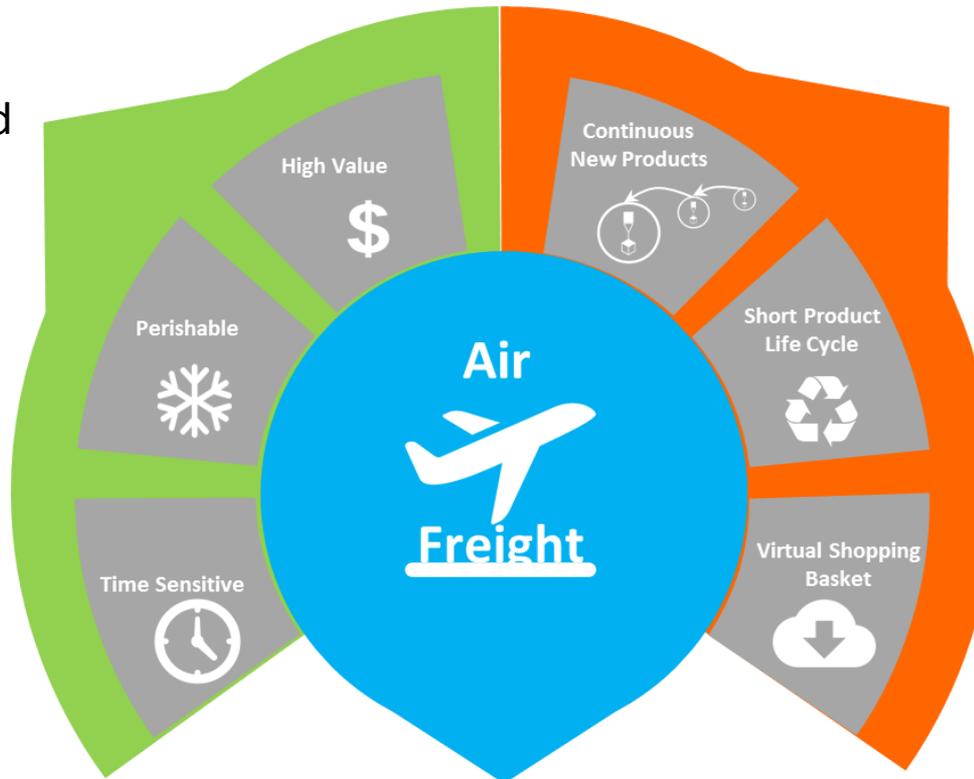
Opportunities linked to Canberra, how it can work and what is required to get it there

Recap

Demand for airfreight will be driven by consumers

Traditional Demand

- Centralised inventory of High Value Stock
- Reduced Inventory Carrying Cost
- Short Shelf Life
- Mission Critical



Consumer

New Demand

- Product Launch (<30 days)
- Increase Range
- Product Uniqueness
- Consumer International Market Access
- Total Product Experience (Including reduced lead time and free returns)

Growing market for exports

SEA's internet economy is ready to take off, with 124,000 users coming online every day for the next 5 years.

260M

Users already
online: 4th
largest internet
market in the
world.

3.8M

Users coming
online every
month: fastest
growing internet
market in the
world

700M

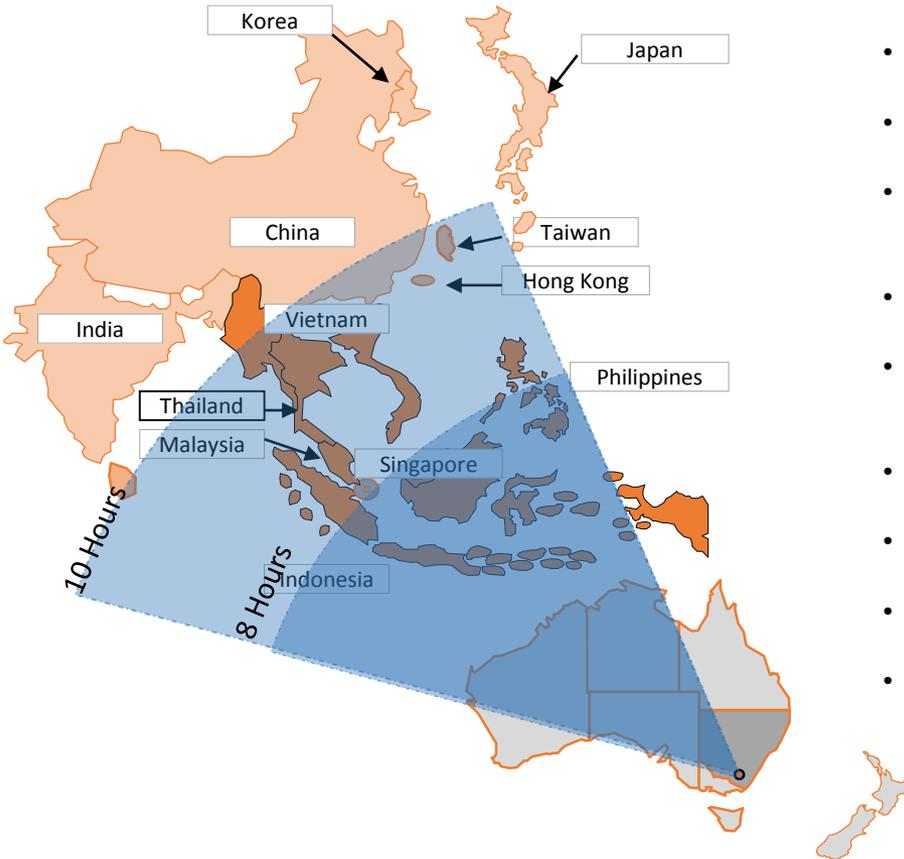
Mobile
connections:
130% of
population

Source: World Bank, Google, Temasek

SEA's E-commerce market to reach \$88 billion by 2025

Exports conditions

There are strong opportunities for Australian agribusinesses as key Asian markets are increasingly demanding high quality, safe and healthy food.



Asia's evolving food demand presents opportunities in Australia

- The value of food consumption is projected to be 75% higher in 2050 than 2007, an average annual increase of 1.3%.
 - Demand for food is projected to increase most strongly in Asia, doubling between 2007 and 2050.
 - China will drive the growth in demand for food, accounting for 43% of the total increased demand for beef, wheat, dairy products, sheep meat and sugar by 2050.
 - India will account for 13% of food growth, with a strong increase in demand for dairy products.
 - Rising incomes have already begun to change the diet of Asian residents, with an increase in demand for meat, as opposed to traditional staple grains.
 - By 2050, the most sought after food products are expected to be beef, wheat, dairy, sheep meat and sugar.
 - Growth in demand for these commodities is projected to increase the value of Australia's agrifood exports by 142% between 2007 and 2050.
 - The global wheat trade is estimated to double – to 240 million tons – by 2050[5].
 - In Southeast Asia, per capita consumption of meat is expected to increase by 60%, from 38 kilograms per year in 1990, to 60 kilograms a year in 2030.[6]
- By 2030, China and the rest of developed Asia will consume just under 60% of the world's grain and 42% of agriculture and food imports. [7]

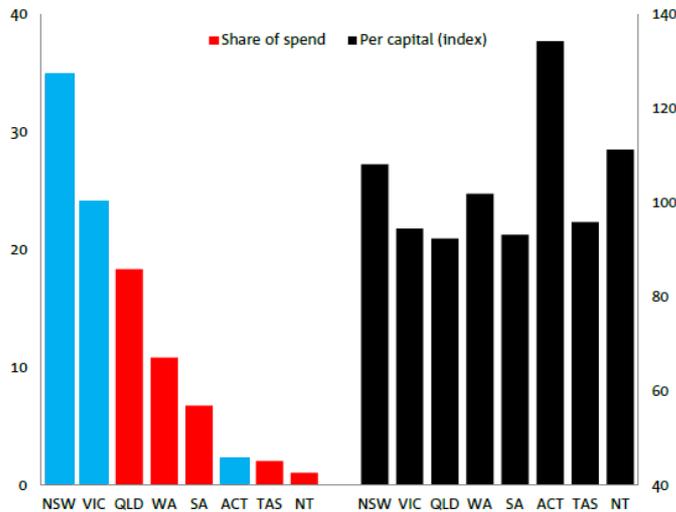
<https://www.agri.com.au/10-reasons-why-agribusiness-cant-afford-to-ignore-asia/>

Imports - International online

Over 60% of all online sales occur in NSW, VIC & ACT of which international online sales made up \$2.77 billion. International online sales continues to grow in these markets at $\geq 10\%$ annualised rate.

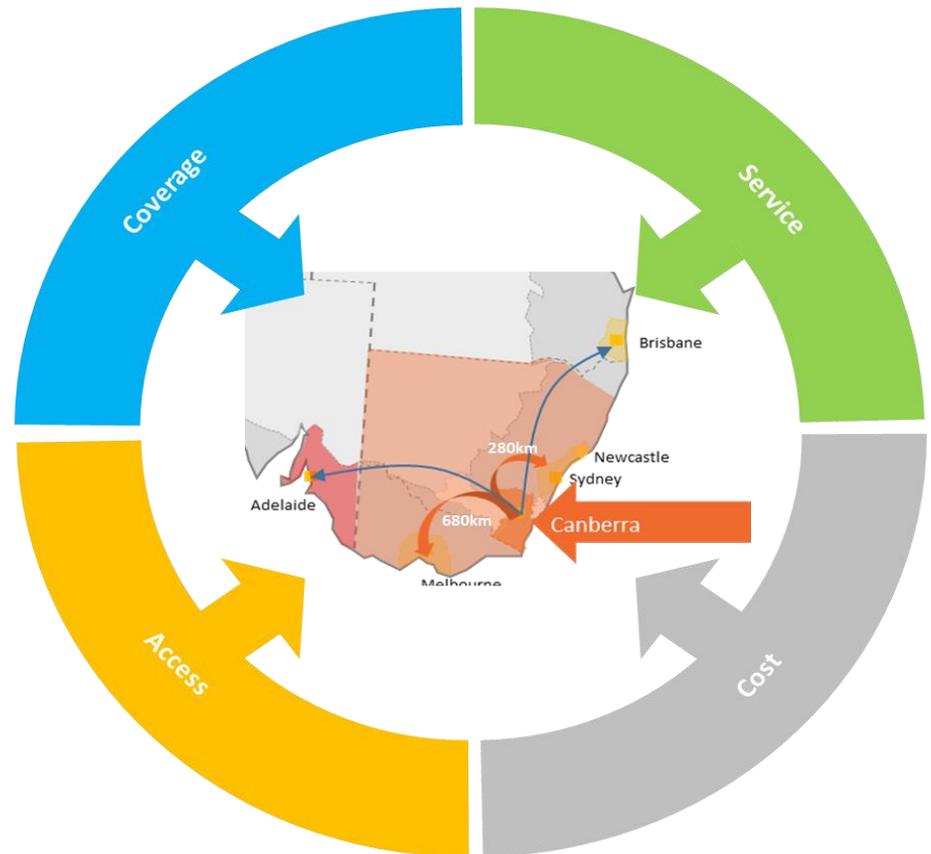
SHARE OF SPENDING, BY STATE

(% annual)



Category	Share of International Spend
Fashion	28.6%
Department	21.7%
Homeware	11.2%
Personal	8.6%
Groceries	2.4%
Toys	9.0%

NAB Online Retail Sales Index June 2017



Requirements and support

A holistic approach must be taken to enable trade internationally. Whilst some support functions already exist, the task of finding the right help may be complex.

Strategic support in market entry

Research & analysis

Marketing

Sales

Logistics and distribution

Customer service and support

- | | | | | |
|---|--|---|---|---|
| <ul style="list-style-type: none"> Market entry studies Research and support Testing | <ul style="list-style-type: none"> Brand building Field marketing Product management | <ul style="list-style-type: none"> B2B and B2C sales Product training Platform | <ul style="list-style-type: none"> Warehousing Delivery and tracking Cash collection | <ul style="list-style-type: none"> Communication and responsiveness Customer satisfaction |
| <ul style="list-style-type: none"> Sector reports Grants Market intelligence | <ul style="list-style-type: none"> Trade delegations Industry reports Market intelligence | <ul style="list-style-type: none"> Inventory funding Order and inventory Payment gateway | <ul style="list-style-type: none"> Infrastructure Service availability Block chain | <ul style="list-style-type: none"> Multi lingual services Accessibility |



Flow customer to supplier

Conclusion

There is great opportunity linked to Canberra, however a universal approach covering policy, pricing, service and infrastructure must be taken (government, industry and participants) to make this a competitive option.

Market awareness: New Zealand has taken a targeted government led approach to successfully marketing New Zealand made products to Asia. Market research, Target Products to Markets, Trade delegations etc.

OPTIONS: Australian endorsed supplier on ecosystem platforms. (Australian approved supplier).

Infrastructure: Government led funding to speed step the enabling infrastructure (Supply Chain). North Australia infrastructure fund. Rockhampton Airport 'just do it' approach.

Leverage: Holistic import / export strategy to fully utilise the infrastructure and therefore gain competitiveness (sweat the assets).

Cost competitiveness: Competitive cost structures to stimulate volume (100% of nothing is still nothing)

Service Excellence: Efficiency through service availability, access, security, reduced administration and speed of processing.

Policy: Incentive and initiatives to make Canberra the logistics gateway of choice: Administration streamlining / enablement (South Australia migration requirements differ from the rest of Australia, EDB of Singapore grants for automation in the logistics sector to improve productivity).