

DOING BUSINESS DOWN UNDER

HOW TO TRADE WITH
THE WORLD'S 13TH
LARGEST ECONOMY

AUSTRALIA'S ECONOMY BY SECTOR

79% SERVICES

8.8% CONSTRUCTION

7.4% MANUFACTURING¹

26 CONSECUTIVE YEARS OF GROWTH²



TOP INDUSTRY EXPORT OPPORTUNITIES

FOOD AND SNACK GOODS

The organic, healthy, and natural products and ingredients market continues to grow rapidly.



AUTOMOTIVE PARTS AND AFTERMARKET

The market is estimated to be worth around US\$5-6 billion, split evenly between local producers and imports.³

COSMETICS AND TOILETRIES

Total market value is estimated at US\$3.4 billion and imports satisfy 70% of this demand.⁴ Natural and premium products are increasingly popular.



THE AUSTRALIAN WAY OF DOING BUSINESS

Straight talking—Australians are renowned for it. Modesty is appreciated, so overselling or aggressive sales techniques don't work. Be factual, friendly, to the point, and avoid self-importance.

SURF'S UP ONLINE

A growing population and good digital connectivity make for an attractive market; 85% of Australians have internet access and take-up is increasing at 1.7% per annum.⁵

GOOD MARKET VALUE

The Australian online market is expected to be worth AU\$32.56 billion by the end of 2017, while e-commerce sales are projected to rise 21% by 2018.⁶ This good health is fuelled by a strong economy and infrastructure.⁷

65% OF USERS IN AUSTRALIA SHOP ONLINE

CROSS-BORDER TRAILBLAZERS

Over 80% of Australians have made an overseas purchase. Overseas purchasing accounts for 35-40% of Australian online sales, and 63% of Australians would be happy to shop internationally. In 2018, overseas purchases will top US\$14.9 billion.⁹



ONLINE PREFERENCE

Two-thirds of internet users in Australia shop online and this number is increasing.⁸ Australians like purchasing things on the internet: 79.4% of internet users prefer online to traditional shopping.⁵



WHY IS CROSS-BORDER SHOPPING SO POPULAR?

- Lack of availability online: only half of Australia's retail businesses have an online presence.
- Fashion-conscious digital consumers have no choice but to shop cross-border.

7 ONLINE OPPORTUNITIES FOR YOUR BUSINESS¹⁰



DEPARTMENT & VARIETY STORE ITEMS

30.1% MARKET SHARE

7% GROWTH RATE

Businesses across Australia are expanding their online product ranges.



FASHION

22.2% MARKET SHARE

16.7% GROWTH RATE

Footwear, fashion accessories, and activewear are increasing in popularity.

HOMEWARES & APPLIANCES

14.8% MARKET SHARE

6.9% GROWTH RATE

Demand is growing as homemakers shop online to furnish their homes.



MEDIA

12.9% MARKET SHARE

22.9% GROWTH RATE

Books account for over 80% of the purchases in the category.



HEALTH & BEAUTY

8.7% MARKET SHARE

15.5% GROWTH RATE

Beauty products saw an extraordinary 50% increase in growth rate in 2015.



SPECIALTY FOOD & LIQUOR

6.1% MARKET SHARE

FLAT GROWTH RATE

Including wine, tea, specialty food, liquor, hampers, non-perishable groceries and coffee.



HOBBIES & RECREATIONAL GOODS

5.2% MARKET SHARE

15.6% GROWTH RATE

Games, toys, and outdoor goods make up over half of all purchases in the category.

YOUR DO'S AND DON'TS

Aussies are aware of their country's remote geographical location and resultant longer shipping times. Keep your delivery times reasonable—a week longer than your domestic market is acceptable, three weeks is not.

TRADE REGULATIONS AND CUSTOMS INFORMATION

GENERAL IMPORT TARIFF DUTY RATE

5%

BUT A NUMBER OF COMMODITY TYPES MAY BE DUTY FREE

Exemptions may also apply through Free Trade Agreements, which Australia holds with a number of key trading partners including the US, China, Japan, and New Zealand. Most US imports to Australia are tariff exempt. Tariffs on non-US products average 5% or less. Preferential tariff treatment may exist if products originate in the United States.

IMPORT REQUIREMENTS

Australian Customs* does not require import licenses, but importers may need to obtain permits. Customs clearance requires a completed Customs Entry or Self-Assessed Clearance (SAC), an air waybill (AWB), plus commercial invoices and other supporting documentation.

*Australian Border Force (part of the Department of Home Affairs)

GOODS AND SERVICES TAX (GST)

From 1 July 2018, imported consignments of more than AU\$1,000 may incur a 10% Goods and Services Tax (GST). GST applies to importers who generate more than AU\$75,000 in B2C gross sales revenue per annum from Australia.



QUARANTINE

The Department of Agriculture & Water Resources (DAWR) enforces quarantine measures against a number of products, with strict sanitary and phytosanitary restrictions affecting imports of fresh fruit, vegetables, meat, and poultry products.

IMPORTANT COUNTRY GOVERNMENT ENTITIES

[Australian Business Register](#)

[Australian Border Force](#)

[Australian Customs Manual](#)

[Department of Agriculture and Water Resources](#)

[Australian Trade Commission](#)

I'M READY FOR CROSS-BORDER TRADE WITH AUSTRALIA. WHAT NEXT?

Take advantage of our business expertise by opening an account with DHL Express. Visit [our website here](#) and we'll be delighted to help.

REFERENCES

- <https://www.industry.gov.au/Office-of-the-Chief-Economist/Publications/AustralianIndustryReport/assets/Australian-Industry-Report-2016-Chapter-2.pdf>
- <https://www.theguardian.com/business/2017/jun/07/australia-sets-new-world-record-for-recession-free-economy>
- https://www.trade.gov/topmarkets/pdf/Autoparts_Australia.pdf
- <https://www.trade.gov/industry/materials/AsiaCosmeticsMarketGuide.pdf>
- <https://www.webalive.com.au/future-of-australian-ecommerce/>
- <http://www.pfsweb.com/blog/2016-australia-ecommerce-market/>
- http://www.specommerce.com.s3.amazonaws.com/dl/fs/150416_fs_australia.pdf
- https://www.ecommercedwiki.org/wikis/www.ecommercedwiki.org/images/3/39/Australia_B2C_Ecommerce_Country_Report.pdf
- <https://www.ecommercedworldwide.com/expert-insights/expert-insights/why-australian-shoppers-are-happy-to-look-cross-border>
- <https://acquire.startrack.com.au/pdf/Inside%20Australian%20Online%20Shopping%202017.pdf>