



Flanders
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OVERVIEW 2019
**FOOD & BEVERAGE
INDUSTRY MARKET
IN AUSTRALIA**

FLANDERS INVESTMENT & TRADE MARKET SURVEY

FOOD & BEVERAGE INDUSTRY

MARKET OVERVIEW AUSTRALIA

December 2019

Foreword

This market study provides an overview of the Australian food and beverage industry, with the aim to support Flemish companies interested in entering and/or consolidating their position in Australia. Flanders Investment & Trade Melbourne outlines the main elements of the industry and explores business opportunities.

The report is structured in five main sections: macro-economic analysis, overview of the food and beverage industry, Australian food and beverages regulations, food and beverages trends in Australia and import regulation from Belgium to Australia. Methods of analysis include research of published national and industry data sources and input from members and key stakeholders.

The Australian food and beverages industry is an important sector in Australia both in terms of employment and in financial contribution. For Australian exporters, the industry is very interesting as it produces high quality products.

As imported food products can introduce exotic plant pests and diseases that could be harmful to Australia's environment, the Department of Agriculture sets conditions for the import of all fresh produce to Australia.

European gourmet food and beverages are still highly regarded in Australia, provided that they comply with quarantine rules. The available food range in Australia reflects the country's ethnic and cultural diversity. In many restaurants it is possible to find influences from Europe, Asia and the Middle East. Food with specific properties such as kosher, halal and vegan food are subject to certification systems and standards. Fresh, natural food and meals are also at the top of the shopping list in Australia due to the high quality of the products. The organic food sector shows significant potential.

Exporters of food and beverages to Australia have to take into account the current high quality and wide variety of products present on the market. In order to achieve a successful export result, it is important to have a clear and comprehensive picture of the industry. FIT Melbourne tries to contribute to this by providing the following report.

For clarifications and contact details of companies operating in the industry, feel free to contact [FIT Melbourne](#).

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1 MACRO-FACTOR ANALYSIS

To gain a better understanding of the Australian food and beverages industry, a preliminary overview of local key macro-factors is useful, as the available food range and trends reflects the cultural diversity, economic and political circumstances.

1.1 DEMOGRAPHIC FACTORS

As at 31 December 2018, Australia's preliminary estimated resident population (ERP) amounted to 25,180,200 people. Since 2017, the number of people living in Australia has increased by 1.6%.

PRELIMINARY DATA	Population at end Dec qtr 2018	Change over previous year	Change over previous year
	'000	'000	%
New South Wales	8 046.1	123.8	1.6
Victoria	6 526.4	139.4	2.2
Queensland	5 052.8	89.9	1.8
South Australia	1 742.7	14.6	0.8
Western Australia	2 606.3	24.0	0.9
Tasmania	531.5	6.5	1.2
Northern Territory	245.9	-1.0	-0.4
Australian Capital Territory	423.8	7.6	1.8
Australia(a)	25 180.2	404.8	1.6

Australia's ERP 31/12/2018 (Australian Bureau of Statistics, 2018).

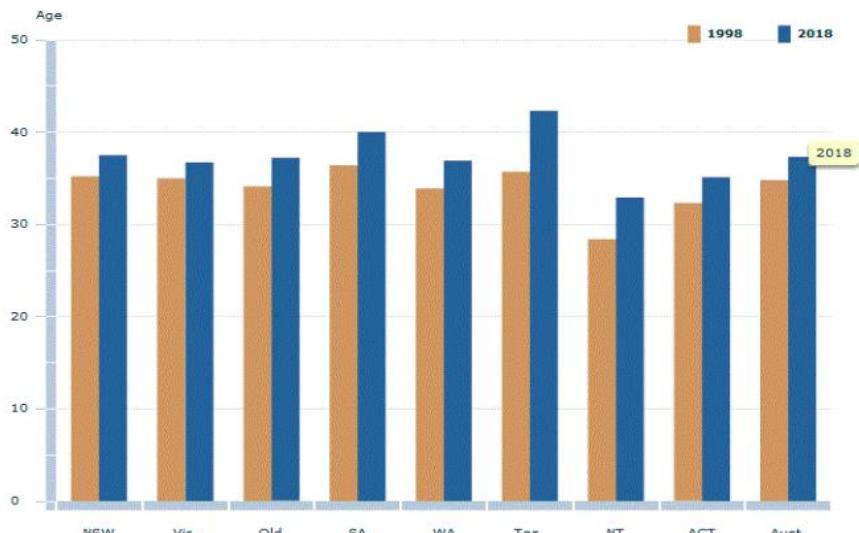
Despite the fact that Australia is a vast geographical area, it is important to notice that 89.55% of Australian populations live in urban areas, with 66% living in capital cities:

1. Sydney - 5.23 million
2. Melbourne - 4.96 million
3. Brisbane – 2.46 million
4. Perth - 2.06 million
5. Adelaide - 1.34 million

The population of Australia consists of a unique composition. In 2018, there were 7.3 million migrants living in Australia. This means that 29% of the population was born abroad. The majority of the migrants are born in the following countries:

- England (992,000) continues to provide the largest group of overseas-born people living in Australia. However, this has dropped from a peak of just over a million (1,013,000 people) in 2013;
- China (651,000) remained in second place from 2017 with strong growth since 2002;
- India (592,000) moved into third place dropping the New Zealand born population (568,000) down to the fourth place.

The median age of the Australian population has increased by two years over the last two decades, from 35 years at 30 June 1998 to 37 years at 30 June 2018. Between 30 June 2017 and 30 June 2018 the median age remained steady at 37 years.



Population structures of Australia, Country of birth, age and sex – 30 June 2018 (Australian Bureau of Statistics, 2018).

Australians live longer than ever before, but half of the population lives with at least one chronic condition. Many of these chronic conditions such as overweight and obesity, insufficient physical activity, smoking and alcohol consumption are related to lifestyle factors.

Overweight and obesity - defined as abnormal or excessive fat accumulation - is a major public health problem in Australia. Obesity is one of the main causes of disease and premature death in Australia. Australia's measured obesity rate ranked ninth in 2016 among Organisation for Economic Co-operation and Development (OECD) countries. In the same list, Belgium was ranked as twentieth. By 2019, 69% of Australians aged 18 and over are estimated to be overweight or obese. Over the past two decades, the proportion of Australians with a healthy body weight has decreased, and the proportion of obese Australians has increased. Of concern is the growing rate of severe obesity (body mass index, or BMI, of 35 kg/m² or above), which almost doubled between 1995 and 2014–15. This growing obesity trend has costly consequences for the individual and for the Australian economy and health care industry.

1.2 ECONOMIC FACTORS

Australian GDP has grown for the last 26 years, with a growth rate above the OECD average, confirming the successful transition from the largest resources investment boom in Australian history to a broader-based growth. Official data reveals that the GDP growth reflected the strong performance of 15 out of 20 industries, with mining, agriculture, forestry and fishing and professional scientific and technical services greatly performing.

Presenting a GDP of A\$1.69 trillion as of 2017 and a 2019 GDP estimated growth of 1.7%, the Australian economy is based on services for 59%, construction for 9%, manufacturing for 7%, mining for 6% and retail trade for 5%.

- Official cash rate 0.75% (following recent Australia's central bank cut by 0.25%).
 - Unemployment rate 5.3% and expected employment growth 2.9%. Employment to population ratio 63%.
 - Inflation rate 1.7%
 - Average weekly earnings \$1,238 (approx. €757) with a household saving ratio of 4.8%
- <https://rba.gov.au/snapshots/economy-indicators-snapshot/>

Exchange rate Euro: 0.6253 (in Units of foreign currencies per Australian dollar).

<https://rba.gov.au/statistics/frequency/exchange-rates.html>

The Australian cost of living stands as one of the highest with a Consumer Price Index (CPI) of USD 110 (in Belgium USD 104). As a practical example, compared to an USD 123 value shopping basket in Australia, you can buy the same products in Belgium for only USD 100 (approx. € 115 versus € 93). This is also an indication of the Purchasing Power, which is worth USD 1.45 in Australia and USD 0.8 in Belgium (OECD, 2017).

Australia's political stability, transparent regulatory system and sound governance frameworks underpin its economic resilience. Ranked in the global top five on the Index of Economic Freedom, Australia's effective governance provides multinationals with a safe, secure business environment.

Australia offers:

- a business environment that is ranked 14th out of 190 economies for ease of doing business (WB report 2020)
- a robust regulatory system noted for its stable institutional frameworks and strong finance and banking regulations
- competitive rates for office space and the remuneration of professionals
- a quality of life that is rated the seventh highest in the world.

In terms of purchasing power, consumer behaviour and multi-ethnic properties, Australia is somewhere between Europe and the US. In addition to Aboriginal and Torres Strait Islander peoples, the Australian population consists mainly of European immigrants. Australia is also a relatively young country, which means that it has many cultural similarities with the US, e.g. in terms of lifestyle or marketing. Economically stable, resilient and diversified, Australia is a low-risk environment in which to do business. Investors in the agribusiness and food industries will find a transparent regulatory environment and close trade and cultural links to the Asia-Pacific region.

1.3 POLITICAL FACTORS

The Australian government encourages citizens to consume healthy food and nutrition. Following a nutritious diet can reduce the risk of diet-related chronic disease and improve well-being for people that are living with an ongoing illness. The Australian government has launched several initiatives to support the Australian population to eat healthily:

1. The [Australian Dietary Guidelines](#) provide evidence based recommendations on the types and amounts of food Australians should eat to meet nutritional requirements. The Guidelines are supported by the [Australian Guide to Healthy eating](#). The Guide shows the five food groups and the recommended nutrition amounts needed;
2. The [Healthy Weight Guide](#) helps Australians achieve and maintain a healthy weight and addresses [obesity and overweight](#);
3. The [National Healthy School Canteens Guidelines](#) helps schools make healthier food and drink choices;
4. The [Health Star Rating](#) is a labelling system that rates the nutritional value of packaged food from one star to 5 stars so consumers can quickly compare similar foods;
5. [Healthy Food Partnership](#) is a collaborative effort across the food industry and public health sector to tackle obesity by making healthy food choices easier and more accessible;
6. [Eat for Health](#) is a website that contains key resources from the Australian Dietary Guidelines to support educators and the general public;
7. [Nutrient Reference Values](#) is a set of recommendations for nutritional intake based on scientific evidence;
8. [Get Up & Grow](#) supports early childhood education and care settings (centre based care, family day care and preschools) to implement healthy eating and physical activity guidelines.

1.4 SOCIAL FACTORS

Finally, it is also interesting to see how the population deals with nutrition from a social point of view. Research conducted in 2017 by Food Trends Report maps out the nutritional behaviour: although it is common to complain about the unhealthy eating habits, research suggests that Australians actually eat better than they get credit for. The Food Trends' research suggests that 82% of Australians have changed their eating habits in the past five years, with 86% trying to be more health-conscious. Over one in two Australians claim to eat healthier than they did five years ago. The study also maps out purchasing habits, suggesting that 97% of Australians shop at large supermarkets. Smaller markets including farmer markets are also quite popular, with about 50% surveyed visiting them. Only 18.2% shop online. The average family spends around AUD 4,500 a year following a healthy diet.

2 FOOD AND BEVERAGES INDUSTRY IN AUSTRALIA

The food and beverages industry is an important sector for the Australian economy in both financial contribution and employment terms. Food and beverage processing is Australia's largest manufacturing industry. Industry players are diverse in size - from multinationals producing large quantities of fast-moving consumer goods to smaller players with flexibility to meet demand for niche gourmet products. The industry is very dynamic and is driven by demanding consumers looking for diversity, quality and value.

2.1 RESEARCH & DEVELOPMENT

The success of the Australian agribusiness and food industry is underpinned by innovation from farm to fork. Australia has a rich ecosystem of university research excellence, a booming venture capital market and new incubators and accelerators in the AgTech and FoodTech industries. Global food corporations and advisory firms are increasingly engaging with the ecosystem to connect to new ideas generated in Australia at seed stage. The integrated relationship between farmers, industry and researchers institutions creates dynamic investment and collaboration opportunities for international enterprises. Throughout the supply chain, the Australian food and beverage industry engages in innovative manufacturing, packaging, product development and marketing activities. Excellent R&D facilities, both in the public and private sectors, help the innovation process by facilitating development of new and differentiated products. Next to it, it also brings continual improvements to packaging and production processes.

[Please contact [FIT Melbourne](#) for a list of the main government-supported and private organisations]

In 2018, Australia was ranked 14th in food patenting globally – a performance comparable with Canada and Sweden. The Australian Government invested AUD 10.3 billion in research and experimental development in 2017-18. According to figures of 2016, the private sector is also committed to R&D with business expenditure accounting for 54% of Australia's total R&D expenditure. Australia's R&D spending makes it one of the world's most important innovative countries, amongst the US, Japan, Germany and South Korea. R&D expenditure has increased on average by 8.5% per year in real terms since 2000, well above the OECD average growth rate of 4.8%.

Australia's industry-led, government-supported research programs in FoodTech offer opportunities for international R&D and commercialisation cooperation. Global food companies can also incorporate Australian technologies into their business to improve production efficiency, reduce costs and promote the development of products with new differentiated characteristics.

2.2 AGRICULTURAL INDUSTRY

The national agricultural industry is resilient and well adapted to the changing Australian climate. Often this is because they can offset the losses against profits in other areas. However, extreme drought in the past years has been devastating for those affected.

At a national level, the volume of farm production in 2018–19 is expected to decrease by 6%, driven by an 11% reduction in the volume of crop production. The drought in the eastern states significantly reduced the 2018–19 winter harvest, but one of the largest Western Australian harvests on record has provided a buffer to the national total. The volume of production of livestock and animal products is expected to decline by 2% in 2018–19 as a result of several factors. Milk and wool production have been affected by the drought, and a significant decline in live animal exports also contributed to the decline. This is mainly due to the cessation of live sheep exports during the summer months in the northern hemisphere.

Floods in Queensland in February 2019 could also reduce live cattle exports. Despite the increase in beef and mutton production, growth in total meat production is expected to be limited by the rebuilding of the herd and livestock.

In 2018–19, the value of agricultural production is expected to decline by 4% to USD 58 billion. Improved raw material prices mitigate this decline. International and domestic crop prices have been rising from low levels. Grain prices are expected to increase on average by 11% in 2018–19, contributing to a 3% increase in farm gate price rises. Strong export demand for wool and mutton contributes to a small overall increase in the prices of livestock and animal products.

2.2.1 Industry 4.0

Like in the rest of the world, agriculture is increasingly faced with challenges in Australia. In addition to climate change challenges, waste and sustainable production are also aspects that Australia needs to think about. In order to address these issues world agriculture is currently in the early stages of a new era: Agriculture 4.0. Characterized by automation, artificial intelligence, robotics, data exchange and cognitive computing, Agriculture 4.0 will try to meet the challenge of feeding the growing world population. This wave of agricultural technologies will benefit Australian and global producers. Ideally, domestic farmers will be able to invest in technologies that are suited to Australia's conditions and to count on the support of private and public bodies in implementing them. Digital agriculture, genetically modified seeds, farming methods are three aspects that will be highlighted in the following sections.

2.2.1.1 Digital agriculture

As with the previous three, the focus of the fourth industrial revolution will be on automating manual tasks. In an agricultural context, a significant proportion of the agricultural workforce is already automated through equipment such as harvesters and spreaders. However, the next wave of technology will integrate cognitive data processing and communication between devices as part of the Internet of Things. In addition to automating manual tasks, technology will play a greater role as a problem-solver, presenting information from large datasets on which farmers can base their decisions. Digital agriculture has the potential to significantly increase the gross value of production. Grains, horticulture and forestry can benefit most from digital farming techniques.

One manifestation of digital agriculture is precision agriculture, which uses technology and data to make farming more accurate. Large amounts of data can be gathered from the multitude of farms using precision agriculture systems and tools, including soil sensors, tractors, harvest equipment, GPS and yield monitors. This data is then analysed and used, through software systems, to inform localised decisions. Many of the technologies used in precision agriculture are not all that new. However, using all these devices and equipment in conjunction with each other, often with devices communicating directly, will allow them to be used more effectively. Precision agriculture technologies provide the potential to increase farm automation, as farm equipment and devices communicate with each other to analyse data.

A newer frontier for automated machinery is fruit and vegetable pickers. Traditionally, picking technology has not been applied to many fruit and vegetable crops, as rough machine handling would spoil produce. Engineering innovation is allowing machines to be gentler, facilitating the development of apple picking and strawberry picking robots. These machines would greatly reduce labour input. Automated machinery is anticipated to place downward pressure on crop growing sector employment over the next five years.

2.2.1.2 Genetically modified seeds

Food and crop diseases cause general losses of 20–40% of horticultural crops and 10–15% of grains worldwide. While Australia is relatively free from food and crop diseases due to its high import standards, losses to disease still occur. Genetically modified (GM) crops can offer immunity against many pests and diseases, presenting an opportunity for the crop growing sector.

Relaxing GM laws would provide several opportunities to farmers. Currently New South Wales, South Australia, Tasmania and the Australian Capital Territory have full or partial moratoria on the cultivation of all GM crops.

In Australia, the only legal GM crops, apart from temporary licences and trials, are cotton, canola and safflower. Notably, farmers of these crops have benefited from using GM seeds. Given Australia's likely water availability challenges in the coming years, crops more resistant to drought would significantly benefit farmers and generate demand.

2.2.1.3 Farming methods

Under cover (indoor) farming

Under cover farming, also called indoor farming or protected farming, involves crop production in a semi-controlled to controlled environment. Most commonly, under cover farming uses greenhouses to moderate climatic conditions to improve factors such as crop reliability, yield and quality. This is achieved by controlling atmospheric conditions, such as humidity or carbon levels. These under cover farms are typically smaller than outdoor farms, but larger than hydroponic farms. Mushrooms are the most commonly grown crop using soil-based under cover growing methods as they thrive in humid environments, which can be regulated by greenhouses. Among well-established operators, under cover farm profit margins are typically higher than those for their outdoor farming counterparts in an average season.

Vertical farms have been touted as the next big method of farming. The benefits of vertical farming include reduced transport and storage costs, negligible pesticide use and fresher produce on plates. However, vertical farming has proven very difficult to upscale. Utility costs for vertical farms remain much higher than for broadacre farms, and maintaining consistent quality across larger vertical farms takes highly skilled workers. While improvements are being made in upscaling vertical farm operations, some see these farms as a symbolic gesture to garner more support and interest about where food comes from, and how food is produced.

Hydroponic farming

A subset of indoor farming, the hydroponic farming industry has significant growth potential. Hydroponic farming has many benefits, including reduced chemical usage, up to 90% less water usage (due to easy recycling) and consistent, high-quality output. In addition, hydroponic farming operations can be highly profitable once the initial capital outlay is covered. Hydroponic farming involves circulating nutrient-rich water around plant roots. The plants are often photosynthesised, or fed, by LED lights, which have declined in cost. As hydroponic growing environments are highly controlled, produce quality is consistently high, which boosts industry margins. However, hydroponic farms are much more labour-intensive than broadacre farms, which makes upscaling difficult.

Industry revenue is forecast to rise at an annualised 5.8% over the five years through 2023-24, to \$600.5 million. While small compared with broadacre farming industries, the Hydroponic Farming industry has been steadily expanding in Australia over the long term. Australia is a highly arid land and using this land to grow crops was previously unthinkable, but hydroponic farming can allow Australia to expand its produce output, even as the continent becomes hotter and drier.

2.3 PROCESSING INDUSTRY

Australia's food processing sector is a particularly important part of Australia's total food and beverage production. It has grown at a very healthy rate over the past decade. The Australian food processing industry also does not follow the general downward trend of Australian manufacturing and there are opportunities in the subsectors of the industry.

As a result, food processing is still the largest manufacturing industry in Australia today. Food processing has long been influential on the manufacturing industry, with an effect far outweighing that of any other subsector. Recent shifts in the composition of manufacturing work have led to food and beverages becoming even more central to the future of Australia's most influential industries. The industry has responded very quickly to consumer demands and trends, which has happened recently with the aim of providing better, healthier, fresher and less processed food, with minimal storage time. Fast-growing subsectors are those that focus on producing food products for specific market segments rather than generic commodities. Australia has a reputation for supplying clean and natural products with low chemical residues. Quality and safety are paramount with strict safety standards that are regulated and enforced throughout the supply chain. The processing industry is also responding well to changing consumer preferences that focus on regional origin, convenience, health awareness and environmental and animal welfare considerations.

The processing industry has an annual revenue of AUD 387 billion with more than 80,000 businesses in Australia. The import sector is worth AUD 241.4 billion and the export sector is worth AUD 103.4 billion.

Through the development of new technologies and innovations in food processing, separation and packaging technologies and innovations, Australia continues to be a global leader in the food industry. Combine these strengths with a reliable supply of high quality raw materials, a strong food safety regime through Food Standards Australia New Zealand (FSANZ), an environment that stimulates creativity, innovation and collaboration, and Australia is an ideal location for investment all along the chain. The Australian industry, which is internationally recognised for the production of high quality processed foods, is export-oriented and has a great deal of experience in adapting products to the needs of the consumer. And importantly, for a higher-wage country like Australia, lower labour dependency subsectors of the food processing industry will become more cost competitive and resilient to competition from cheap imports. International companies recognise the above elements and most of the world's leading food companies, including Nestle, Unilever, Associated British Foods, DSM, Danisco, Parmalat, Mars, McCains, Simplot, and Hakubaku are present in Australia, many of them for decades.

2.4 KEY PLAYERS

Behind every food and beverage product on the shelf is a supply chain journey that starts with ingredients. The Australian food industry is an intricate maze of ingredient and packaging suppliers that have different supply chain management solutions. Some actors compete with each other in the supply chain, thus excluding each other, while for others actors the supply chain is much more extensive. In general, the industry is supported by reliable, high-quality transport and distribution infrastructure. FIT Melbourne will go into this in more detail by explaining how each actor performs in the supply chain and how the international market affects the actors.

2.4.1 Manufacturers

Manufacturers of raw materials constitute a prime market for many primary producers. Increases in vertical integration across agricultural segments have blurred the lines between agricultural producers and processors. Nevertheless, manufacturers play a significant role in the Australian food and beverages industry.

Manufacturers and processors in Australia are constantly threatened by cheaper imports from low-cost manufacturing countries. However, the strong growth in export demand for beef and other animal products has boosted demand from meat processors. Consequently, this market has grown over the last five years as a share of sector revenues.

2.4.2 Distributors

Distributors frequently have a business relationship with manufacturers that they represent. Many distributors maintain exclusive buying agreements that limit the number of participants or enable distributors to cover a certain territory. The distributor is the manufacturer's direct point of contact for prospective buyers of certain products. However, distributors rarely sell a manufacturer's goods directly to consumers. Due to the very large amount of each product they have on hand or their ability to acquire from manufacturers directly, distributors tend to work with wholesale representatives that will buy large quantities of one product. Sometimes, though, distributors work directly with retailers.

As Australia has a very diverse population, the ethnic and cultural diversity of Australia is reflected in the food range available. Many speciality products have European, Asian and Middle Eastern influences because of the migrants' background. As a consequence, there are many international distributors of different cuisines represented in Australia.

2.4.3 Wholesalers

Wholesalers buy a large quantity of products directly from distributors. High-volume purchase orders typically improve a wholesaler's buying power. Many distributors provide discounts for a certain number of items purchased or the total amount spent on merchandise. Although there has been an increase in the trend for wholesale bypass in Australia over the past decade, wholesalers remain a significant market for the sector. In bypassing wholesalers, supermarkets seek improvements in efficiency and profitability by removing middlemen; increased control over product quality; and creation of a 'paddock-to-plate' approach, which taps into consumers' preference for natural, safe and high-quality food. Supply contracts can be important in stimulating demand for wholesale dairy products. Nevertheless, wholesalers maintain a prominent presence supplying food-service establishments and independent food retailers with a wide range of products, meaning both primary producers and processors continue to sell to the wholesale market. Establishments such as hospitals, clubs, pubs, restaurants, cafes and prisons are significant customers of the wholesale market. Additionally, wholesalers represent a key route for farm output to reach export markets, particularly for grain and other crops. This market has declined as a share of revenue over the past five years, due to increasing direct links between producers, manufacturers and supermarkets in the retailing supply chain.

While international trade data is not counted at the wholesale level, in general the wholesaling industry displays a low level of industry globalisation. However, the industry is exposed to global trends through the products it buys and sells. Given the high number of small to mid-size businesses within the industry, foreign ownership is minimal. The influence of globalisation on the industry is largely limited to the price of products traded to and from overseas markets. Demand and supply constraints across world markets largely determine these prices. The world's largest agricultural division now belongs to China, as the country's economy continues to expand. China's economic growth has most significantly affected wholesale exporters, as lower-priced Chinese exports are capturing market share from Australian exporters.

2.4.4 Food-service operators

Food-service operators include actors that deliver directly to cafes, coffee shops, restaurants, caterers, hotels and fast-food outlets. As a preliminary point, it should be emphasised that the supply chain for food-service operators is complex. The aspect of distance also plays a part when food and beverages suppliers want to reach the various food-service operators in cities and regional areas with their produce and products across a continent. There are six ways food-service operators are distributed in today's market. These include:

1. Direct distribution by manufacturers;
2. General distributors;
3. Specialist distributors/wholesalers;
4. Cash & carry;
5. Supermarkets;
6. Other retailers.
- 7.

The foodservice sector counts for AUD 57 billion in 2018. The food-service industry is a very niche market and is subject to trends.

As explained above, the food service industry is very multicultural. This creates international opportunities for specialised food distributors to supply their products to different cuisines.

2.4.5 Retailers

This market comprises all operators that sell transformed agriculture food products directly to consumers, this can either be supermarkets/specialised retailers, HORECA operators and e-commerce. Despite the importance of retailers to wholesalers, the majority of sales to this market originate from manufacturers. This is because many manufacturers are vertically integrated and are becoming increasingly involved in distribution to downstream customers. This is particularly true for large food-service customers, such as fast-food chains like McDonald's and KFC. This trend has contributed to this market growing as a share of total sector revenue over the past five years. The retail market accounts for approx. AUD 115 billion.

The industry displays low globalisation. Depending on the highly perishable nature of the product involved, the level of imported or exported products varies. In addition, there is a low level of foreign ownership in the industry, however industry players have expanded into foreign markets over the past decade.

2.4.5.1 Supermarkets

Supermarket chains are becoming an increasingly important market for the sector due to their increasing influence on the supply chain. The most important food retailers are Woolworths and Coles (the two main supermarkets), independent supermarkets and grocery stores like the IGA network, along with specialised retailers such as butchers and fishmongers. Supermarket chains Coles, Woolworths and ALDI have reduced their reliance on wholesalers over the past five years thanks to direct purchase agreements with vertically integrated food manufacturers. The increase in private label production by manufacturers for the supermarket chains has further reduced supermarkets' need for wholesalers and increased their direct interaction with food manufacturers. This reduced reliance on wholesalers means that market share previously held by wholesalers is now accounted for in the supermarket chains market. Consequently, this market has increased as a share of sector revenue over the past five years.

The supermarkets and grocery stores industry is one of the most competitive industries in Australia. The rapid expansion of ALDI over the past five years has significantly altered the business landscape of the sector, with the popularity of ALDI's low-cost private-label products underpinning strong growth. The rise of ALDI has forced the two established industry giants, Woolworths and Coles, to cut prices and expand their private-label product ranges in response. Woolworths initially struggled to compete on price against ALDI and Coles, losing market share in 2015-16. However, Woolworths has invested heavily in lowering grocery prices following the sale of underperforming businesses not included in the industry, and the company has since improved its performance. Woolworths' refocusing on its Australian Food division has put pressure on Coles, slowing its revenue growth over the past five years. Smaller supermarket chains, such as FoodWorks, are struggling to compete in an increasingly price intensive industry. In total, the industry's profit margins have declined over the past five years as players have lowered prices and accepted lower margins to stay competitive.

However, the industry has continued to grow over the period, with revenues expected to increase by 2.1% annually in the five years through 2018-19, to \$103.4 billion. The sector's revenues are expected to remain stable in the current year. Industry revenue is forecast to grow at an annualised 2.0% over the five years through 2023-24, to \$114.4 billion.

Large foreign companies, such as Amazon's grocery division, AmazonFresh, and the Germany-based Schwarz Group's supermarket brands, Lidl and Kaufland, will further intensify competition when they enter Australia's market over the next five years, although AmazonFresh has not publicly stated its intention to set up a presence in Australia. Online grocery sales are anticipated to grow in importance over the period, with the major players expected to expand their online sales offerings in response to the projected arrival of AmazonFresh.

2.4.5.2 HORECA

HORECA (Hotel Restaurant and Catering) is the sector of the food service industry that consists of establishments which prepare and serve food and beverages directly to consumers. Australia's propensity to eat out is among the highest in the world. Australia offers an eclectic mix of cuisines, which are fully embraced into national culture. Well established education and training facilities catering to the food and beverage industry also create an exceptionally skilled and adaptable workforce with specialised skills in the sector.

The HORECA sector in Australia posted positive value growth in 2018. Data shows that in the last two decades Australians have made eating out a way of life. Nearly two thirds of the population over the age of fourteen eat out at least once a month. The country also remained attractive to tourists, who represent a large and diverse consumer base. The sector is very subject to trends. In 2018, the following trends were noticed:

1. Healthy eating is still on the rise;
2. Breakfast & brunch;
3. Partly & fully prepared foodstuffs;
4. Café & pub dining;
5. The rise & rise of the hamburger;
6. Gluten free steady growth from very low base;
7. New & innovative products;
8. Multicultural cuisines;
9. Higher supplier margins within foodservice compared to retail.

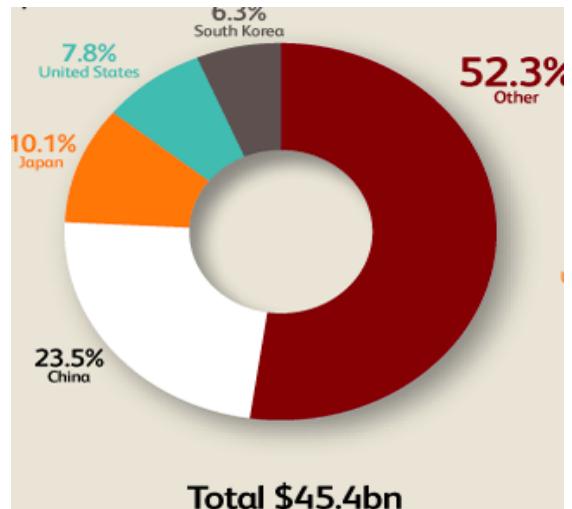
Independent full-service restaurants and cafés/bars continue to make up the vast majority of consumer foodservice establishments, which is a complete contrast to other countries, such as the US and UK, where international or national franchises and chains predominate, especially in the cafés/bars, mid-priced segment in full-service restaurants and limited-service restaurants categories.

2.4.5.3 e-Commerce

Grocery and food delivery are both becoming more and more popular. Changing lifestyle trends have driven the popularity of food delivery services over the past five years. With increasingly busy lifestyles, food delivery services offer a way for consumers to save time.

The online grocery sales industry is yet to achieve the scale of the overall online retail sector, but it has significant potential for growth and has begun to make inroads over the past five years. Industry revenue is expected to rise at an annualised 21.7% over the five years through 2018-19, to total AUD 3.3 billion. This trend includes an increase of 24.6% in the current year. Despite an initial reluctance to shop for groceries online, demand has grown strongly over the past five years. Online grocery retailers are increasingly targeting busy tech-savvy consumers that appreciate the convenience of being able to order at any time for direct delivery.

As a consequence, major retailers are increasingly investing in their online grocery platforms to boost consumer demand. For example, the introduction of click and collect services has been a revelation for the industry. Consumers have demonstrated a notable preference for these services, with in-store pickups allowing them to inspect purchases and buy supplementary items if necessary. A significant increase in demand for these services has boosted industry revenue and allowed major players to reap economies of scale benefits. Strong demand growth, particularly in the meal kit segment, is anticipated to drive the industry's expansion over the next five years. Overall, industry revenue is forecast to grow at an annualised 10.9% over the five years through 2023-24, to total AUD 5.5 billion.



For the food-service sector, the trend of food delivery is different for each type of foodservice. The Restaurants industry has benefited from the proliferation of food delivery services, with industry revenue expected to increase by an annualised 3.5% over the five years through 2017-18, to reach \$20 billion. Australia is continuing to embrace the ease and convenience of food delivery. In fact, almost two million Australians aged 14+ (9.8 per cent) use meal delivery services in an average three-month period. The popularity of food delivery services has changed the way restaurants are run. Some restaurants now only sell their products through food delivery apps, created delivery-only menus, adjusted their opening hours or introduced separate service counters dedicated to food delivery couriers. However, the popularity of food delivery services presents a threat to more expensive restaurants that are unwilling or unable to have their food delivered. Fine dining restaurants have sought to counteract this trend by providing a unique restaurant experience.

The Fast Food Services industry in Australia is yet to fully take advantage of the food delivery boom. Although this industry has grown over the past five years, increasing health consciousness is anticipated to stifle demand and constrain revenue growth over the next five years. In an attempt to maintain growth and take advantage of the strong demand for food delivery, several major fast food players are starting to enter the delivery game. In today's crowded market, integrating with a food services app can give food service providers a major competitive advantage. Businesses that choose not to keep up with this trend risk getting left behind.

2.5 EXPORT

Export accounts for a significant percentage of revenue for many product segments. Australian agricultural and processing producers have traditionally exported many products, such as wheat, live cattle, meat and wool. Australia is a net exporter of fresh fruit and vegetables, grains, beef and lamb. Australia's strategic location, strong trading ties and the counter season advantage offer international companies an ideal base to build sustainable export businesses.

Sectoral exports are expected to increase by 1.5% annually over the five years through 2018-19 to 16.1% of sector revenue. Grains, wool and cotton are among the highest exports at the farming level. Processed red meat, ground sugar and grains are the highest agricultural exports at the processing level. Primary export destinations include China, Japan, South Korea and the United States, with a growing share of exports in Asia due to rising income and purchasing power in the region. Free Trade Agreement (FTA) with South Korea, Japan and China that came into effect between December of 2014 and 2015 have increased the share of export revenue derived from these markets. This trend is expected to continue as tariffs continue to fall according to arrangements under the FTAs, such as the agreement with Indonesia signed in March 2019. Currently, the food industry is internationally oriented with exports to more than 200 markets.

Australian total export to Flanders consisted of EUR 842,170 million in 2018. Vegetable products represented the second largest export to Flanders, worth EUR 271,447 next to mineral products which were worth EUR 377,836 million. Food & beverages represent the eighth largest export segment, accounting for EUR 9,016 million with a decrease of 24.25% between 2017-2018. For Australia, Belgium is a major trade gateway to the European Union's member states, but in particular to the three countries with which it shares a border – Germany, France, and the Netherlands.

2.6 IMPORT

Overall, various regulatory authorities have the ability to refuse entry to operators that do not meet the relevant Food Standards (to be discussed in section “3.2 Non-tariff barriers”). The highest barriers to entry exist in those segments that deal directly with the handling and processing of food, particularly meat and other hygiene-sensitive products. Strict government regulations regarding food safety requirements apply to these businesses. Imports are skewed towards products not grown or produced in Australia, and filling seasonal domestic supply shortages. Imports at the processing level are much higher due to reduced complications caused by perishability. Processed fruit and vegetables, fertiliser and processed seafood are the greatest contributors to imports in value terms.

New Zealand is a key source of food imports, primarily due to its geographic proximity and FTA with Australia. Other sources of imports include the United States, China and Singapore, which is a global trade hub. Imports have trended upwards over the past five years due to increased trade ties with low-cost manufacturing countries, such as China. Total agribusiness imports are expected to grow at an annualised 4.7% over the five years through 2018-19, to account for 7.4% of domestic demand.

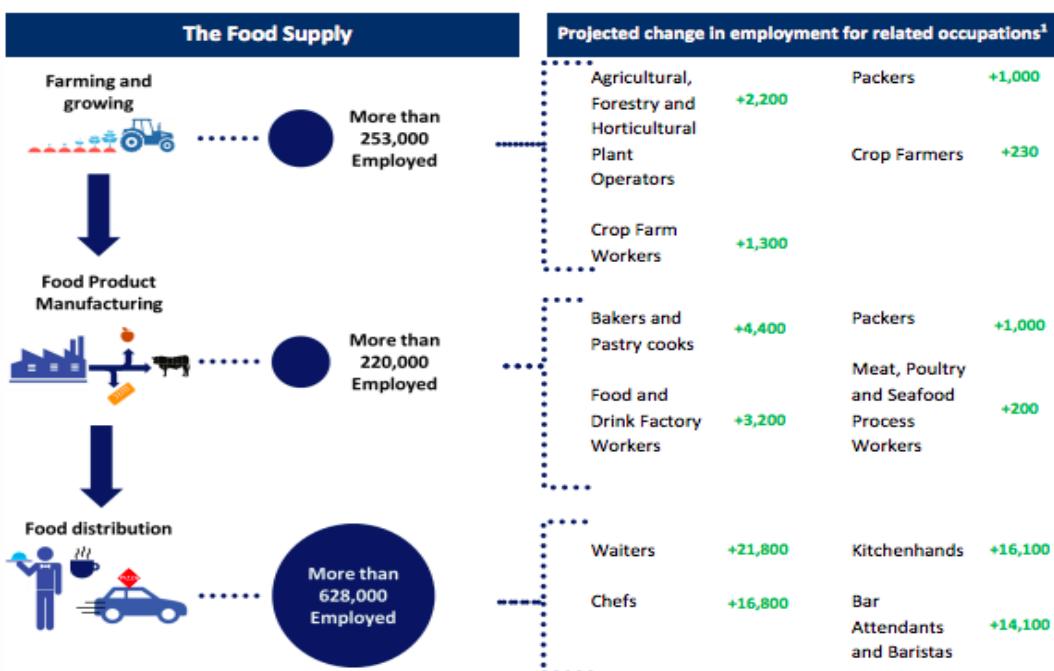
Total Belgian export to Australia was worth EUR 1,650,173 billion in 2018. Food and beverages export to Australia contributed EUR 97,347 million in 2018 with a growth of 12.51% (more details about Belgian export to Australia in section “5 Import from Belgium to Australia”).



2.7 EMPLOYMENT IN FOOD AND BEVERAGES INDUSTRY

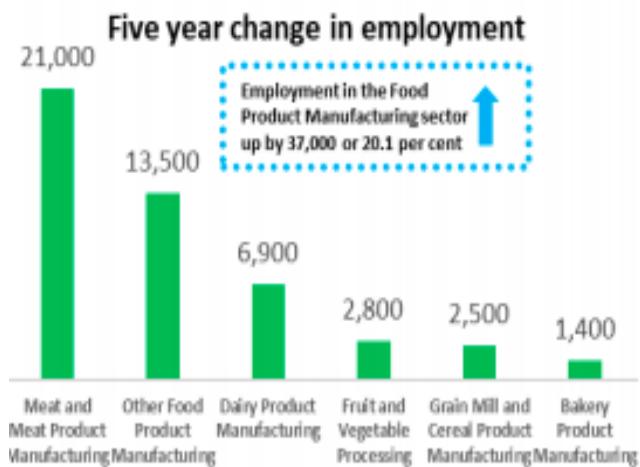
The food and beverage sector is a major industry sector for the Australian economy, in terms of both its financial contribution and employment. Industry players are diverse in size - from multinationals producing large volume, fast-moving consumer goods through to smaller players with flexibility to meet demand for niche gourmet items.

An overview of labour market conditions in the sector is provided by the figures from the Department of Jobs and Small Business for the November 2018 quarter and the 2018-2023 employment projections.



Labour market conditions in the food product manufacturing sector, 2017-18

In the past five years the employment in the Food Product Manufacturing sector went up by 37,000 or 20.1%.



Labour market conditions in the food manufacturing sector, 2017-18

3 AUSTRALIAN FOOD AND BEVERAGES REGULATION

Australia has a high standard when it comes to food and beverages quality. This is due to a number of policies of the Australian Government has adapted to develop and assist Australian businesses involved in the food and beverages industry.

Regulation also applies to international trade, to protect domestic industries, consumers, and the environment from harmful and dangerous goods imported from overseas. Australia has strong trade ties with the rest of the world. Its location has allowed Australia to become a major supplier to markets in the Asia-Pacific region. Further information around Australian food regulation, divided into tariff barriers and non-tariffs barriers is provided below.

3.1 TARIFF BARRIERS

Goods imported in Australia require classification. Declaration procedures are based on self-assessment by importers. Declarations must be made to the Australian Border Force, which also enforces import restrictions. Australia has commitments under the World Trade Organisation (WTO) on tariffs and tariff quotas, export subsidies and domestic support for agricultural products.

All import duties can be checked on the website of the Australian Customs www.border.gov.au/Busi/Tari. It uses the international custom code based on the harmonised system (the 'chapter' numbers correspond with the beginning of the NACE codes). Belgium has no preferential import duties with Australia.

3.2 NON-TARIFF BARRIERS

In addition to the tariff barriers, food and beverages imported into Australia must comply with strict biosecurity requirements and the Food Standards Code. Food and beverages entering Australia are also subject to the Imported Food Control Act 1992. Under this legislation, imported food is inspected and controlled using a risk-based border inspection programme, the so-called Imported Food Inspection Scheme, which is administered by the Department of Agriculture.

3.2.1 Biosecurity requirements

To protect Australia's unique environment from unwanted pests and diseases, the Department of Agriculture regulates products imported into Australia. The import of some products is subject by law to certain biosecurity import conditions. Some products may not be imported, while other products may only be imported into Australia if they comply with import conditions that reduce the risk of biosecurity. This may include an import permit requirement.

Importers can use the Biosecurity Import Conditions system (BICON) to determine whether a product is allowed for import into Australia. BICON will provide information on whether the product is permitted or has to meet more requirements.

From 9 April 2018, the Department of Agriculture will no longer facilitate the clearance of conditionally non-prohibited goods arriving without the required import permit. It is the responsibility of importers to comply with the import conditions of the Department on arrival into Australia. Most import permits will be issued within 20 working days of receipt and full payment of applications.

3.2.1.1 Importing meat products

FIT Melbourne will go in more detail about importing meat in to Australia, as the biosecurity requirements regarding meat are very strict in Australia.

Meat products that have been cooked and are processed meat or manufactured meat are classified as risk food and need to be tested by 'risk food sampling' (see section "3.2.11. Risk food sampling" below). This includes meat from buffalo, camel, cattle, deer, goat, hare, pig, poultry, rabbit or sheep.

Processed meat is a meat product containing no less than 300 g/kg meat, where the meat (either singly or in combination with other ingredients or additives) has undergone a method of processing other than boning, slicing, dicing, mincing or freezing and includes manufactured meat and cured and/or dried meat flesh in whole cuts or pieces. (Standard 2.2.1—Meat and meat products of the Australia New Zealand Food Standards Code).

Manufactured meat is processed meat containing no less than 660 g/kg of meat. (Standard 2.2.1—Meat and meat products of the Australia New Zealand Food Standards Code).

Food excluded from hazard testing (see section "3.2.11.2. Hazard testing" below):

1. Food containing less than 300 g/kg of meat.
2. Cooked and processed meat that is not ready-to-eat; for example, meat that must be further cooked before consumption such as frozen meals or smoked bacon.
3. Cooked and processed meat that is dried so that the meat does not require refrigeration (e.g. cooked jerky).
4. Retorted food, where—the final product is in a hermetically sealed (airtight) container and has been heat treated (retorted) within this container so that the final product is shelf stable (not requiring refrigeration).

Bovine spongiform encephalopathy (BSE) requirements are not excluded. Refer to the [BSE food safety requirements for beef](#).

Examples of cooked processed or manufactured meat include:

1. Frankfurters
2. Meat pâté
3. Luncheon meat
4. 'Pulled' pork.

Risk food sampling

When goods are referred for inspection and testing, an authorised officer will take:

- Samples for each product type
- Five sample units per lot for analysis.

Please have a look at [Imported Food Notice 03-11 Food sampling under the Imported Food Inspection Scheme](#) for detail on sampling.

Hazard testing

The following table shows risk food tests applied to imported cooked meat that is manufactured or processed and is ready-to-eat. The table also includes the permitted results.

The analysis for *Salmonella* spp. will apply at a reduced rate.

Table 1 Hazard, test applied and permitted result

Hazard	Test applied	Permitted result				
		Test	n	c	m	M
Microorganisms	<i>Listeria monocytogenes</i> , <i>Salmonella</i> spp.	<i>Listeria monocytogenes</i> /25 g	5	0	0	
		<i>Salmonella</i> spp./25 g	5	0	0	
		<p>n = the minimum number of sample units which must be examined from a lot of food</p> <p>c = the maximum allowable number of defective sample units i.e. that have counts between 'm' and 'M'</p> <p>m = the acceptable microbiological level in a sample unit</p> <p>M = the level which when exceeded (i.e. the level is greater than M) in one or more samples would cause the lot to be rejected</p>				
	Label and composition assessment	Food Standards Code chapters 1 and 2				
	Visual assessment	Imported Food Control Act 1992 section 3(2)(a)(vii) and 3(2)(b)				

Meat standards Australia

Meat Standards Australia (MSA) was developed by the Australian red meat industry to improve the eating quality consistency of beef and sheep meat. The system is based on almost 800,000 consumer taste tests by more than 114,000 consumers from 11 countries and takes into account all factors that affect eating quality from the paddock to plate.

Meat & Livestock Australia (MLA) supports MSA program participants through creating opportunities for businesses to adopt eating quality principles.

Checking meat products with BICON

1. Please go to the [BICON website](#).
2. Add meat to search machine:
 - Select 'Unretorted meat':
 - For pork: Select [For the importation of unretorted pig meat, please refer to BICON case: Pig meat for human consumption.](#)
 - Select 'Other than listed':
 - Select '[Uncooked pig meat](#)': Import allowed from the following countries only: Canada, Denmark, Finland, Great Britain (England, Scotland and Wales), Republic of Ireland, Netherlands, New Zealand, Northern Ireland, Sweden and the United States of America.
 - Select '[Cooked pig meat](#)': Import allowed from the following countries only: Canada, Denmark, Great Britain (England, Scotland and Wales), New Zealand, Sweden and the United States of America.
 - Select '[Cured pig meat](#)': Import allowed from the following countries only: Italy and Spain
 - Without pork: Select '[Other than listed](#)':
 - An import policy has not been developed for this specific commodity and situation. You may apply for an import permit, however the import conditions available for these goods are restricted as an import risk assessment has not been undertaken for this commodity.
 - Select 'Retorted goods':
 - Select 'Goods for non-personal use containing less than 5% meat':
 - A Department of Agriculture import permit is not required, however it must meet the following [import conditions](#).
 - Select 'Goods for non-personal use containing 5% or more animal product':
 - Select 'All retorted goods':
 - Prior to the importation of goods into Australian territory, a valid import permit issued by the Department of Agriculture is required. The retorted goods must meet the [following import conditions](#).

As a summary, FIT Melbourne concludes that importing processed pork meat from Belgium to Australia is not allowed. However, other processed meat products might be allowed under strict conditions. FIT Melbourne advises the use of a customs broker when importing meat to Australia.

3.2.2 Food safety requirements

Once all biosecurity requirements have been addressed, food and beverages must also comply with Australian legislation on imported food, including the Imported Food Control Act 1992.

The relevant agency is Food Standards Australia New Zealand (FSANZ). FSANZ is responsible for developing, varying and revising standards and developing codes of conduct with the food and beverages industry in Australia and New Zealand regarding labelling, composition and contaminants. It is their role to protect the health and safety of people in Australia and New Zealand through the maintenance of a safe food supply. FSANZ is a partnership between ten Governments: the Commonwealth of Australia; Australian States and Territories; and New Zealand. In Australia, FSANZ also develops food standards for food safety, maximum residue limits, primary production and processing, and a range of other functions including the coordination of national food monitoring and recall systems, carrying out research and assessing imported food policy. The entire [legislation for Food Standards](#) can be consulted online.

3.2.3 Documentary requirements for importing food and beverages

Customs brokers and importers that lodge Full Import Declarations (FIDs) in the Department of Home Affairs' Integrated Cargo System (ICS) for consignments of imported food must also comply with requirements set by the Department of Agriculture. This includes submitting supporting documentation to the Department of Agriculture for assessment. Please click [here](#) an overview of the documentary requirements for importing foods.

3.3 PACKAGING

Packaging ensures the quality of food maintains after processing is completed, enabling it to be sent long distances from its point of origin. The design and construction of packaging also plays an important role influencing shelf life as well as aesthetic appeal. Traditional materials used in packaging include glass, metals, paper and paperboards, plastics. A wider variety of plastics are now available both in rigid and flexible forms and today's food packaging often combines several materials. FSANZ is the government body that is also responsible for checking packaging quality.

In balancing today's heightened social and environmental consciousness and stricter regulations on pollutants and disposal of solid waste, many companies are turning towards more biodegradable options that have less impact on the environment. With China and other southeast Asian countries declining to take Australia's recyclables, sustainability is more important than ever.

3.3.1 Measurement laws

Businesses that sell goods by weight or that manufacture, package, import or sell pre-packaged goods are required to comply with the Australian trade measurement laws:

- The [National Measurement Act 1960](#)
- The [National Trade Measurement Regulations 2009](#).

Australia's trade measurement laws are administered by the [National Measurement Institute](#) (NMI). NMI is also responsible for maintaining and regulating [Australia's measurement system](#).

3.4 LABELLING

Australia and New Zealand have the strictest labelling laws in the world; these are laid down in the Australia New Zealand Food Standard's Code. The Food Standards Code contains the general labelling and information requirements (Chapter 1 of the Code) that are relevant to all food and determines which requirements apply in different situations (e.g. food for retail sale, food for catering purposes or an intra-company transfer). The Code also includes specific labelling and information requirements that apply only to certain food products (Chapter 2 of the Code). The strict labelling laws create a lot of reassurance for people with allergies.

Once again, FSANZ is the government body that checks whether the packaged and unpackaged food contains the mandatory (legally required) warnings or advisory labels. In addition to the Food Standards Code, all statements about foods are subject to fair trade and law food in Australia and New Zealand, which prohibit false, misleading or deceptive representations.

More information on a range of labelling topics is available via the following links:

1. [Country of origin labelling](#):
2. [Fish names](#):
3. [Food allergies and intolerances](#):

4. [Ingredients list and percentage labelling:](#)
5. [Labelling review:](#)
6. [Nutrition, health and related claims:](#)
7. [Truth in labelling, weights and measures and legibility:](#)
8. [Warning and advisory statements.](#)

3.4.1 Gluten-free

The Australia New Zealand Food Standards Code requires the following labelling for gluten-free food:

1. Foods labelled as “gluten free” must not contain any detectable gluten; and no oats or their products; or cereals containing gluten that have used malt or their products.
2. Ingredients derived from gluten containing grains must be declared on the food label, however small the amount.
3. Foods labelled as “low gluten” must contain less than 200 parts per million of gluten. Australia does not have a very large range of low gluten foods and be aware low gluten foods are not recommended for a gluten free diet.

Another initiative is the [Coeliac Australia Endorsement Program](#), utilising the Crossed Grain Logo, a trademark owned and administered by Coeliac Australia under a licence agreement. The symbol of the crossed grain in a circle is both nationally and internationally recognised by those who need to follow a gluten free diet.

3.4.2 Lactose-free

The Australia New Zealand Food Standards Code imposes the following regulations concerning lactose-free products:

1. To make a claim to the effect that a food is low in lactose, the food must contain no more than 0.3 g of lactose per 100 g of the food.
2. For claims to the effect that a food is lactose free, the food must contain no detectable lactose.
3. For claims to the effect that a food is reduced in lactose, the claim must be accompanied by a declaration of the proportion by which the lactose content of the food has been reduced, for example, x% lactose reduced.

3.4.3 Meat-free

Often meat-free products are split up into vegetarian and vegan products. Vegetarian products contain no meat, poultry, fish or insects, while vegan products are free of all animal products such as dairy, eggs and honey. Animal products are often hidden such as offal which is used in gelatine, non-vegetarian rennet, honey, carmine, pepsin, shellac, albumin, whey, casein and some forms of vitamin D3. There is no official label for vegetarian products in Australia. However, there is a certified label for veganism that has been set up by [Vegan Australia](#). It is a simple and reliable symbol for vegan products and services that helps the costumer choose products they can trust and that will save them time.

3.5 CUSTOM BROKERS

Most importers of goods choose to engage a customs broker to act on their behalf because of the complexity of the laws governing the importation of goods into Australia and the potential financial and other implications of lodging an incorrect entry.

The [Customs Act 1901](#) states that only the owner of goods or a customs broker licensed by the Comptroller-General of Customs for the Department of Home Affairs can submit an import declaration to enter goods for home consumption in connection with the importation of those goods. In Australia all customs brokers are licensed by the Department of Home Affairs in line with Division 3 Part XI of the Customs Act. The Department of Home Affairs issues licences for a period of (up to) three years, which can be renewed on payment of a prescribed fee. Once licensed, a customs broker may operate from any place within Australia or such places specified on the licence. As the licence only operates to allow a customs broker to operate in Australia they cannot operate or lodge entries from a place outside of Australia.

Customs brokers are licensed under one of the following three customs broker licence categories:

1. Corporate – a company or a partnership licensed to act on behalf of owners of imported goods. A corporate customs broker must employ nominee customs brokers to lodge customs declarations.
2. Sole trader – a sole proprietor of a business operating in its own right and not through a company or partnership or trust. A sole trader may employ one or more nominee customs brokers. A sole trader cannot be employed by a corporate customs broker but can be affiliated with other businesses such as freight forwarders.
3. Nominee – a natural person licensed to act as a customs broker but only as an employee of a corporate or a sole trader customs brokerage. A nominee may be employed by more than one corporate or sole trader brokerage at any time.

A comprehensive list of accredited Australian custom brokers is to be found via [this link](#).

3.6 LOGISTICS

Logistics is an important aspect of the food and beverages industry as the performance of the system has a major impact on costs, service quality and competitiveness in Australian's industry. Integrated air and sea freight services operate regularly out of several major Australian ports. These incorporate the latest technology, such as radio-frequency data loggers and automated materials handling equipment, ensuring timely shipments and cold-chain integrity. Improving the freight and logistics industry in Australia, including the movement of goods to urban, intrastate, interstate, and overseas markets across all modes of transport, is critical for the food sector. In particular, improving Australia's performance in the cold chain for the export of perishable foods is crucial if Australia is to be able to withstand and exceed competition from supply chains in other countries. Maintaining the integrity of the cold chain is often described as a logistical nightmare because of the many people involved in transporting products. The more points at which goods are transported between different handlers, the more points in the process where perishables goods can be exposed to temperatures that can cause spoilage.

In total, the transport and logistics accounts for approximately 14.5 per cent of Australian GDP or AUD 130 billion dollars annually.

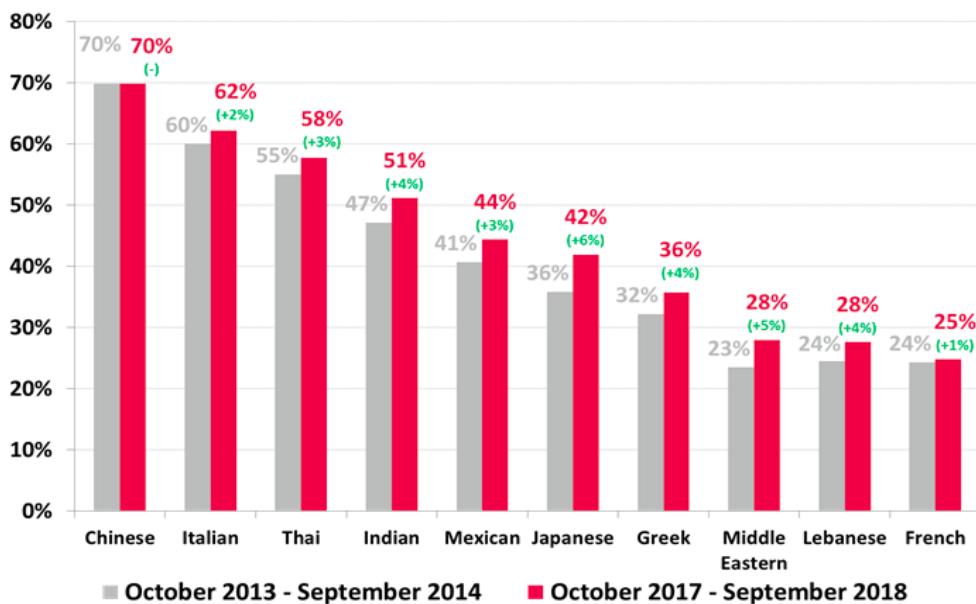
The logistics sector is complex in Australia. Please contact [FIT Melbourne](#) for information about the logistic associations based in Australia.

4 FOOD AND BEVERAGES TRENDS IN AUSTRALIA

Following an overview of the food and beverages industry, it is important to take a closer look at the current trends in the industry. The industry is strongly subject to change, which makes it essential for companies to keep up with these trends. Key trends in the Australian food and beverages industry will be discussed in the section below.

4.1 MULTICULTURAL CULINARY TRADITIONS

The share of overseas Australians has reached its highest point in more than 120 years: according to 2018 surveys 29% of Australian citizens were born overseas. As a result, the Australian food and beverages market has a diverse range of ethnic influences, with the Asian community playing an important role in eating habits. Australian traditional cuisine is quite limited to few dishes and food products such as shepherd's pie, fish & chips, Vegemite, lamb, Australian meat pie, Australian BBQ, lamingtons (cake dessert) and Tim Tams (an Australian chocolate snack).



4.1.1 Asian cuisine

Considering the growing number of Asians (today 10% of the population) immigrating into Australia, the Asian cuisine is on the rise in the food industry in Australia.

Chinese cuisine is the most popular cuisine according to research conducted by Roy Morgan in 2019. More than 14.2 million Australians aged 14 and over love to eat Chinese food, an increase of 13.5 million four years ago. Although Chinese cuisine is the favored cuisine across all generations analysis shows older Australians are more likely to prefer Chinese cuisine than younger Australians.

Thai is the third most popular cuisine Australians enjoy next to Chinese and Italian, with over 3,000 Thai outlets nationwide. In fact, Australia has more Thai restaurants per capita, outside of Thailand, than anywhere else in the world.

Indian is another Asian cuisine that has made a big footprint in Australia, with 48% of the population claiming to enjoy it. Boasting a wide array of hot and spicy dishes, Indian is a unique dining experience that is not for those with faint taste buds.

Japanese cuisine has also become incredibly popular in Australia as more Japanese immigrants arrive in the cities to study, work and live. Japanese cuisine is very unique and unlike other Asian offerings in many ways.

4.1.2 European cuisine

Australia is well-known as a melting pot of cultures from Europe and as a result there is also a hugely diverse range of cuisines being shared and enjoyed all the time by Australians.

The Italian cuisine is stronger than ever, since Italians arrived three generations ago in Australia. Eating at an Italian restaurant is as much about the cultural experience as it is about the food. According to the authors of the latest Good Food Guide 2018, the bible of every Australian gourmet, a third wave of Italian restaurateurs leads the way on the fine dining scene and is reviving eating trends across the country.

Greek influence on Australia's dining scene remains present today. Dishes such as souvlaki, taramasalata, loukoumades, saganaki, moussaka, spanakopita and more are part of the national diet and the restaurant scene offers all manner of Greek food experiences from street food to high-end fine-diners.

It is impossible not to mention the French cuisine as it has made an important impact on the Australian food scene over the years. Trade schools in Australia taught the classic French cuisine as the basic method in their cooking programs. That knowledge and those skills are now used to develop their own culinary vision and to progress their professional career in Australia.

4.1.3 Other cuisines

Mexican cuisine has popped up around Australia mainly through large franchise chains rather than family-owned restaurants as there is not a large amount of Mexican immigration to Australia. Regardless, Mexican food is here to stay and has been embraced by Australians all over.

When looking at the Australian food scene, the history of Middle Eastern cuisine has only been present for 50 or 60 years, yet words like falafel, tahini or shish are all part of the vocabulary now.

Finally, the Lebanese culture is responsible for the famous kebab in Australia. Lebanese immigrants have settled widely in the country and have established many takeaway shops that operate late into the night.

4.2 **HEALTHY FOOD**

The market for intrinsically healthy food has experienced remarkable growth and consumer interest in recent years with a report dated 2017 suggesting that 82% of Australians had changed their eating habits in the last five years and 86% of those surveyed trying to be more health-conscious regarding their diet. Companies are increasingly focusing on everyday food, particularly whole fruit and fruit juices, which carry the 'naturally healthy' message. People follow these trends because they consider it as beneficial for their health, even though they are not required to eat like that because of allergies or other reasons. Key trends in the recent healthy scene will be discussed in the following section.

4.2.1 Free from food

4.2.1.1 Gluten free food

People with coeliac disease – an autoimmune reaction to gluten that damages the lining of the small intestine and affects a range of organs in the body – make up less than 2 per cent of the Australian population, yet a growing fraction of people are cutting wheat and gluten from their diets without seeking medical advice. Many in the health and wellness world suggest that everyone should follow a gluten free diet – regardless of whether they are intolerant or not. This has led millions of people to give up gluten in hopes of losing weight, improving mood, and getting healthier. However, there is no evidence to support claims a strict gluten free diet is beneficial for people without coeliac disease.

Roughly 12% of Australians have gone gluten free, according to a 2016 CSIRO study. Research highlights that the trend is not necessarily driven by people who are reading articles about gluten free food in the media. In fact, these people are reporting experiencing bad symptoms when eating gluten and are trying to control those symptoms by eliminating the consumption of food containing gluten. Gluten free markets have risen exponentially in the last decade due to consumer demand. In 2017, the global gluten free market was valued at around USD 4.72 billion, and is expected to reach USD 9.24 billion by 2022. In Australia, the industry was valued at USD 90 million in 2014, according to a South Australian Government report, and is predicted to rise 11 per cent annually until 2020, making the country the largest base for these products in the Asia-Pacific region and a significant product exporter to the US and Europe.

When importing gluten free products, the labelling of these products, as seen in section 3.4 Labelling, has to be taken into consideration. Despite the strict labelling regulation, a study conducted in 2018 shows that about one in 40 products tested by Australian researchers in supermarkets did not meet national food standards that require foods labelled as 'gluten free' to contain no detectable gluten. This can be explained by the fact that while Australia and New Zealand have strict zero limits for gluten, Europe, the US and UK permit up to 20 parts per million. These amounts are not harmful for people that are following a gluten free diet because they consider it a healthy option, but avoiding gluten is critical for people who have been diagnosed with coeliac disease. The research thus signals a minority of international manufacturers that do need to review their processes to ensure products truly are gluten free and meet Australian standards.

4.2.1.2 Lactose free

Lactose is a naturally occurring sugar found in dairy foods such as cow's milk and yoghurt. It is normally broken down or digested by an enzyme in our body called lactase, and ends up in the bloodstream as glucose (another term for sugar). People with lactose intolerance do not have enough of this enzyme to properly digest lactose, resulting in lactose intolerance. It is clear that some people must avoid it for health reasons, but again some voices in the health industry are suggesting that everyone should follow a lactose free diet – regardless of whether they are intolerant or not. Once again, there is no clarity on the results of following a lactose free diet.

Research of CSIRO conducted in 2016 shows that 1 in 6 Aussies are steering clear of dairy, with the majority making this choice because they simply feel better without it. With over 3 million Australians opting for lactose free food, it seems almost daily that a new dairy free milk, cheese, yoghurt, or ice cream product is exploding into this space.

International companies importing their products need to meet the Australian Food Standards regarding lactose free labelling.

4.2.1.3 Sugar free (or low in sugar)

People who have a form of diabetes have to watch out for their daily intake of sugar, but nowadays it is not only people with diabetes who pay attention to this. Sugar content in foods is increasingly of interest to Australians; both from a health and wellness perspective, as well as price, as they start seeing the effect the UK drinks sugar tax will have on other markets.

According to research by the Nielsen and the George Institute in 2018, nearly three-in-ten Australians are very concerned about sugar consumption. The concern is highest in major cities, especially Melbourne and Perth. More than one fifth of sugar concerned Australian consumers are willing to pay more for low sugar products. The trend towards these appeals to an older audience, while health claims such as organic, gluten free and lactose free appeals to younger demographics.

Despite the fact that consumers are more and more looking to lower their sugar intake or replacing sugar with more healthy alternatives, Australia has a strong and longstanding sugarcane cultivation industry; sugarcane is the leading agricultural crop in Queensland, with 380,000 hectares under cultivation annually. Thus, it is unlikely that imported premium sugar will stand much chance of becoming mainstream before the end of 2022. However, there is a big opportunity for manufacturers to better leverage consumer needs and meet the demand for low sugar alternatives in the Australian marketplace.

4.2.1.4 Meat-free (vegetarianism and veganism)

Although often motivated by other elements, another health food trend is eating meat free, going from vegetarianism to veganism.

Research conducted in 2018 by Roy Morgan has found that the trend in vegetarian eating continues to grow – with **2.5 million people (12.1% of the population)** in Australia now eating all or almost all vegetarian. The 2018 data shows a continued growth in people choosing kinder, more sustainable meals – up from 2.1 million people (11.2%) eating all or almost all vegetarian in 2016, and 1.7 million people (9.7%) in 2012. That is an additional 400,000 individuals choosing meat-free meals in Australia since 2016 alone. This news also reflects the shift towards plant based eating across Australia – with one in three people already eating vegetarian or actively reducing meat. The key reasons behind the shift towards less meat are the cost, environment and health. Sales of vegan food products have soared from 2012 to 2019 in Australia, with major food manufacturers and takeaway chains increasingly introducing new products to meet demand.

As the local meat market is shrinking, the Australian Meat Processing industry now generates over 60% of its revenue from overseas. IBISWorld Senior Industry Analyst, Mr Caldwell, expects this number to rise over the next five years. The increasing change to a food culture based on eating less meat has its impact on the national economy. The cost of meat and international meat exports continues to rise and the surging demand for vegan products represents a growing threat to local demand for Australian meat and dairy. However, Australia's red meat and livestock industry's total value add was \$18.4 billion in 2016-17, an increase of 61% since 2012-13.

4.2.2 Religious diets for health reasons

4.2.2.1 Kosher

The Kosher diet is followed by Orthodox Jews who adhere to certain dietary laws, but this diet has spread globally and has become increasingly popular during recent years. Kosher is not a type or style of food, rather it refers to the ingredients, preparation process and inspection of the foods. According to some, following this religious diet can lead to an increasingly healthy lifestyle. In fact, only 8% of kosher consumers are religious Jews. Most kosher consumers choose Kosher for reasons which relate to health, food safety, taste, and vegetarianism.

Australia's Jewish population was estimated in 2011 to be 112,000 people, constituting 0.5% of the Australian population. No exact figures were found of people eating Kosher because of health reasons.

As with other food certification systems, to be considered Kosher, food must meet the rules laid down by the organisation from which the food producer or manufacturer is seeking certification.

4.2.2.2 Halal

Halal food may not contain pork or pork products (that includes gelatin and shortenings), or any alcohol. To be truly Halal, how the animals are raised also has to be taken into account. Animals must be fed vegetarian diets, which means that many chickens and cows raised on Australian farms do not qualify (some feed contains animal by-products). Halal animals also cannot be treated with antibiotics or growth hormones, since the hormones may contain pork based ingredients. While some people believe that these criteria make Halal food healthier, Carol O'Neil, professor of nutrition and food sciences at Louisiana State University Agricultural Center says that there simply are no studies showing that to be true. "There are certainly no studies done looking at people who consume Halal meat to see if their cholesterol levels are different, or anything like that. We just don't know."

Australia's Muslim population is currently 500,000 and is expected to reach 700,000 by 2050, while over 5 million Muslims visited Australia in 2018. The Australian domestic market for halal certified food is growing with a current spend of \$1.7 billion annually. However, there has been a huge debate about Halal certification in Australia. Some claim certification fees are being directed to mosques which aim to impose Sharia law in Australia. Despite some controversy, according to beef industry journalist Jon Condon, Halal certification is widespread in Australia and can be a big money earner for meat processors. By having the Halal certification, Australia is able to sell Halal certified products in the Middle East, South East Asia and other communities around the world.

4.2.3 Kids food

Young children require energy to help them grow, develop and reach their maximum potential. Snacking can be a useful way of ensuring that young, growing bodies are meeting their energy requirements. However, to avoid predisposing children to developing a preference for foods that are unhealthy, it is important that the snack foods provided are healthy, and low in sugar, fat and salt.

The Health Snack Food Production industry has performed well over the past five years in Australia. The sector's revenues are expected to grow 5.7% year-on-year in the five years to 2018-19, to a value of AUD 2.1 billion. Consumer concerns about obesity and time-limited lifestyles have driven demand for convenient and healthy snacks over the past five years. Rising disposable incomes have further supported the industry, especially as many industrial products are priced at a premium compared to traditional snacks. These trends are expected to contribute to a 4.3% increase in turnover in the current year.

Imports are expected to decrease by an annualised 5.1% over the five years through 2018-19, to account for 8.1% of domestic demand. It is usually not cost-effective for importing countries to sell industry products in Australia due to the relative ease of manufacturing industry products domestically and because industry products are generally of a low-value. The largest importing country is New Zealand, due to its proximity to Australia and the FTA that links the two countries. Over the past five years, a decline in the value of the Australian dollar, reduced the competitiveness of imported products, causing imports to contract as a share of domestic demand.

4.2.4 Supplements

Supplements can consist of vitamin & dietary supplements, sport nutrition, or weight loss products. FIT Melbourne excludes medicines as this falls outside of the range of this research. The industry is influenced in Australia by changes in consumer health consciousness, real household discretionary income, and downstream demand from food and other retailers that stock the industry's products. Factors such as the exchange rate and consumer sentiment can also affect industry demand, revenue and profit margins.

The supplement manufacturing industry is expected to perform strongly over the five years. The industry has grown due to increased consumer expenditure on vitamins and supplements, and strong export opportunities.

Supplement imports are expected to account for 57.3% of domestic demand in 2018-19. Imports are expected to grow at an annualised 13% over the five years through 2018-19, to total \$1.4 billion. This elevated level is largely due to firms importing many ingredients used to locally manufacture vitamins, including fish oil, evening primrose oil, glucosamine and vitamin C. This also reflects the extent to which Australia's major vitamin suppliers rely on international markets. For example, Swisse Wellness, the number one multivitamin player in Australia measured by sales, sources approximately one-quarter of its products from Europe. Similarly, Blackmores, an ASX 200 company with a market capitalisation of \$2 billion, sources production from the United States, Canada, Germany and Holland.

4.3 READY MEAL BOX

Ready meal boxes are delivery services that provide the consumer with all ingredients and instructions needed to prepare dinner for a household for a week. These boxes are predominantly marketed to time poor families.

The market Research conducted by Nielsen in 2018 showed that during a period of eight months the number of Australian households who purchased HelloFresh and Marley Spoon was 1.5% of total households (around 150,000 households). However, if the Australian market follows the trend of the U.S., this could represent one million Australian homes buying meal kits in the coming 12 months – significantly impacting the traditional and online grocery retail market. Based on research conducted in 2016, it became clear that a major drawcard for the respondents who use these types of services is the minimal food waste associated with being supplied with the exact quantities of ingredients required for each recipe. The use of locally sourced Australian ingredients, promoted by these services, was also an attraction for many.

[Please contact [FIT Melbourne](#) for the contact details of the companies operating in this sector]

4.4 ORGANIC FOOD

Organic farming is a method of crop and livestock production that is free of synthetic chemicals, pesticides, fertilisers or genetically modified organisms. Organic farms primarily produce organic fruits, vegetables, grains, other crops or livestock. Research conducted by Mobium Group in 2018, suggests that more than six in 10 Australian households buy organic products in any given year. Furthermore, the same report reveals more than 1 in 10 Australians (12%) consider themselves to be highly committed organic purchasers, outlaying roughly 40% or more of their annual grocery spend on organic food products.

Australia has over 35 million hectares of organic farmland, the largest amount in the world. Most of this land is rangeland for organic cattle farming. The organic farming industry mainly consists of small operators, which makes it difficult to maintain consistency in the quantity and quality of produce. The industry remains highly fragmented and organic farming techniques are not yet as efficient as those used in conventional farming. Since 2000, the Australian organic industry has more than doubled in value. Currently there are over 2,500 organic operators representing all levels of the supply chain. The Australian organic industry comprises a diverse range of products which is expanding due to increasing consumer demand. The most important sectors are beef and horticulture.

The global organic industry is the fastest growing food category, with demand outstripping supply in most developed economies. This presents significant export opportunities for Australia. Organics is practiced in over 120 countries of which Australia has the largest area of certified organic land with over 12.3 million hectares still available. While a range of high-quality organic produce is already available in Australia, opportunities still exist for industry growth. Domestic demand for organic food is forecast to continue growing strongly over the next five years.

Overall, industry revenue is forecast to grow at an annualised 16.1% over the five years through 2023-24, to reach \$4.5 billion. Producers in the organic farm industry are mostly certified organic by an organic certification organisations, such as Australian Certified Organic.

4.5 LACK OF BRAND LOYALTY

Australian brands were focusing hard on loyalty programs during recent years, but often they do not deliver the desired result. The population often changes brands and wants something extra in exchange for loyalty. The fact that every customer has the ability to broadcast their feelings about any brand via social media means they are also in control – so retailers must meet their shifting demands.

According to studies of Accenture Strategy in 2017, more than half of Australian consumers have switched brand or providers in the past year, while 79% are retracting loyalty more quickly than they did three years ago. 71% of respondents said current customer loyalty programs do not enforce loyalty and 23% demonstrated a negative or non-existent reaction to loyalty efforts. But those brands who do loyalty right are winning. For example, 58% of Australian consumers spend more with the brands they love, and 49% will recommend brands or organizations to which they are loyal to family and friends. Thus, 26% said brands should do everything possible to earn their loyalty. 84% of Australian consumers would switch brands between the products in a range because of price incentives. Price and value are the determining factors regarding brand loyalty for 73% of respondents. Especially millennials' patterns are incredibly diverse. They are less likely to stick with big brand names after one purchase, meaning brands need to work hard to retain millennials' loyalty. They are, however, consistent as consumers: their loyalty might be hard to win, but when you have it, they tend to be the most loyal consumers around.

As Australians are not very brand oriented, international companies have a better chance to become an important player in the market.

4.6 NUTRITIONAL INFLUENCE

There are many ways in which Australians receive dietary patterns that promote health and wellbeing and reduce the risk of chronic disease. Following a certain diet is arguably the single most important behavioural risk factor that can be improved to have a significant impact on health. Dietary recommendations can be effective in directing people to the types of food they consume. Beside guiding citizens towards a healthier lifestyle by setting up government guidelines, as mentioned in section "**Error! Reference source not found.** Political factors", there are now other trending ways to influence citizens such as nutritionists, social media influencers and cooking shows.

Nutritionist are influencing Australians to make healthy food choices and base their dietary advice on the best scientific evidence on food and health. Nutritionists can be supported by the Nutrition Society of Australia (NSA) which is a group of qualified, practising scientists and educators specialised in nutrition. Founded in 1975, the society is represented across Australia by regional groups and managed by a National Council.

An increasing number of people are also taking advice from social media influencers who claim to have the latest diet fix, best healthy recipes, etc. This is a not surprising trend as around 80% of all internet users aged 18–46 go online for health information, and the majority of these are women. However, this advice is not without risks as it is often not based on evidence but rather sponsorship based contracts with national or international companies. Clearly, the absence of industry endorsed qualifications did not impede the social media ascent of these influencers; it probably made them more relatable and endearing to their fans.

Finally, with the increasing popularity of reality TV programmes, it was inevitable that cooking would become a major concern for the genre. Whether it is cooking competitions or more "educational" - or "how to" - cooking programs, the influence they have on the average Australian should not be underestimated. Thanks to popular programs such as My Kitchen Rules and MasterChef, Australians are increasingly looking at their TV for culinary training and inspiration. In 2010, MasterChef sponsor Coles reported a 1,400 per cent spike in the sales of ingredients after they featured in a MasterChef recipe. Similarly, cooking tools (such as ramekins) would often fly off department store shelves after making an appearance on television. Unsurprisingly, the influence has not been limited to home cooking. The term "everyone's a critic" has become more and more popular in recent years. With diners becoming more educated and their expectations raised, it has obviously had an effect on restaurants.

5 AUSTRALIAN IMPORT FROM FLANDERS

Australia enjoys a positive and constructive relation with Belgium, enjoying a growing bilateral commercial relationship. Australia and Belgium share similar approaches to many international issues, including arms control, counter-terrorism, whaling and Antarctica. Australia is seen as an interesting country for Flanders, as Australia can also serve as a hub to excess other countries with Australian FTAs.

Total food imported from Belgium to Australia was worth AUD 1.594.280,24 of which AUD 8.469,03 consisted of unprocessed food and \$1.585.811,22 consisted of processed food. Please see the table below that shows the value of the source of food imported from Belgium into Australia, using 2017 Australian Government data. Data in Australian Dollar (AUD).

Imports from Belgium to Australia	
Unprocessed food*	
Live animals chiefly for food	141,10
Seafood (fish, chilled, dried, smoked & salted)	43,60
Vegetables, fruit & nuts (unprocessed)	1.175,60
Cereal grains (unprocessed)	42,65
Total unprocessed food	8.469,03
Processed**	
Meat & meat preparation (processed)	48.735,44
Seafood (frozen or processed)	2.666,01
Dairy products (processed)	32.504,88
Vegetables, fruits & nuts (processed)	335.197,07
Cereal preparations (processed)	4.453,39
Animal & vegetable oils fats & waxes (processed)	59.157,62
Sugars, honey, coffee, cocoas & confectionery (processed)	554.690,79
Total processed food imported	1.585.811,22
Total food imported	1.594.280,24

**Unprocessed food definition: Unprocessed primary products are those that have undergone minimal, or no, transformation. Live animals for food, fresh vegetables and wheat are examples.*

***Processed food definition: Processed primary products represent a higher stage of processing. Examples are chilled or frozen meat and seafood, butter and cheese, flour, canned fruit and vegetables.*

Import from Belgium to Australia (Esri Australia, 2017)

Section “9 Appendix”, includes a list of the main imported products into Australia from Belgium between 2010-2019. In the section below, FIT Melbourne will have a closer look at the most important imports from Belgium to Australia with data from 2015 onwards. In both cases, data were collected by Flanders Investment & Trade. The following elements will be highlighted below: the performance and outlook in Australia, international competitive arena and import from Belgium.

5.1 BISCUITS

5.1.1 Performance and outlook in Australia

Operators in the Australian biscuit manufacturing industry have faced challenging conditions over the past five years. Higher imports, declining per capita biscuit consumption and falling profit margins have forced several manufacturers out of the industry over the period.

Industry revenue is expected to decline at an annualised 3.3% over the five years through 2018-19, to AUD 780.0 million. The saturation of the domestic market and consumers' shifting preferences towards alternative snacks are expected to reduce industry revenue by 3.0% in the current year. Similar to other food processing industries, biscuit manufacturers have increasingly outsourced production to countries with low operating costs, such as China. This outsourcing has increased industry imports, which are expected to account for 31.3% of domestic demand in 2018-19. This trend is forecast to continue over the next five years, negatively affecting industry revenue.

Industry revenue is forecast to continue declining over the next five years. Australia has one of the highest per capita biscuit consumption rates in the world, but growing consumer concerns about nutrition and a saturated market are likely to limit potential industry growth. Alternative snacks to biscuits are likely to continue appearing in the market, reducing demand for industry products. However, a shift towards premium or healthier biscuits has opened various niche markets. Overall, industry revenue is anticipated to fall at an annualised 1.9% over the five years through 2023-24, to AUD 707.5 million.

5.1.2 International competitive arena

Manufacturers in the industry are exposed to a moderate level of globalisation, largely due to substantial foreign ownership along the entire Australian biscuit supply chain, including the retail level. Foreign owners include Campbell Soup Company, owners of Arnott's, and Mondelez International, parent company of the Cadbury and Nabisco food brands. The high degree of foreign ownership in the industry reflects a broader trend occurring across Australia's food manufacturing sector.

Foreign direct investment has also increased, which has allowed easier access to technology and intellectual property. Although many biscuit manufacturers started as family businesses, the industry has become highly integrated over time, making it more attractive to foreign investors. Imports also play a significant role in the industry. In 2018-19, imports are expected to satisfy over 30% of domestic demand as import penetration rates continue to gradually increase. In the same year, exports are expected to account for 13.9% of industry revenue, further contributing to the industry's level of globalisation.

New entrants face moderate barriers to entry, including brand loyalty and high intra-industry competition, alongside growing external competition. The Australian biscuit industry is characterised by a high rate of product introduction and a handful of major players dominate the market. Conversely, the industry has few technological barriers to entry. The level of technology employed in biscuit production is generally not complex, and machinery can be accessed easily from Europe and the United States.

5.1.3 Import from Belgium

The largest share of food and beverages export from Belgium to Australia consists of biscuits and pastries. In recent years, import has remained strong, with an increase of 143.49% during the last five years. Compared to 2017, import grew with 43.13% in 2018.

The total value of biscuits exported from Belgium was worth AUD 860.7 million in 2018, listing them 5th in the list of countries exporting the highest dollar value worth of cookies during 2018.

The table below list the value of import of biscuits items from Belgium to Australia in EUR. The list is showing the products that are worth the most in term of import value first.

	2015	2016	2017	2018	Jan – May 2019
19 Biscuits and pastries	13.268.232	17.219.430	22.571.910	32.306.633	10.368.870
1901 Malt extract; food preparations of flour, meal, starch or malt extract, not containing cocoa ...	1.939.641	2.304.507	4.835.092	6.191.122	1.686.607
1902 Pasta, whether or not cooked or stuffed ...	155.514	803.168	573.447	710.078	314.388
1904 Prepared foods obtained by the swelling or roasting of cereals or cereal products	5.329.083	6.418.226	5.609.719	6.022.316	2.606.620
1905 Bread, pastry, cakes, biscuits and other bakers' wares	5.843.994	7.693.530	11.553.651	19.383.116	5.761.255

- 1901 Malt extract; food preparations of flour, meal, starch or malt extract, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 0401 to 0404, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included.
- 1902 Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared
- 1904 Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); cereals (other than maize (corn)) in grain form or in the form of flakes or other worked grains (except flour, groats and meal), pre-cooked, or otherwise prepared, not elsewhere specified or included
- 1905 Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products
- 1905 Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products

5.2 PROCESSED VEGETABLES AND FRUIT

5.2.1 Performance and outlook in Australia

In Australia, processed vegetables account for the largest share of industry revenue of all the fruit and vegetable processing. This segment includes frozen peas, beans, carrots, processed grains, corn and vegetable mixes, in addition to pre-cut vegetables and jarred, tinned and pickled vegetables. The long shelf life of most products in this segment makes them suitable purchases when certain vegetables are out of season. Frozen vegetables also provide convenience as they tend to be pre-cut, which saves preparation time when cooking. Since vegetables in this segment are generally a cost effective alternative to fresh produce, low disposable income and poor consumer sentiment can boost frozen and tinned vegetable consumption. Packaged and frozen vegetables are also a major source of export revenue. Industry exports have grown substantially over the past five years, driven by strong international demand for Australian produce. In particular, demand for pulses such as chickpeas and lentils surged in South Asian countries. As a result, this segment has increased as a share of industry revenue over the past five years.

The processed fruit segment includes frozen berries; canned pineapples, pears and fruit packs; dried fruits such as prunes, sultanas and apricots; and other dried, packaged and frozen fruits. Dried fruits include those that are dehydrated or oven-dried, but excludes sun-dried fruits. This segment's products have longer shelf lives and generally lower prices than fresh fruit. During times of economic uncertainty and poor consumer sentiment, these products become appealing as cheaper alternatives to fresh fruit. Chinese and South American imports dominate the frozen berry market due to their lower prices. In March 2015, some brands of frozen berries were recalled from supermarkets and other food retailers after they were linked to cases of hepatitis A. This recall sharply reduced demand for frozen berries, which has yet to fully recover. Consequently, this segment has declined as a share of industry revenue over the past five years.

5.2.2 International competitive arena

The industry is highly globalised. Although most processors are locally owned, more than half of the industry's largest companies are foreign-owned. The industry's exposure to foreign competitors and large foreign markets is substantial, consistent with the globalised trade in food industries. Imports account for a large share of domestic demand. Domestic competition in the Australian market has intensified, as participants develop and implement strategies to survive and grow amid rising import penetration. For some major players, such as Heinz and SPC Ardmona, rationalisation has meant the closure of manufacturing facilities in Australia and the relocation of production to New Zealand or low-cost countries in Asia, which has boosted imports over the past five years.

Barriers to entry vary across the different segments of the industry. Establishment and advertising costs represent the major obstacles facing new entrants. Despite these barriers, there is evidence to suggest that there are small-scale operations that have thrived in the industry. An estimated 19.5% of industry operators generate revenue of less than AUD 50,000.

5.2.3 Import from Belgium

Belgium exports a large proportion of processed fruit and vegetables to Australia. A strong growth of 136.96% was recorded in the last five years. Processed vegetables contribute to the largest quantity of imports.

The table below lists the value of import of processed fruit and vegetables items from Belgium to Australia in EUR. The list is showing the products that are worth the most in term of import value first.

		2015	2016	2017	2018	Jan-May 2019
20	Processed fruit and vegetables	9.311.232	11.151.389	16.878.424	22.063.494	12.780.760
2001	Vegetables, fruit, nuts ...	8.813	3.308	6.302		1.124
2002	Tomatoes, prepared or preserved ...					
2003	Mushrooms and truffles ...			1.031	98	
2004	Other vegetables prepared or preserved ...	7.955.693	9.917.990	15.576.886	20.783.481	12.428.412
2005	Other vegetables prepared or preserved ...	231.683	335.238	402.508	228.356	78.752
2006	Vegetables, fruits, nuts ...			8.196	4.326	4.737
2007	Jams, fruit jellies, marmalades ...	552.667	494.620	579.848	727.297	163.002
2008	Fruit, nuts and other edible parts of plants ...	304.873	400.232	303.654	267.609	98.422
2009	Fruit juices (including grape must) and vegetable juices ...	257.503			52.327	6.311

- 2001 Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid
- 2002 Tomatoes, prepared or preserved otherwise than by vinegar or acetic acid
- 2003 Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid
- 2004 Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading No 2006
- 2005 Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading No 2006
- 2006 Vegetables, fruits, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised)

- 2007 Jams, fruit jellies, marmalades, fruit or nut puree and fruit or nut pastes, being cooked preparations, whether or not containing added sugar or other sweetening matter
- 2008 Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included
- 2009 Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter

5.3 POTATOES

5.3.1 Performance and outlook in Australia

According to figures from the Australian Horticulture Statistics Handbook 2016/2017, potatoes are by far the biggest vegetable commodity grown in Australia by volume, with over 1.3 million tons of potatoes grown for human consumption and processing in 2016-17. The next largest crops were tomatoes (around 426,000 tons), carrots (around 318,000 tons), onions (around 277,000 tons) and head lettuce (around 128,000 tons). Potatoes are also the most valuable crop grown in Australia as measured by value of production, with a value of around AUD 717 million in 2016-17. Their price per ton is significantly lower than those of many other vegetable crops and this is mostly due to the large tonnages produced.

5.3.2 Competitive arena

According to most recent figures of Ausveg of 2013-2014, prepared potatoes (frozen) were the major imported levied vegetable at AUD 114 million in 2013-14. While prepared potato imports have fluctuated over the last six years, peaking in 2011-12 at AUD 133 million, New Zealand was the major source of Australia's prepared potato imports, occupying 51% of the market in 2013-14. Australia's frozen prepared potatoes from New Zealand increased by 45% from the previous year at AUD 58 million in 2013-14. Perhaps the biggest story from this data was the significant increase by 1363% of prepared potatoes (not frozen) from the United States over the past six years. However, prepared potato (not frozen) imports from the United States fell by 58% in 2013-14 to AUD 5 million. Figures released by Global Trade Atlas for the first quarter of 2016 indicate imports rose by 23% in comparison to the same time in 2015 across a range of potato product categories. "The data shows a 37% growth in frozen prepared potato imports compared to the first quarter of 2015, as well as a 21% growth in non-frozen prepared potatoes," said Shaun Lindhe, spokesperson for vegetable grower representative body Ausveg. "These statistics are extremely concerning as Australian potato growers will be competing against cheaper imported produce in the foreseeable future. This competitive disadvantage is compounded by Australia's higher costs of production compared to most overseas countries, including significantly higher labour costs".

5.3.3 Import from Belgium

When breaking down the category of processed fruit and vegetables in a further subdivision, it becomes clear that Belgium exports a large amount of potatoes to Australia. In 2018 EUR 10,043,804 million of processed potatoes out of a total of EUR 22,063,494 million of processed fruit and vegetables.

The table below lists the value of import of processed fruit and vegetables items from Belgium to Australia in EUR.

	2015	2016	2017	2018	Jan-May 2019
20 Processed fruit and vegetable	9.311.232	11.151.389	16.878.424	22.063.494	12.780.760
200410 Potatoes, prepared or preserved ...	1.738.227	5.065.354	6.593.191	9.817.029	6.128.890
200520 Potatoes, prepared or preserved ...	231.035	319.366	381.751	226.775	78.752

- 200410 Potatoes, prepared or preserved otherwise than by vinegar or acetic acid, frozen
- 200520 Potatoes, prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)

5.4 CACAO AND CHOCOLATE

5.4.1 Performance and outlook in Australia

Operators in the chocolate and confectionery manufacturing industry have faced changing consumer preferences over the past five years. Growing consumer concerns about the amount of fat and sugar in foods have weakened demand for traditional chocolate and confectionery over the period, particularly in regards to mass-produced products. Conversely, several companies that mass-produce industry products, such as Mondelez, have lost market share due to falling demand over the past five years. Industry participants have diversified their ranges and introduced healthier products in an attempt to limit the number of consumers switching to substitute products. Additionally, consumer demand for premium products, such as Ferrero, has increased over the past five years, which has helped support industry revenue. Changing consumer tastes and trends have also encouraged small-scale manufacturers to enter the industry. Industry revenue is expected to fall at an annualised 0.1% over the five years through 2018-19, to be worth AUD 6.3 billion. However, industry revenue is forecast to increase at an annualised 1.5% over the five years through 2023-24, to be worth AUD 6.7 billion due to rising disposable incomes.

5.4.2 Competitive arena

Despite foreign multinational companies controlling all of the industry's major players, globalisation in the industry is at a moderate level. Industry operators engage in low levels of exports, with exports estimated to account for approximately 5% of revenue in 2018-19. Local companies face moderate competition from imports, with imports accounting for an estimated 18.7% of domestic demand in the current year. Imports and exports have increased as a share of revenue over the past five years. Much of the international trade related to the industry occurs upstream in the input cocoa and sugar markets. Foreign multinational companies control all of the industry's major companies, Mondelez, Nestle and Wrigley. The major players have all lost market share over the past five years, as consumers increasingly opt for products manufactured by smaller niche companies. This trend coupled with rising import pressures has meant that industry globalisation has remained relatively steady over the past five years.

The industry exhibits moderate barriers to entry and these have remained relatively steady over the past five years. Barriers to entry often vary among product segments. Chocolate manufacturing is typically more capital-intensive and requires a higher investment to commence operations. The biggest threat facing potential entrants is the well-entrenched position of the industry's major players. These companies benefit from strong brand and customer loyalty and have considerable resources to invest in advertising and promotions to protect and grow their market shares.

5.4.3 Import from Belgium

Year upon year, over EUR 1.2 billion worth of the world's best chocolates "made in Flanders" is shipped to chocolate-loving palates across the globe. Throughout the centuries, Belgium has built an excellent reputation for the art of chocolate making. Today, Belgium has more than 320 chocolatiers and produces over 725,000 tons of chocolate each year. Meanwhile, worldwide exports have been going from strength to strength. Flemish manufacturers have managed this by marrying traditional craftsmanship and ancestral recipes to a dynamic innovation drive in line with ever-changing market trends and consumption patterns: new flavour variations, health and functional ranges (no-added-sugar, reduced fat, low carb, low calorie, fibre-fortified, vitamin enriched, sustainably sourced, organic, single origin, high cocoa content, 100% cocoa butter based...).

In 2018 Belgium exported EUR 19,737,148 million to Australia, compared to EUR 24,915,895 million in 2015. This is a decrease of 20.78%.

The table below list the value of import of cacao and chocolate items from Belgium to Australia in EUR. The list is showing the products that are worth the most in term of import value first.

	2015	2016	2017	2018	2019
18 Cacao and chocolate	24.915.895	23.803.008	25.367.696	19.737.148	6.250.389
1801 Cocoa beans	20.057	33.382	32.289	54.756	7.319
...					
1803 Cocoa paste	32.058	29.937	18.041	16.844	11.532
...					
1804 Cocoa butter, fat and oil	52.610	44.122	62.683	48.580	38.287
1805 Cocoa powder ...	196.659	211.970	191.029	132.398	109.006
1806 Chocolate and other food preparations ...	24.614.511	23.483.598	25.063.654	19.484.570	6.084.245

- 1801 Cocoa beans, whether or not broken, raw or roasted
- 1803 Cocoa paste, whether or not defatted
- 1804 Cocoa butter, fat and oil
- 1805 Cocoa powder, not containing added sugar or other sweetening matter
- 1806 Chocolate and other food preparations containing cocoa

5.5 BEER

5.5.1 Performance and outlook in Australia

The Australian beer manufacturing industry has undergone a moderate revenue decline over the past five years. Consumer preferences have changed, and competition has increased from both internal and external sources, while per capita alcohol consumption has declined.

Cider and spirits are making up an increasing share of alcohol consumption, as beer consumption falls. However, premiumisation trends in beer consumption have somewhat mitigated the negative effects of declining per capita alcohol consumption. Consumers are increasingly shifting away from traditional beers, such as Victoria Bitter, to higher priced premium and craft beers.

Industry market concentration is high, as Australia's two largest brewers, Carlton & United Breweries (CUB) and Lion, are expected to account for almost 90% of industry revenue in 2018-19. Despite the continual entry of craft breweries, market share concentration has increased over the past five years, as multinational brewing company Anheuser-Busch InBev SA/NV acquired CUB and significantly increased market share. However, recently CUB was sold to Japan's Asahi Group Holdings. Major liquor retailers Woolworths and Coles have increased their private-label beer offerings, intensifying price competition. As a result, industry profit margins have declined over the past five years. Substitute products, such as cider, have also become more popular over the period.

Industry revenue is anticipated to rise over the next five years, largely due to growing demand from pubs, bars, nightclubs and liquor retailers. Rising demand for more expensive premium and craft beer is also projected to boost revenue. However, health consciousness is expected to increase over the next five years, contributing to a continued decline in per capita alcohol consumption. Industry revenue is expected to grow at an annualised 1.2% over the five years through 2023-24, to reach AUD \$4.7 billion.

5.5.2 Competitive arena

The beer manufacturing industry exhibits a high level of globalisation. While international trade contributes a small proportion of industry revenue, foreign ownership is high in the industry. The industry's two major players, which account for almost 90% of revenue, are both foreign owned. Belgium-based AB InBev owned Carlton & United Breweries (CUB) and Japan-based Kirin Holdings owns Lion. Both AB InBev and Kirin are involved in beer manufacturing in many countries and global beer manufacturing is characterised by an active merger and acquisition market. Due to high transport costs relative to product value, large brewers have subsidiaries brew their beers domestically, or enter contracts to have their beer brewed under license or distributed by a partner in a foreign country. As a result, industry exports are low and imports are moderate.

The Beer Manufacturing industry exhibits high barriers to entry. This is due to several factors including the dominance of existing players, the challenges involved in developing effective distribution channels, and high initial capital costs. New entrants are often limited to distributing products in a limited geographical area close to production facilities.

5.5.3 Import from Belgium

The combination of a beer tradition that goes back centuries and the passion of today's brewers in their search for the perfect beer has made Belgium the home of exceptional beers, unique in character and produced on the basis of an innovative knowledge of brewing. It is therefore not surprising that the Belgian brewers regularly sweep the board at major international beers competitions. Belgian beer is unique due to a variety of reasons:

1. The quality and ground-breaking craftsmanship;
2. The great variety of the brewing processes, the ingredients and the taste profiles;
3. The tradition that has been handed down over the centuries from generation to generation;
4. Belgian speciality of reddish-brown beers, bière brut, and wood-aged and fruit beers;
5. The wide spectrum of passionate beer brewers;
6. The inclusion of Belgian beer culture in the inventory of the intangible Cultural Heritage;
7. The pioneering role that Anheuser-Busch InBev SA/NV (AB InBev) played in putting Belgian beer on the world map;
8. Every kind of beer has its own glass;
9. The centuries-old Flemish tradition of beer-based dishes;
10. Hop gardens in West-Flanders, more specifically in the Westhoek region.

The table below list the value of import of beverages items from Belgium to Australia in EUR. The list is showing the products that are worth the most in term of import value first. Only the share of malt of beer and non-alcoholic import value is shown in detail in this table. All values below are shown in EURO000.

	2015	2016	2017	2018	2019
22 Beverages	3.745.683	6.771.383	10.366.985	11.132.582	3.891.130
2203 Malt of beer	2.390.072	5.631.125	9.236.563	10.293.891	3.362.794
220291 Non-alcoholic beer <= 0,5% vol alc				1.713	810

As you can see, the share of beer in the total import of beverages from Belgium to Australia is very high. In 2018 total beer imports from Belgium into Australia amounted to EUR 10,293,891 million, representing 92% of total import of beverages from Belgium into Australia. A strong increase of import is noticed in the last five years.

In July 2019, Ab InBev agreed to sell its Australian operations, Carlton & United Breweries, to Japan's Asahi Group Holdings for about \$11.3 billion in enterprise value. The deal is expected to close by the first quarter of 2020, and the proceeds will be used to pay down the Belgian-based company's debt.

5.6 DAIRY

5.6.1 Performance and outlook of dairy in Australia

The butter and dairy product manufacturing industry has faced challenging conditions over the past five years. Global dairy prices crashed in the first half of the period before stabilising but not fully recovering. Industry production is shifting due to changing consumer preferences. Butter production has fallen as producers have diverted the supply of milk fat to meet rising consumer demand for full-cream milk. Greater overseas demand for Australian milk powder has also driven supply diversion. Greater health consciousness has increased demand for other industry products such as natural and probiotic yoghurt. Industry revenue is expected to increase at an annualised 2.8% over the five years through 2018-19, to AUD 7.6 billion. This includes an expected revenue decline of 8.1% in the current year, largely due to a fall in butter production.

Revenue volatility in the industry is anticipated to moderate over the next five years. Industry revenue is projected to increase as dairy farmers capitalise on new growth opportunities. However, butter production is not projected to rise to meet the volumes of the past five years, resulting in a lower annualised growth rate of 1.3% over the five years through 2023-24, to AUD 8.1 billion. Improving capacity achieved through more efficient management of dairy herds is forecast to cause milk production to increase. The industry will likely benefit from FTA with Japan, China and Korea signed over the two years through 2014-15, and the new Trans-Pacific Partnership signed by Australia and 10 other nations in the Asia-Pacific region, which will continue to gradually take effect over the next five years.

5.6.2 Competitive arena

The major players in the industry are typically the major dairy companies in Australia, namely Saputo Dairy Australia, Fonterra Australia, Parmalat and Lion, which together account for the majority of the nation's dairy production. All of these companies are now foreign owned. Canada-based Saputo became a major player after acquiring Murray Goulburn Co-operative Co Limited for approximately AUD 1.3 billion in May 2018.

Fonterra Australia is owned by Fonterra Co-operative Group Limited, which is cooperatively owned by approximately 10,500 dairy farmers in New Zealand. Parmalat Australia is controlled by France-based Lactalis Group, while Kirin Holdings, a Japanese company, owns Lion.

Foreign ownership of the industry has been increasing over the past decade. Kirin Holdings fully acquired Lion in 2009, while Saputo purchased Warrnambool Cheese & Butter in early 2014 and Murray Goulburn in 2018. Foreign ownership is expected to continue to increase, spurred by the continued consolidation of the global dairy and food industries and strong competition in the retail market. The value of imports has increased from a low to a medium level over the five years through 2018-19. As other nations increase dairy production it is likely that increased international competition will place greater pressure on profit margins for domestic producers.

5.6.3 Import from Belgium

When looking at the total food imports from Belgium to Australia, the import of dairy products is rather low. As seen in the table in “section 9 Appendix Import from Flanders to Australia”, the total import of food and beverages products was worth EUR 134.967.573 million while the share of dairy was EUR 4,357,426 million in 2018.

The table below list the value of import of dairy from Belgium to Australia in EUR. The list is showing the products that are worth the most in term of import value first. All figures below are shown in EUR000. Please note that the full description of each category is listed below the table.

	2015	2016	2017	2018	2019
04 Dairy	939.292	8.563.019	4.447.248	4.357.426	4.003.115
0401 Milk and cream, not concentrated ...	171.711	165.128	192.655	256.174	30.470
0402 Milk and cream, concentrated ...			143.438	377.110	139.923
0403 Buttermilk, curdled milk and cream, yoghurt, kefir ...					
0404 Whey ...	524.473	249.598	811.035	137.790	
0405 Butter and other fats and oils derived from milk ...		151.877	203.222	103.002	
0406 Cheese and curd	243.108	7.996.416	3.096.898	3.461.972	3.832.722
0408 Birds' eggs ...					
0409 Natural honey					
0410 Edible products of animal origin ...				21.379	

- 0401 Milk and cream, not concentrated nor containing added sugar or other sweetening matter
- 0402 Milk and cream, concentrated or containing added sugar or other sweetening matter
- 0403 Buttermilk, curdled milk and cream, yoghurt, kefir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa

- 0404 Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included
- 0405 Butter and other fats and oils derived from milk; dairy spreads
- 0406 Cheese and curd
- 0408 Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter
- 0409 Natural honey
- 0410 Edible products of animal origin, not elsewhere specified or included

6 ASSOCIATIONS AND SECTOR ORGANISATIONS

There are several organisations involved in the Australian food and beverage industry: industry organisations usually provide members with key information and updates (such as how a change to legislation affects their business), run training and education programs and lobby on behalf of the industry to influence government policy.

[Please contact [FIT Melbourne](#) to connect with Australian premium food and beverage industry bodies, associations, certification authorities].

7 FAIRS AND EVENTS

Fine Food Australia

Website: www.finefoodaustralia.com.au

Remark: Fine Food Australia is the leading trade event for the food industry. With a showcase of over 1,000 exhibitors and thousands more brands, they trade fair is positively boiling over with options. 23,000+ visitors attend Fine Food Australia each year. Sharing experiences with chefs, restaurateurs, café and bar owners, and other food operators. The fair annually alternates between Sydney and Melbourne and usually takes place in the first half of September.

Food and Wine Expo

Website: www.foodandwineexpo.com.au

Remark: The Food & Wine Expo takes Gourmet Food, Wine, Celebrity Chefs and sensational ideas across Australia. The trade fair is organised in Canberra, Brisbane and the Gold Coast on different dates and usually lasts three days. It is aimed at the general public.

Food Service Australia

Website: www.foodserviceaustralia.com.au

Remark: The Foodservice Australia show is held in Melbourne over a three action-packed days. Thousands of chefs, restaurateurs, café owners, bakers, pâtissiers, caterers, suppliers and producers gather at the Melbourne Exhibition Centre. Visitors can discover over 400 exhibitors, three elite chef competitions, two major conferences and aisle upon aisle of new products and fresh ideas on show.

Good Food & Wine

Website: www.goodfoodshow.com.au

Remark: The Good Food & Wine Show consistently produces a different demographic than the traditional wine event. The trade fair is organised in Sydney, Melbourne, Perth and Brisbane on different dates.

Melbourne International Coffee Expo

Website: www.internationalcoffeeexpo.com

Remark: The Melbourne International Coffee Expo (MICE) is known throughout the Asia Pacific as the largest and most exciting dedicated coffee event. Established back in 2012, it has become a must-attend event for everyone in the coffee community. Regularly attracting over 11,000 attendees, MICE connects café owners, roasters, equipment manufacturers, service suppliers and more to facilitate real business opportunities.

National Wine Show Australia Brisbane

Website: www.rncas.org.au

Remark: National Wine Show of Australia is Australia's premier national wine show. The Show invites entries from across Australia in premium classes for table, sparkling and fortified wines.

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9 APPENDIX

Australian import from Belgium 2011 - early 2019

The following table shows the value of import from Belgium to Australia by product (figures are in EUR000). Data provided by Flanders Investment & Trade.

	2011	2012	2013	2014	2015	2016	2017	2018	Jan-May 2019
19 Biscuits and pastries	7.828.502	9.643.010	11.667.885	13.740.297	13.268.232	17.219.430	22.571.910	32.306.633	10.368.870
20 Processed fruit and vegetable	5.769.119	9.962.566	4.219.976	3.888.495	9.311.232	11.151.389	16.878.424	22.063.494	12.780.760
18 Cacao and chocolate	21.560.473	18.192.991	19.038.783	17.924.173	24.915.895	23.803.008	25.367.696	19.737.148	6.250.389
07 Fresh vegetables	3.011.049	6.894.866	6.249.760	9.215.974	11.771.779	12.503.845	13.755.644	18.309.262	6.266.482
11 Flour products	95.504	85.501	477.444	321.829	785.035	134.209	9.774.785	12.368.755	2.534.286
22 Beverages	3.152.489	3.787.630	4.100.261	3.002.462	3.745.683	6.771.383	10.366.985	11.132.582	3.891.130
21 Extracts, essences, concentrates, sauces, ice cream, yeast...	3.282.204	4.360.025	4.446.160	4.242.930	5.767.314	7.369.780	7.215.243	7.198.921	3.071.152

04 Dairy	1.675.299	2.977.847	2.725.338	3.211.309	939.292	8.563.019	4.447.248	4.357.426	4.003.115
02 Meat	278	217.701	965.050	5.319.319	7.953.794	8.839.195	9.778.284	2.852.100	
17 Sugar (product)	1.903.309	1.484.389	1.663.003	1.977.647	1.893.545	2.434.584	2.391.565	2.258.504	853.738
15 Fats and oils (animal and vegetable)	1.476.255	2.473.410	3.214.196	3.067.388	1.354.784	1.219.849	1.083.232	1.168.192	483.143
09 Coffee, tea, spices	469.463	462.631	485.503	468.794	512.238	651.576	765.177	613.796	163.335
10 Grains	634.327	589.209	349.743	472.041	524.443	1.127.242	778.707	598.765	403.839
16 Meat and fish preparations	410.970	1.090.032	585.370	262.962	197.895	1.512	29.264	1.994	3.024
03 Fish, crustaceans and molluscs			656				5.412		
Food and beverages total	51.269.241	62.221.806	60.189.130	67.115.621	82.941.161	101.790.022	125.209.575	134.967.573	51.073.264

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Datum publicatie: 6 december 2019