

Opportunities and Challenges; Exporting in China

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£1 Trillion export target 2020 (driving up export value):

- ❖ Focus on markets and sectors where UK can be a strong competitor; **and**,
- ❖ Where HMG intervention is critical to adding value.

100,000 new exporters by 2020 (driving up export volume):

- ❖ Developing a digital platform to access both HMG **and** private sector support;
- ❖ Promoting a digital marketplace; **and**,
- ❖ Signposting support from the private sector.

Delivering £1.5Tr in FDI Stock by 2020: (future)

- ❖ Maintain UK as the top destination for FDI in Europe; **and**,
- ❖ Become the No1 destination for Europe-bound FDI from high-growth markets.

Government Policy: Food and Farming

- **25 Year Food and Farming Plan** “to grow, buy and sell more food”
- **Great British Food Unit** “to promote British food abroad and help open up new markets”
- **Export Action Plan**



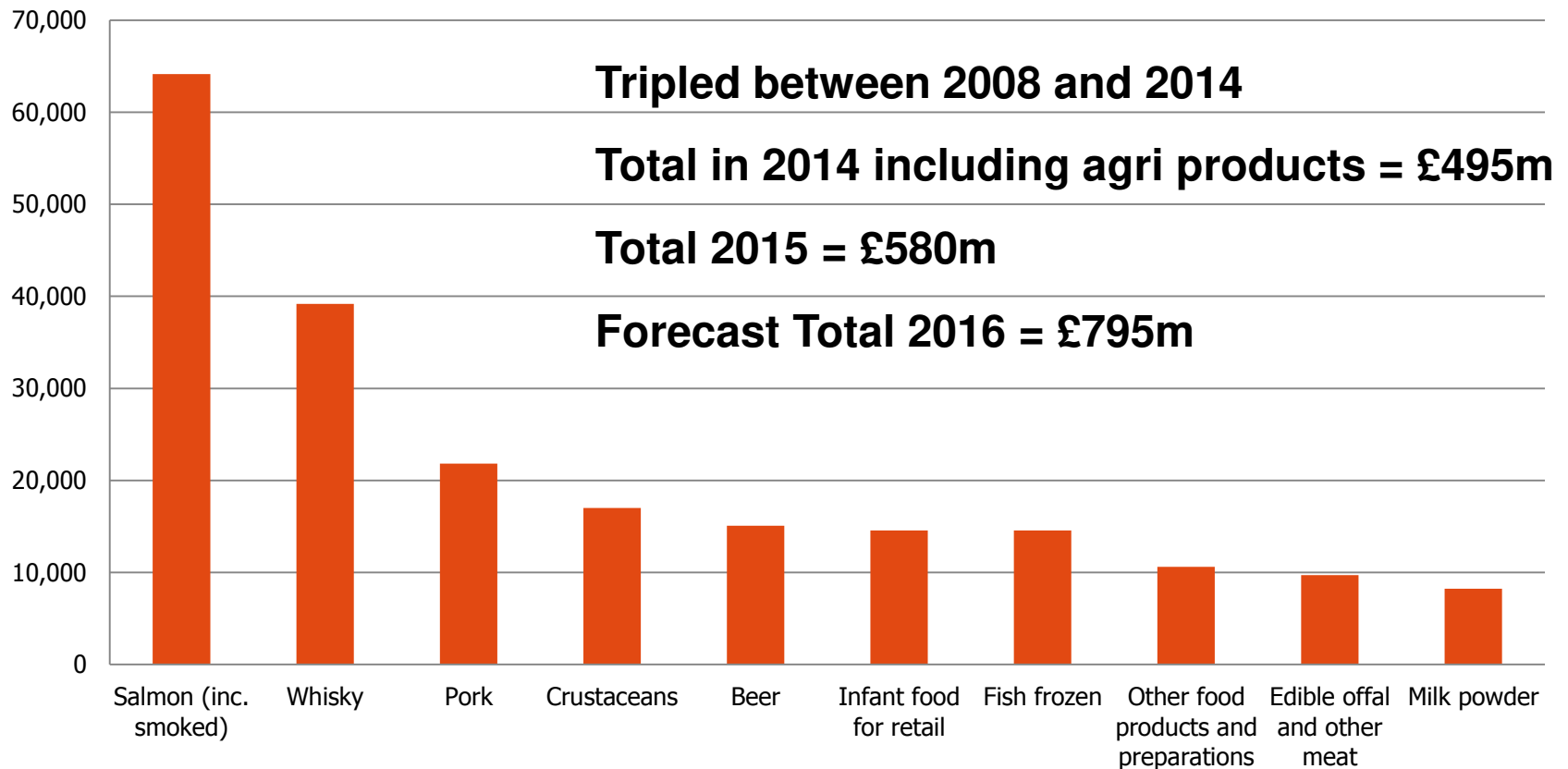
Why China the top target?

- China food and drink market worth \$1.5 trillion (£901.5 bn)
- By 2018 China is expected to become the world's largest consumer of imported food
- Middle classes alone 105m or greater
- China can't grow enough to feed its population. Food + security policy
- Affluence driving up demand for meat, fish, shellfish, alcohol and dairy; UK strengths
- Food safety scandals and environmental challenges increase interest in imports; premium paid for imported food



Progress on Trade

Value of top exports of food and drink to China in 2014 (in £1000)



Agri-Food Counsellor Role



Llywodraeth Cymru
Welsh Government



The Scottish
Government



Department of
**Agriculture and
Rural Development**
www.dardni.gov.uk



Department
for Environment
Food & Rural Affairs



Agriculture & Horticulture
DEVELOPMENT BOARD



China-Britain
Business Council
英中贸易协会



How we support

- **Policy Collaboration:** Prosperity Fund, Collaborative Research, Sustainable Agricultural Innovation Network
- **Market Access Negotiations:** To facilitate entry for new food products
- **Supporting Trade:** Through making business connections, marketing, trade missions, export opportunities
- **Supporting Inward Investment:** Through business contacts, trade missions and tailored support for clients
 - Food and Drink products, including meat, dairy, fish and seafood, confectionary and snacks, organic and health products, alcoholic and non-alcoholic drinks, and pet food
 - Agricultural products, including animal and plant genetics, technology and engineering, live animal exports and animal products such as bovine or porcine semen
 - Food service sector, including hotel, restaurant, café and fast food chains

Key Opportunities 2016: Chinese policy

- ❖ Golden Era of UK/Sino relations: 2016 the year of Delivery
- ❖ China's number one policy document
- ❖ 13th Five Year Plan focus on agriculture and food as a 'foundation' for the Chinese economy



Opportunities: Demand

- Strong Demand: China is net exporter of fish and consumes 34% of the global fish supply (FAO). But still needs to import large quantities of seafood to meet demand.
- China imported £9bn of aquatic products and still growing (4.2m tonnes)
- The crab peak seasons for consumption in China are in Spring (Apr-May) and Autumn (Sep-Oct).



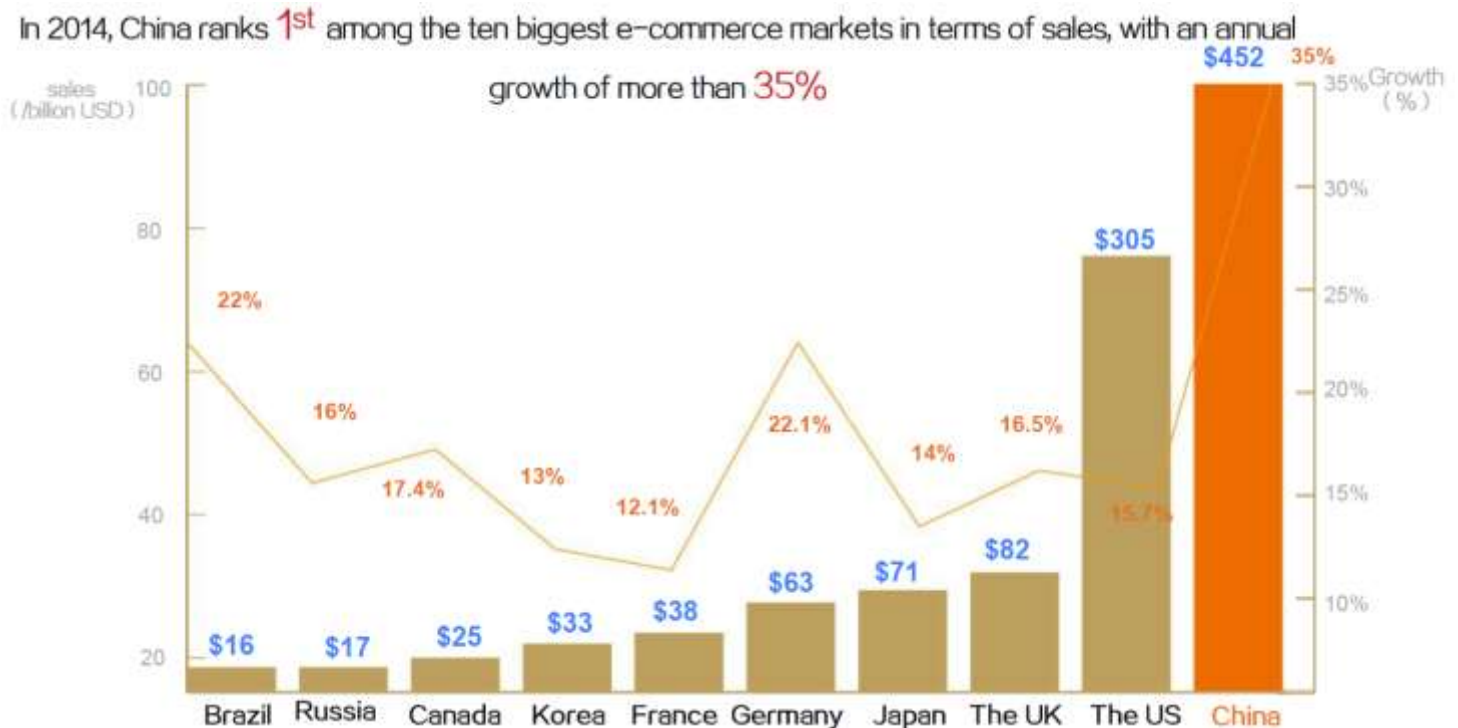
Opportunity

- Food Safety Concerns driving up demand for imported produce
- Supermarkets and hypermarkets are also developing rapidly in China.
- Speciality / imported focused stores growing in prominence
- Convenience lifestyle tipping demand from fresh to frozen / processed



China largest & fastest growing Ecommerce Market

Sales of fresh food through e-commerce platforms in 2014 in China reached RMB 26 billion, a year on year increase of 100%.



China's e-commerce platforms are competing against traditional sales channels to sell aquatic products. In order to gain advantages over other e-commerce platforms they have extended their product portfolios to include imported high-end seafood products..

Convenience!



GREAT Food Campaign 2015



**Food is GREAT Partnership Proposal
British Food & Drink Campaign**
A unique opportunity to showcase the best of
culinary Britain, with... **BRITISH AIRWAYS**



Key Challenges

- ❖ Chinese economy slowing, currently at 6.9%, but still vast and the envy of many
- ❖ Food Safety Legislation Reform
- ❖ Limited resources of Chinese Government / bureaucracy
- ❖ Complexity of Chinese market (not one market!)
- ❖ Competitors! 120 countries bring fish and shellfish into China
- ❖ Anti corruption policies
(Clamp down on lavish spending)

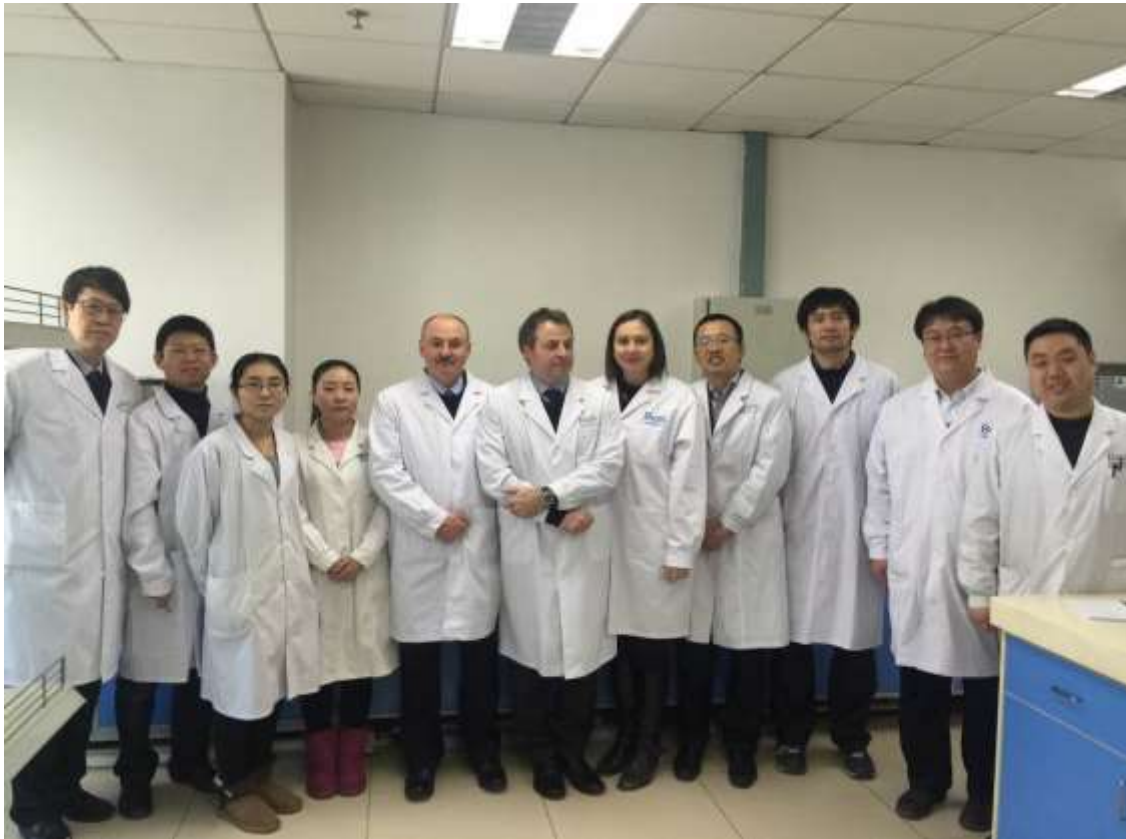


Challenges: Market Access

- Chinese country investigations. ASQIQ has visited more than 10 countries to conduct field surveys.
- Only seafood varieties that have completed all inspections and quarantine entry procedures can export products to China. Over 100 countries and 7,000 seafood varieties have completed inspections and quarantine entry procedures.
- Only overseas manufacturers that have obtained relevant registration in China can export seafood to China. Over 10,000 seafood companies from 77 countries and regions have registered.
- All companies that comply with the Food Safety Law can export products to China and all exporters and importers must be registered.
- ASQIQ will verify the identification of each batch of products. Products must be accompanied by relevant certifications issued by exporting countries. 77 certificates from countries around the world are recognised by ASQIQ.

Market Access Challenges 2015/16

- Resumption in trade of Live Crabs April 2016



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