

Expanding globally

Southeast Asia, Europe and North America



export
finance
australia

Opportunities to expand your business

If you have already begun exporting overseas, you will know that when you explore new markets there are lots of factors to consider. Shipping overseas might be an easy first step, but setting up a reliable global supply chain could involve more risks and substantially larger financial commitments.

From research we conducted in May 2024, two in three Australian businesses are planning to expand into either Southeast Asia, Europe or North America. If you are thinking about expanding into these markets, we're here to help.

This eBook will help you understand:

- › how to choose the right export market → Pg. 3
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When looking to grow your export business, securing the right financing solution can be very important. If you're just getting started, speak to Export Finance Australia about the ways it can help fund your expansion into new export markets. ”

Peter Stretton

Former CFO, Manildra Group



Choosing the right market

When you're ready to expand, take time to ensure the market you're targeting makes sense for your business.

Strategy first

What is your strategy and does it differ depending on where in the world you are targeting for export or expansion? It's important to take your time and do your research.

Compare markets

Understand what drives a market and how you can make the most of it, including market size, growth and the competitive environment.

Check market access

Demand is important, but it's not the only factor. Will you be able to access the market?

Do primary research

After desktop research, fill the gaps by surveying consumers and buyers, collecting data, speaking to importers and exporters, or even visiting the market.

Assess your competition

Do a competitor analysis to understand if there's enough demand in the market and see if you can offer something that will give you an advantage.

Respond to customer needs and preferences

Cultural and religious factors are important in Southeast Asian markets – but don't discount them in Europe and North America. Don't forget to consider age, gender and employment as well.

Getting started

Once you've chosen your market, make sure you're ready to enter it. Here's what you should consider before you start out.

Cultural factors



It's important to consider and adapt to any relevant language, religious, cultural or climatic market factors. For example, there are three distinct ethnic groups in Malaysia: Malay, Chinese and Indian. Malays are often Muslim and will avoid pork and alcohol, while most Indians don't eat beef and are vegetarian.

Regulations and compliance



Domestic and foreign markets are likely to have their own regulatory and compliance requirements, which come with practical and financial considerations. This includes consumer protection rules, product standards and product liability insurance. Don't get caught out by overlooking local regulations.

Logistics



Factor in the time and resources that need to be dedicated to shipping and freighting. The logistics component of an exporting business is huge – how are you going to get your product to your market, how long will it take, how much will it cost and how will you manage the process?

Marketing and labelling requirements



Some markets will have specific requirements around how you package, label and market your product, which you will need to adhere to.

Austrade can guide you through the process of selecting suitable export markets for your product or service, for more information visit the [website](#).

Securing market access

Each country sets its own trade rules and policies to protect public health, local markets and the economy. They're often called 'market access barriers' and understanding them will be fundamental to successfully expanding your business globally.



Understanding the market

Knowing the rules makes it easier, faster and cheaper to get your product or service into an international market without running into financial or legal problems. For each market, it is important to look at laws and regulations, and duties, taxes and export documentation.

Common trade barriers

A tariff is a tax or duty applied to some imported products, which raises the price to make them less competitive compared to domestic products. If tariffs apply, you'll need to factor them into your pricing.

You can read more about non-tariff trade barriers and access additional resources on the Department of Foreign Affairs and Trade's website.

Free Trade Agreements

A Free Trade Agreement (FTA) is an international treaty that may remove or reduce trade barriers between two or more economies. They may benefit your business by removing or lowering tariffs and reducing regulatory barriers to expand market access for trade.

An existing FTA between Australia and the United States has been in force since 2005, with similar agreements in place with Canada and Mexico. Australia has bilateral agreements in place with our largest Southeast Asian trading partners and the UK, and the Government is pursuing an FTA with the European Union. Visit the [FTA Portal](#) to learn more.

Ease of doing business

The World Bank ranks countries each year on their ease of doing business.

Markets that are easier to enter have:

- › a link or history of trading to Australia
- › a common business language
- › similar business practices, regulations and laws
- › a familiar banking system.

Markets may be harder to enter because of:

- › size and complexity
- › a high level of regulation
- › very different business practices
- › complex import requirements
- › lack of development.

Australian businesses can use information about ease of doing business to identify markets with shared practices, language and regulatory systems, allowing for smoother entry and faster growth. It also helps them anticipate challenges in more complex markets, enabling better preparation and resource allocation to overcome potential barriers.

Southeast Asia



Southeast Asia is home to three of Australia's top 10 trading partners: Singapore, Malaysia and Thailand. With a diverse range of cultures and consumer habits throughout Southeast Asia, understanding the regional nuances between each country is critical.

Regional considerations

› Growth

Southeast Asia is expected to become the world's fourth-largest economy by 2040, presenting significant opportunities for Australian exporters in a range of sectors, from agriculture to advanced manufacturing and services.

› Infrastructure development

With a focus on critical minerals, technology and clean energy, Southeast Asia presents opportunities for Australian businesses to provide innovative solutions, materials and expertise in infrastructure and renewable energy projects.

› Rising consumer class

The growing middle class in Southeast Asia is driving spending on products, services and experiences. Demand for food, digital products, healthcare, education and financial services is increasing.

As part of the Government's Southeast Asia Investment Deal Teams, we now have representatives located in Singapore, Vietnam and Indonesia to provide on-the-ground support. Learn more on our [website](#).

Key countries



Singapore: Singapore is Australia's largest two-way trading partner in Southeast Asia, with the prime ministers of both countries meeting every year. Singapore and Australia have a long-term partnership on food, which was strengthened during the Covid-19 pandemic.



Malaysia: There are a number of established Australian retail brands operating in Malaysia in sectors including clothing, nutrition and whitegoods. Australia recently launched an [Economic Strategy to 2024](#) that provides opportunities for Australian businesses to diversify into Malaysian markets.



Thailand: Thailand is Australia's third largest trading partner among Southeast Asian countries and the 10th largest overall. Our largest exports to Thailand include natural gas, wheat and crude petroleum.



Vietnam: In March 2024, Australia and Vietnam agreed to a [Comprehensive Strategic Partnership](#) that places Australia among Vietnam's top-tier partners. Australian exports from the education, agriculture and food sectors all have a strong reputation in Vietnam.



Indonesia: Indonesia is a key trading partner for Australia, offering significant opportunities through the [Indonesia-Australia Comprehensive Economic Partnership Agreement \(IA-CEPA\)](#), enhancing access in sectors like agriculture and education. Its growing middle class and strategic ASEAN location further boost potential for Australian exporters.

Sources:

Austrade (2023) *Boosting Australia's trade and investment engagement with Southeast Asia.*
Business.gov.au. (n.d.). *Southeast Asia export opportunities.*

CUSTOMER CASE STUDY

Supplying reliable fresh produce globally: Fox Farming

Family-owned Western Australian business Fox Farming produces lab-tested seed potatoes that must conform to the state's rigorous biosecurity standards before export.

They're popular in **Indonesia, Thailand, Vietnam, Bangladesh** and **Mauritius**, where they are used to grow disease-free potato crops.

We provided Fox Farming with a finance solution for new equipment and working capital requirements to support and fast-track exports of its seed potatoes.

Read more about how we supported [Fox Farming](#).



“Export Finance Australia has enabled Fox Farming to enter into longer contracts with customers while eliminating the need to outsource our packaging and marketing needs.”

Patrick Fox
Co-Founder, Fox Farming

Europe



Europe presents a competitive but complex market for Australian exporters. Its mature economies, high standards of living and stringent regulations could pose challenges for businesses seeking to enter the region.

Regional considerations

› European Union (EU) regulations

The EU has a complex regulatory framework that covers various aspects of trade, including product safety, labelling and environmental standards. Adhering to these regulations is crucial for successful exports.

› Economic conditions

With 27 member states within the EU and countless more countries outside the block within the European continent, economic conditions can vary between economies across the continent. Keeping on top of economic fluctuations and the impact of events like Brexit can help Australian businesses mitigate risk.

› Cultural diversity

Europe boasts a wide variety of cultures, languages and consumer preferences. Customising marketing strategies and product offerings to resonate with local audiences, is important for Australian businesses looking to increase customer loyalty and market share.

› Sustainability Initiatives

The EU is increasingly focused on sustainability and green initiatives. Australian exporters that promote eco-friendly practices and products will likely align with the values of European consumers and enhance their brand reputation.

Key countries



United Kingdom: As a major trading partner of Australia, the UK offers a large and affluent market. Key exports to the UK include wine, agricultural products and manufactured goods.



Germany: Europe's largest economy, Germany is a demanding market for high-quality products. Key exports to Germany include minerals, agricultural products and machinery.



France: A cultural powerhouse with a sophisticated consumer market, France offers opportunities for Australian products, particularly in the areas of food, wine and education.



Italy: Known for its fashion, design and manufacturing industries, Italy presents a competitive market for Australian exporters. Key exports to Italy include minerals, agricultural products and machinery.

CUSTOMER CASE STUDY

Maintaining rapid worldwide growth: Zero Latency

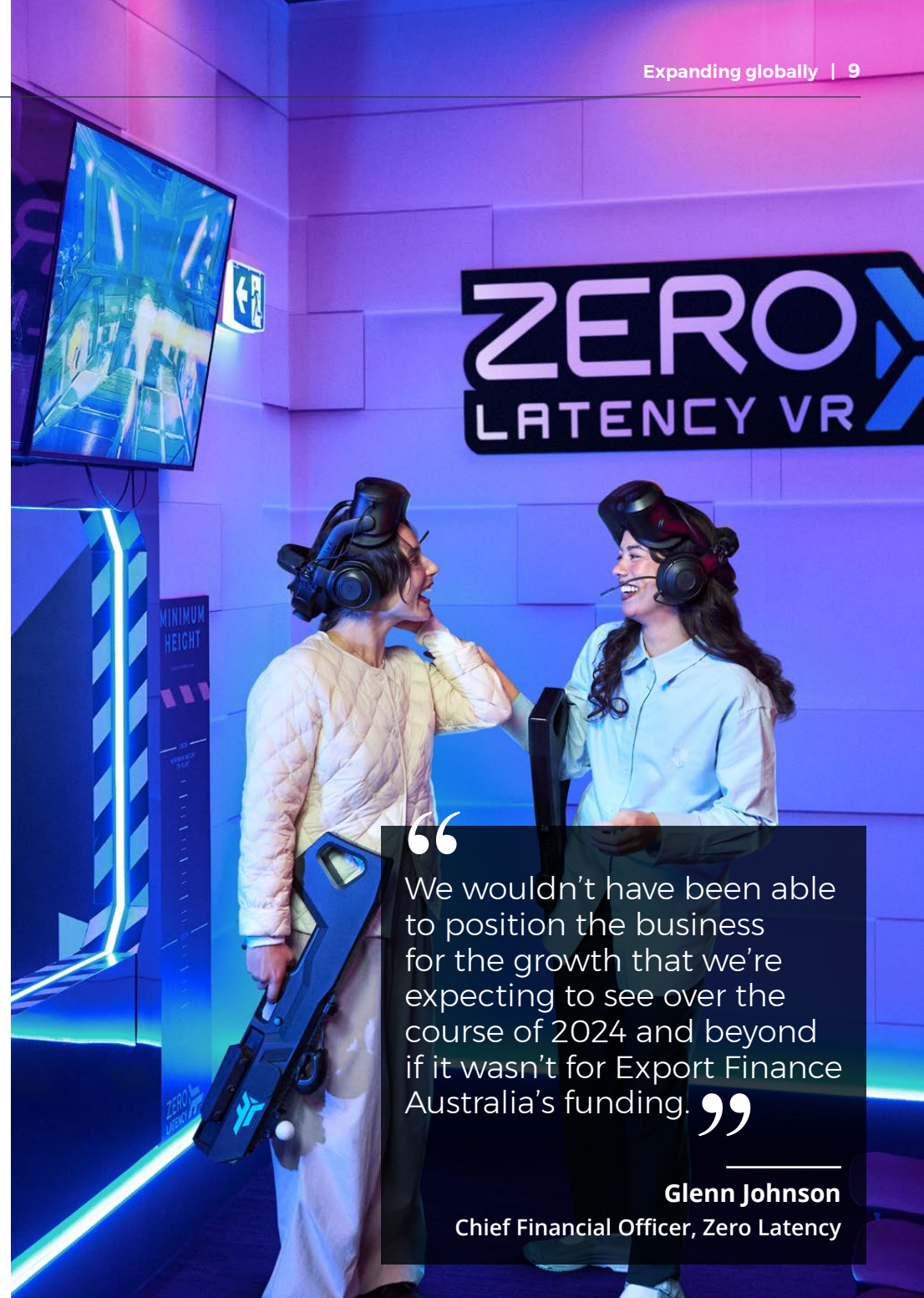
Zero Latency is a leader in the location-based virtual reality (VR) entertainment industry, licensing free-roam VR hardware and software to global venues.

As the demand for free-roam VR entertainment offerings grow, Zero Latency has been expanding its network of venues globally and developing new games to release to its licensees.

After opening its first venue in North Melbourne in 2015, Glenn Johnson, Zero Latency's Chief Financial Officer, explained that "international expansion was rapid" with its next venues quickly opening across **Spain, Singapore** and the **United States**.

We provided Zero Latency with a term loan, which provided the necessary financial support it required to maintain its growth. This enabled the business to purchase components for its systems, develop new gaming content and significantly boost its accompanying marketing and branding strategies.

Learn more about how we supported [Zero Latency](#).



“We wouldn't have been able to position the business for the growth that we're expecting to see over the course of 2024 and beyond if it wasn't for Export Finance Australia's funding.”

Glenn Johnson
Chief Financial Officer, Zero Latency

North America

North America, comprising the United States, Canada and Mexico, presents a mature and stable market for Australian exporters. The United States and Canada's robust economy, shared culture, advanced infrastructure and high standard of living make it an attractive destination for Australian goods and services.

Regional considerations

› Safety and labelling

Make sure your products align with local safety standards, which can sometimes differ to domestic legislation. For example, if you are exporting toys to the United States, then you will need to comply with the Consumer Product Safety Commission's requirements. If exporting food, then you will need to follow the Food and Drug Administration's guidelines.

› Business etiquette

Understand the differences in business etiquette, such as greetings, gift-giving and meeting styles. For instance, in the United States, direct communication and timekeeping are valued, while in Canada, politeness and building relationships are emphasised.

› Logistics and distribution channels

Diverse climates and geographical challenges can affect logistics across North America. For example, distributing products across rural areas in Canada or managing winter-related delays in the northern United States can require robust logistics planning.

› Regulatory differences

In both the United States and Canada, individual states and provinces may have additional regulations beyond federal guidelines.

Key countries



United States: As the world's largest economy, the United States represents huge potential for Australian exporters, accounting for 5% of our total exports and 10.7% of services exports. Key exports include agriculture, mining, education and tourism.



Canada: Canada has a strong economy and a large market for Australian products. Key exports include minerals, agricultural products and manufactured goods.



Mexico: As a member of the North American FTA, Mexico offers opportunities for Australian exporters seeking to access the North American market. Key exports to Mexico include minerals, agricultural products and machinery.

Source: [Australian Bureau of Statistics](#)

CUSTOMER CASE STUDY

Establishing an overseas operation: Easy Signs

Easy Signs is an online signage manufacturer headquartered in Sydney. After successfully testing the United States market with its products, Easy Signs needed a finance solution to help set up its operations in Pennsylvania.

Co-Founder and Director, Adam Parnell, explained that it was difficult to secure finance from traditional lenders as they were looking to buy assets offshore.

We provided Easy Signs with an Overseas Direct Investment Loan to set up its operation in the United States. The finance supported Easy Signs with the cash flow it needed to grow and enabled the acquisition of the lease for its United States factory.

Learn more about how we supported [Easy Signs](#).



“The finance provided by Export Finance Australia was incredibly important. It was all about creating certainty, making sure that if the business was growing faster than we imagined, we’d be able to acquire the assets that we need.”

Adam Parnell
Co-Founder and Director
Easy Signs

Finance for global growth

When operating internationally and navigating global markets, you may need extra finance at various times. Knowing in advance where to go and how to access funding is a key part of being ready to take on global opportunities.

What options are available?

› Do-it-yourself finance

You may be able to meet costs from your own reserves without causing cash flow problems or taking on expensive debt. Your existing customers and suppliers could also help you cover any temporary cash flow gaps by rescheduling payments and invoices.

› Talk to your bank

Keep your banks updated on your business plans. They may be able to offer you a secure loan or commercial bill facility when you need extra finance.

› Alternative sources of finance

We may be able to provide alternative support for your export ambitions. We have the expertise to help Australian businesses with their export activities.

Our finance solutions are designed to support Australian businesses to grow globally



Loans

Working capital to grow your business.



Bonds

The security to help you take on export contracts.



Guarantees

To secure the finance you need from your bank.

Contact us to discuss our finance solutions

From an online unsecured loan to help with cash flow, to a flexible multi-option facility that could include a longer-term loan and bonds, our experts take the time to understand your needs so you can focus on growing your business.

Call us on **1800 093 724** or visit our website for more information.

Need a small loan to give your export plans a boost?

Our **Small Business Export Loan** is designed to help businesses get the finance they need for a variety of export-related needs. You can access between \$20,000 to \$350,000 for a wide range of export-related activities such as investing in equipment, promoting your business and even providing services for international visitors.

Apply now on our [website](#).

Support available

Want more information?

We've developed a range of export-related **resources**.

Explore more of our resources, including eBooks, articles and country profiles here:

exportfinance.gov.au/resources/



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Export Finance Australia

Australia's export credit agency, providing finance solutions to Australian exporters including businesses in an export-related supply chain.

Visit exportfinance.gov.au

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Email info@exportfinance.gov.au



Export Council of Australia (ECA)

ECA is the peak body representing every player in the ecosystem of international trade. It supports Australian businesses and other entities involved in global trade through providing updated information, on-going capacity building, advisory services, creating ecosystems and advocating on behalf of members.

Visit export.org.au



Australian Government

Business

business.gov.au

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business.gov.au is a whole-of-government website for the Australian business community. It is a simple and convenient entry point for information, services and support to help businesses succeed in Australia. Find information, grants, services and support from across government to help your business succeed.

Visit business.gov.au

The Australian Trade and Investment Commission (Austrade)

Austrade helps grow Australia's prosperity by delivering quality trade and investment services to businesses, accelerates growth in Australia's tourism sector and promotes Australia's education to the world. It can link Australian businesses to global export opportunities, provide market and industry insights and make it easier for businesses to go global.

Visit austrade.gov.au

Discover how Export Finance Australia could help your business take on the world.

To find out more about how we could help your business, go to exportfinance.gov.au or call 1800 093 724.

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