

# THE WORLD'S AN OYSTER FOR AUSTRALIAN MANUFACTURER

FTA CASE STUDY | MAY 2019

Adelaide-based company, SEAPA, has been exporting its innovative oyster farming baskets since 2001. Originally exporting to Europe and North America, the company is now hoping to expand to Asia, with the help of Australia's Free Trade Agreements (FTAs).

For over 20 years, South Australian company, SEAPA, has been designing and manufacturing innovative oyster farming systems. Developed to be more productive and durable, the company's ingenious injection-moulded plastic baskets have changed the nature of oyster farming.

The baskets are made using plastic manufacturing technology that allows farmers to cultivate oysters in a range of environments, while ensuring consistent shape and high quality meat.

In 2018, SEAPA was named Australian Exporter of the Year and won the Agribusiness Award at the Australian Export Awards.

## FTA with Japan creates an even playing field for exporters

SEAPA has invested a significant amount of time and effort into building a strong international presence. Since 2001, the company has exported more than 1.5 million oyster baskets around the world and established international offices in Europe and North America.

SEAPA began exporting to Japan in 2013 ahead of the FTA entering into force.

Prior to the Japan-Australia Economic Partnership Agreement (JAEPA), the tariff on SEAPA's oyster baskets was 3.2 per cent. This tariff was eliminated on JAEPA's entry into force in January 2015.



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Alex Jack, Group Sales Manager, SEAPA

Group Sales Manager at SEAPA, Alex Jack, says the tariff elimination under JAEPA has helped the company reduce the price of its products in Japan, making them more competitive.

'When we first entered Japan's market, we faced a tariff of over 3 per cent on our product. This meant our products were priced a lot higher than others in the market,' he says.

'Since the tariff eliminations under JAEPA, we have been able to price our products more competitively, giving us an advantage over other products.'



Australian Government

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## Free Trade Agreement with China boosts opportunities for exporters

SEAPA hopes to further its success in Asia with the help of the China-Australia Free Trade Agreement (ChAFTA). Under ChAFTA, the tariff on oyster baskets was eliminated in January 2019.

Jack says ChAFTA has been a deciding factor in the company's decision to evaluate the Chinese market, as tariff reductions and their subsequent elimination gives them an instant advantage over others in the market.

'We've only recently started exploring the Chinese market, so it's still fairly new to us. But given its size, we hope to make it one of our major export markets in the future,' he says.

'The tariff reductions and subsequent elimination under ChAFTA has certainly played a role in our decision to export to China and gives us confidence in our ability to succeed.'

### Do your research

As with most export journeys, Jack says SEAPA has experienced its fair share of challenges along the way.

'Export is difficult and we've made a lot of mistakes getting into market,' he says.

'In our early days, we didn't consider how our product might need altering to fit other markets. Instead of doing our research to understand their needs, we would try to push our product as it was.'

'We've learnt that it's important to know who you are selling to, work out their problems and then deliver a solution based on what their needs are.'

Jack says SEAPA has also had to overcome cultural and language barriers throughout its experience exporting to different regions.

'We export to a lot of markets where English isn't the first language. This has often made it difficult for us to communicate with potential customers to secure business and form relationships,' he says.

'We've since started working with interpreters and other people who are familiar with the language and culture to overcome this challenge.'

### Use the support around you

For anyone interested in exporting their goods or services, Jack says it's important to make use of the support around you.

'There are a great deal of resources available to offer support and assistance when you need it,' he says.

'Austrade has been crucial in the success of our exports, helping us understand the nature of each market and connecting us with potential customers.'

'We also try to connect with local businesses already in our export markets to ask questions and gain a firm understanding of our customer's needs,' says Jack.

Perseverance is key.

'Start slow, test the markets and be prepared to stick it out. It may take years for you to land your first deal, but it's worth it in the long run.'

### About Austrade

The Australian Trade and Investment Commission – Austrade – contributes to Australia's economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:

- › develop international markets
- › win productive foreign direct investment
- › promote international education
- › strengthen Australia's tourism industry
- › seek consular and passport services.

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