

Driving Growth in China

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15th November 2022

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China's Growing Influence

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Xi is in total control

A photograph of Xi Jinping and other Chinese officials walking on a red carpet. Xi Jinping is in the foreground, waving. Behind him are several other men in dark suits, some of whom are clapping. The background is a light-colored wall with a yellow door.

Common
prosperity

Self-reliance

A new world
power

Picking favourites

Trade agreements

Faster and wider
market access
approvals

Punishing rivals

Overt:

- Suspensions, tariffs, boycotts

Covert:

- delays at customs
- no media coverage
- no orders from state-owned buyers

Current market dynamics

China parties like it's 2019 as country moves on from coronavirus

Bars, nightclubs and beach venues are filling up after months of pandemic controls

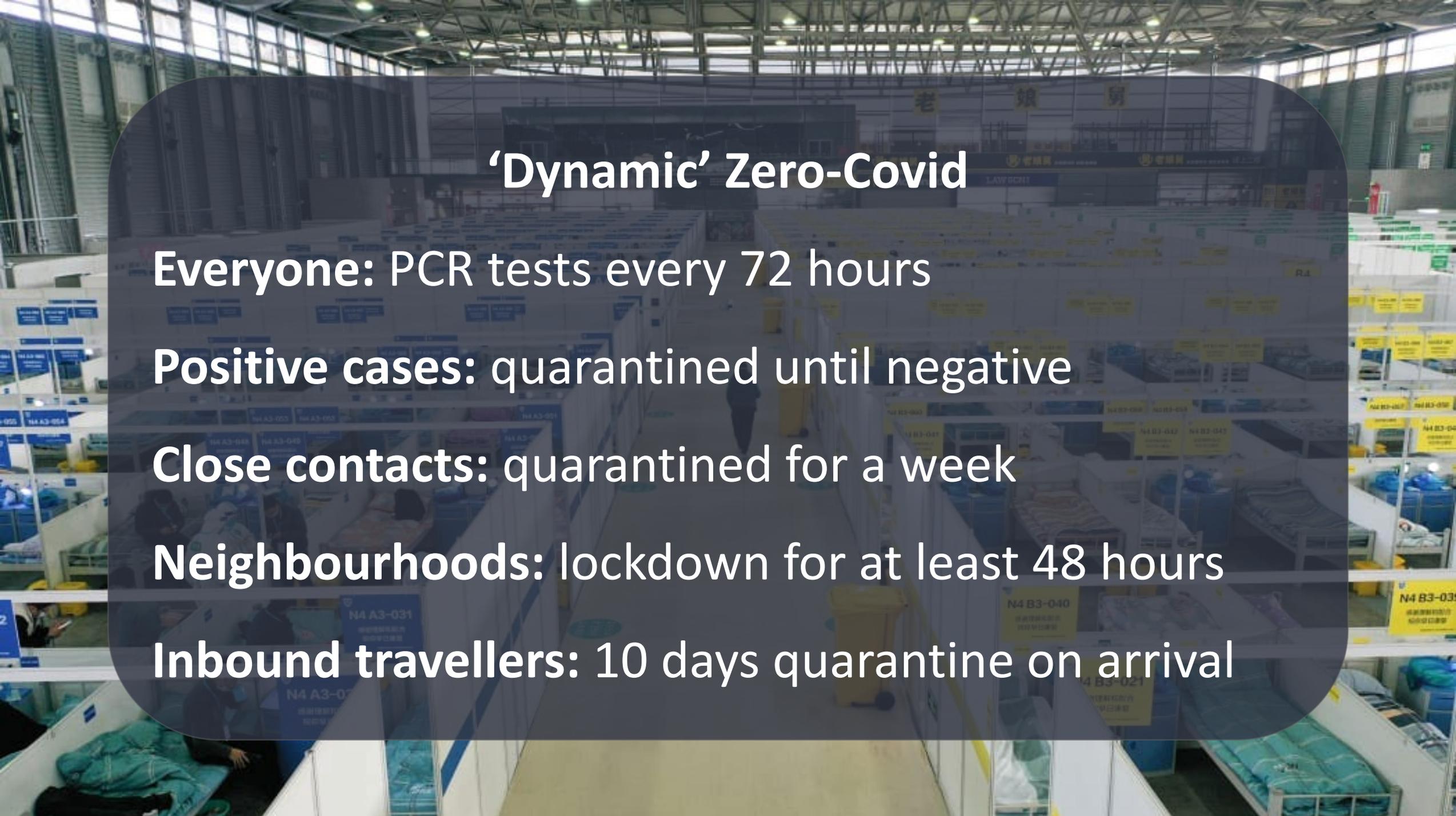


© Reuters

Yuan Yang in Beijing and Robin Yu in Hong Kong SEPTEMBER 4 2020

180





'Dynamic' Zero-Covid

Everyone: PCR tests every 72 hours

Positive cases: quarantined until negative

Close contacts: quarantined for a week

Neighbourhoods: lockdown for at least 48 hours

Inbound travellers: 10 days quarantine on arrival



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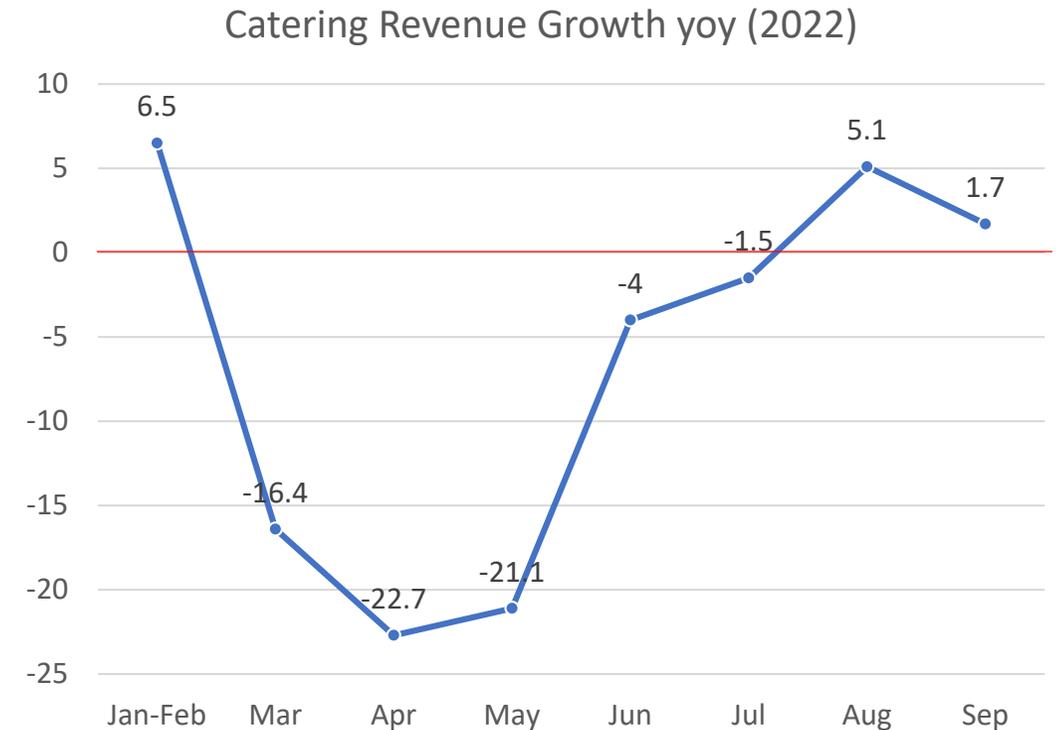


A shock to the food industry

Catering industry revenues collapsed in H1

But quick rebound!

Distributors still wary of holding stock



Market access woes

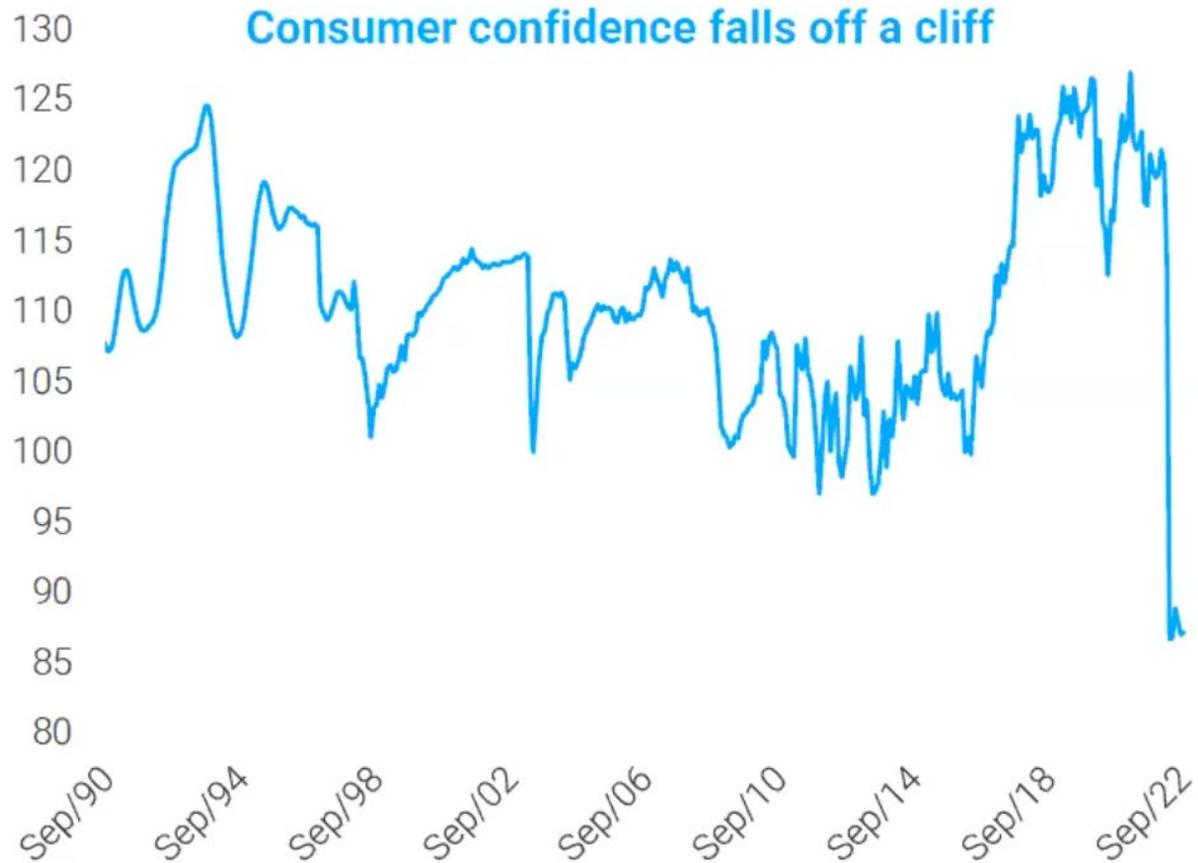
Rapid increase in number of virtual inspections this year

100s of plants suspended

Universal slowdown in progressing market access issues

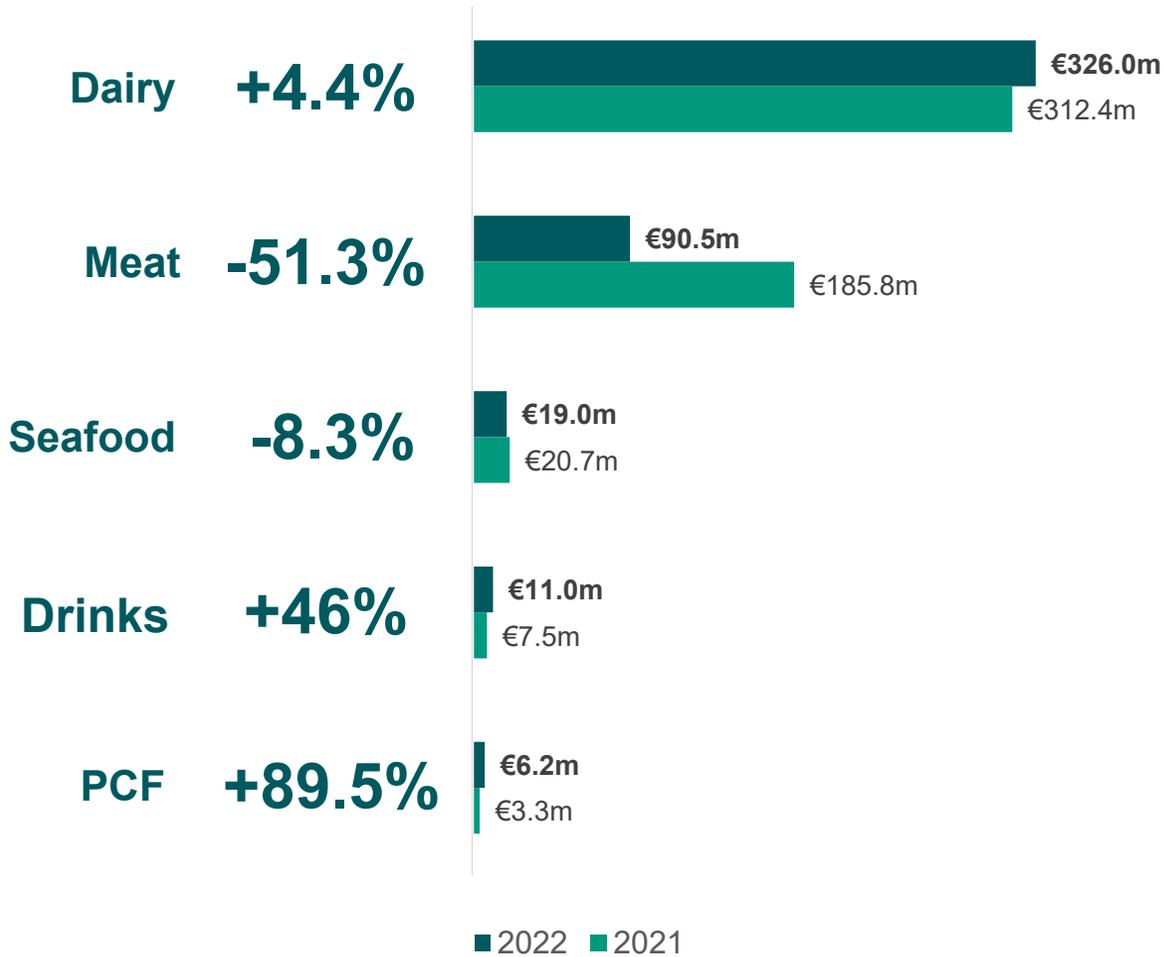


Zero-Covid is dragging on the economy



Will miss 5.5% GDP target by 2-3%

Irish Food & Drink Exports to China* (Jan-Aug)



Performance varies widely by sector



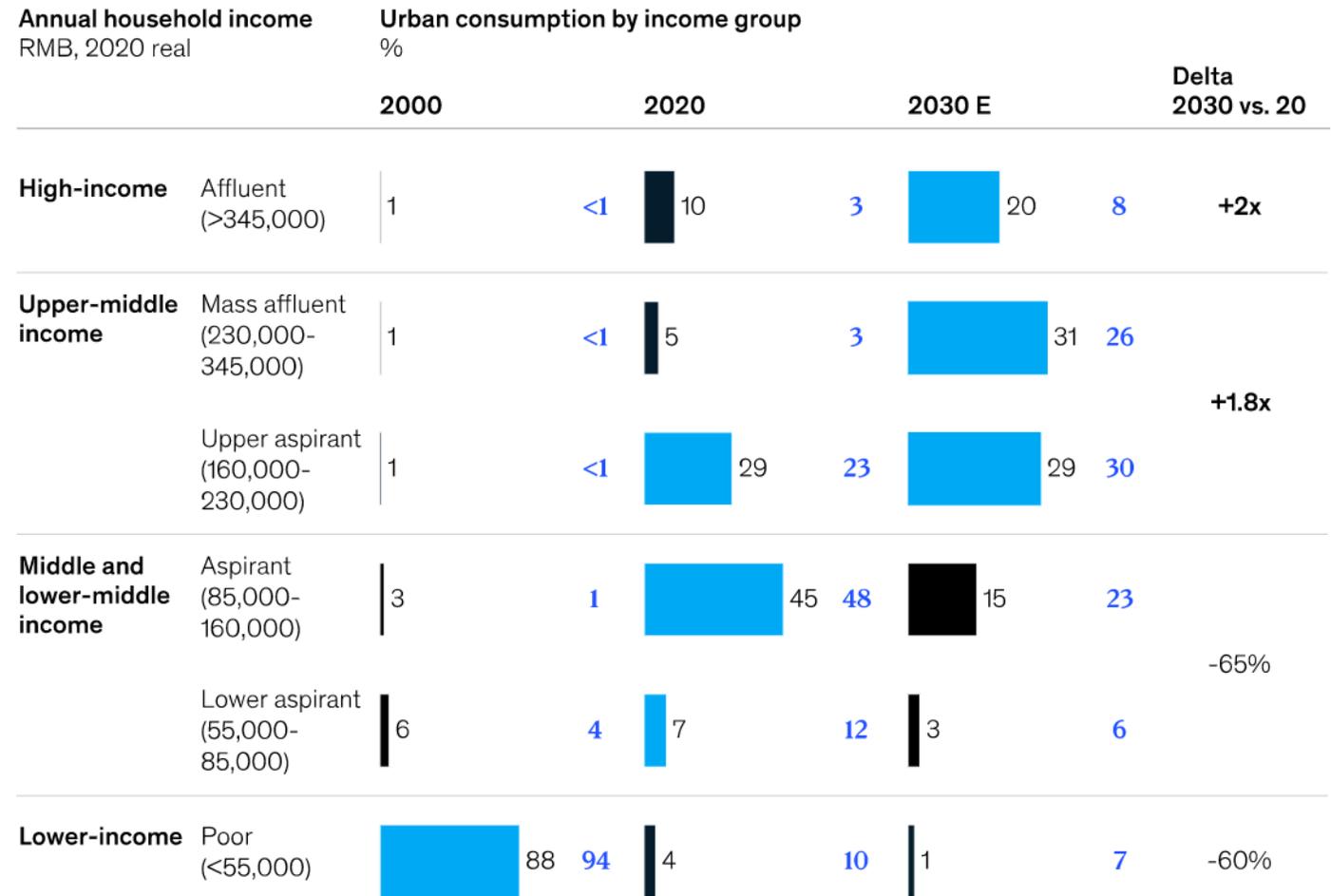
*China includes Mainland, Hong Kong, Macau & Taiwan

Rising spending power

High income share of spending will double this decade

80% urban consumption will move into upper-middle income brackets (vs 45% in 2020)

XX Percentage of urban households



Note: Numbers may not add due to rounding.
Source: MGI Insights China macro model; McKinsey Global Institute analysis

Fast growing, higher value channels



Rise of domestic champions will create new opportunities

Moving up the premiumisation scale

Consumer trust in domestic brands is strong

Incredibly strong marketing & sales

Total domination of lower tier cities

Subsidies and policy supports from government



Rapid innovation in search of premiums



+ 活性营养RRR* + 纯净藻油DHA^

+ 低聚糖HMO** + 100%有机鲜奶^{4, 5}
锁住新鲜和营养

光明®
乐在新鲜

免疫球蛋白
200mg/L

不是所有的牛奶，都含
200mg/L
免疫球蛋白

乳铁蛋白
45mg/L

乳过氧化物酶
1500U/L

75°C鲜活力
活性蛋白活性酶

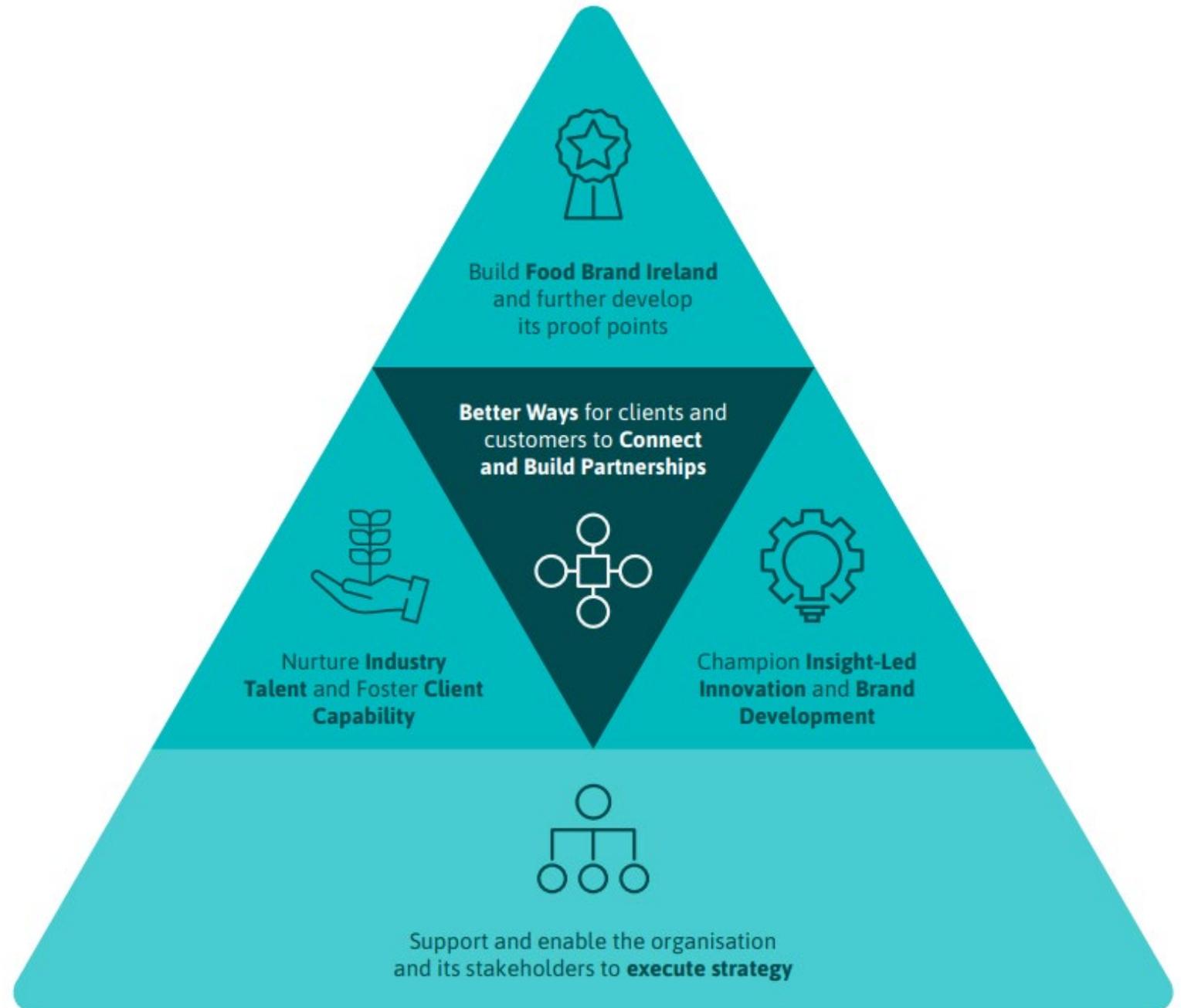
优倍
UBEST

FRESH MILK 净含量: 950毫升

Driving Growth in China

- Retaining business
- Recruiting new customers
- Growing the value of existing partnerships

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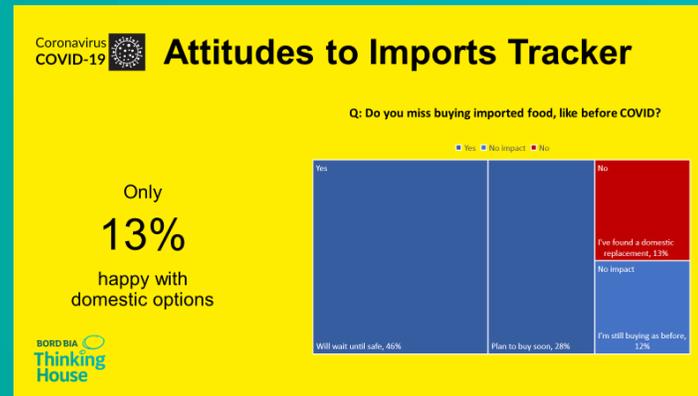
Championing insight led innovation

Bord Bia Projects:

- Whiskey market guide
- Lamb market study
- Attitudes to Import Tracker
- Future Proofing Toolkit
- Grass-Fed Research
- Competitor Benchmarking
- Specialised Nutrition
- Irish Cream Liqueur

Bespoke client projects:

- Brand development
- Brand launch
- Category insights



Key cities in China

- 4 Tier Cities:
 - North: Beijing
 - East: Shanghai
 - South: Guangzhou, Shenzhen
- 12 Key Tier 2 cities:
 - Southeast: Chengde, Changsha
 - East: Hangzhou, Suzhou, Nanjing
 - Central: Wuhan, Zhengzhou, Changsha
 - North: Xi'an, Tianjin, Qingdao
 - Northeastern: Shenyang

With the relaxing of one-child policy, the consumption of children's snack is expected to grow

Universal two-child policy become effective in Jan. 1st, 2016

Which helps to propel the growth in the market scale for children's food in China.

63.3 billion € in 2018 → 76 billion € in 2020

Mini cheese

- Based on the French style Mini Cheese
- Variants: Original, cheddar, Swiss
- Imported from France
- 15g, 38.5 mm on the round

Building a linkage with Chinese consumers and their culture

China is major high speed rail corridors as people are travelling during the Mid-Autumn Festival & National Day holidays week

Mid-Autumn Festival is a traditional Chinese festival often enjoyed during Mid-Autumn Festival with family and friends. Moon cakes are a popular festival treat in many parts.

Coronavirus COVID-19

Future Proofing Toolkit

China Edition

BORD BIA Thinking House

Identify the target group that are willing to pay a premium for grass fed

Understand the target group's key considerations when purchasing beef and dairy

Understand consumers' current perception of grass fed vs. grain fed beef and dairy, whether there's a preference and understand the reasons for preference

Explore the value of the Grass Fed standard explore the potential opportunities for Irish beef and dairy

Evaluation of the grass fed standard logo and relevant communications if any, in terms of appeal, message delivery etc

Identify the optimal communication channel/touch points to deliver the message and ultimately build awareness and a positive image with target audiences in China.

GRASS FED VERIFIED
BORD BIA

BORD BIA Thinking House

A new food hub in 2023

Large shared event space
Digital & hybrid meeting facilities
Incubation offices for clients

China Team



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Thank You

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