# ECO80 International Trade and Logistics for Windowrie Wines Assessment Answer

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| Subject Title | *INTERNATIONAL TRADE AND LOGISTICS* |
| Subject Code | ECO803 |
| Assessment Title | *Individual report and presentation* |
| Weighting | *35%* |
| Word count | *Minimum 2000 Words* |
| Format / Layout of Assessment  (details of what to include) (cross the appropriate check boxes) | Report: ICMS Cover Page     Table of Contents Synopsis / Executive Summary Introduction Findings Conclusion Recommendations Reference List Appendices |
| Other: (outline specific details here – use check boxes) |  |
| Assessment instructions (clear, succinct, without repetition) | The student will complete this individual assignment by writing a research report and make a presentation that is related to a national business on your choice.  You are required to write an individual report and Presentation. Write a report for a national business on opportunities in international trade and how these can inform strategy and how risks can be mitigated. Present your rationale and recommendations to the Board.  Part One: Written Report (30% of total score) In the introduction, you should discuss your goal as a business owner by considering its opportunities, strategies and possible risks. Then, discuss the possible outcomes you may observe in an international trade environment. Finally, provide some policy recommendations to further improve its trade competitiveness based on the studied trade theories.  Part Two: Presentation (5% of total score) Present individual report starting from week 12 until week 14. The individual will deliver a classroom presentation using Microsoft PowerPoint. The presentation will be for 4 to 5 minutes. The assessment will be issued at the week 1. |
| Readings for the assessment (instructions where they can be found e.g. MyAthens database, Moodle etc.) | The readings for the assessment include, but are not limited to, the prescribed and/or recommended textbooks stated in the subject outline, ECO 803 Lecture notes, research Articles – Articles from Google Scholar. The student is encouraged to refer to other books, magazines, journal papers (such as from the library’s journal database and the Internet) or other credible Internet material (e.g., business and financial news from reputable sources). |

## Answer

INDIVIDUAL REPORT ON INTERNATIONAL TRADE AND LOGISTICS

# ****EXECUTIVE SUMMARY****

Windowrie Wines has been a successful company operating in Australian wine industry since decades and is continuing in both national and international level. However, in international market, the opportunity of wine manufacturing and consumption is growing widely, leading to the similar growth in opportunity of international trade and logistics for Windowrie Wines. Hence, the current assignment considers international trade and logistics opportunity for the business along with discussing influence of these opportunities on strategic policy development by Windowrie Wines and issues arising in the process.

****Introduction****

Windowrie Wines is an eminent wine company in Cowra, New South Wales, Australia and sine its establishment in 1987, the business has gradually become market leader in Australian wine industry. The company is also exporting wines in foreign markets like China, Jap\an and Singapore. However, this assignment has discussed opportunity for Windowrie Wines in international trade and logistics from viewpoint of the business owner. The objective of the report is to examine the scopes of the business in trading an export in global markets along with discussing how this opportunity helps it in strategic development and associated issues.

****Opportunity of the Windowrie Wines in International Trade****

As a family owned wine business, the name of Windowrie Wines is well known in Australian wine industry and starting since 1987, the business has grown up excessively due to a considerably wide range of fine wine products of international level offered by it (Windowrie Winery — Visit Cowra, 2019). However, Windowrie Wines is mainly operating in national level with excellent potential but this is the business associated to the practice of processing its own fruits in local areas.  This has helped the business in taking care of the overall aspects of vineyard, collection of fruits, processing and manufacturing of wines based on its own concepts of consumer preference and research on market competitors. This is the specific reason why opportunity of the business in international trade and exports is rising gradually. Therefore, the wines produced by the business are facing hiug popularity in the markets like China, Singapore, Japan and Scandinavia. As stated by Bargain et al., (2018), investment in developing the state-of-art is one of the most significant parts of the business that has unfolded the opportunity for Windowrie Wines in international trade. Considering the ever-growing demand of varieties of wine products throughout the world, this is clear that Windowrie Wines is facing the scope of growth in both international exports of wine and trading of logistics.

In international wine industry, popularity of the different traditional and non-traditional wine products is being high based on varied climatic conditions in geographical regions, financial condition of society and social status of consumers. Specifically, in the countries in Asia and Europe, a high trend of growth of wine production and consumption has been observed for the last decades. This is the reason why new opportunities are being unfolded for Windowrie Wines for indulging in more export of wines and logistics operations in international markets. Moreover, as suggested by Castillo et al., (2016), policy developed by the Australian Wine Industry for setting its target on markets in Asia, UK, USA and EU has been of specific importance for increasing scope of Windowrie Wines for exporting its products in in international markets along with conducting logistics transportation with those markets. Growing popularity of innovative packaging, bottle designing, variation in taste and flavors and quality are the main requirements of consumers in international markets. Moreover, there are the factors of health benefit and premiumization (Drake-Brockman & Messerlin, 2018). Thus, Windowrie Wines has significant opportunity of performing enhanced international trade and exports with these markets.

In addition to wine export in international market, Windowrie Wines has the opportunity of offering specialized transportation of logistics supports like Envirotuff Liner (ETL) and Cargo Blankets Containers .and required infrastructure to wine companies in wine market (Taylor & Taylor, 2017). As demand of the potential delivery and transport services of wine products and raw materials are in steady rise in wine markets like China, India, Thailand and EU nations, this is a massive opportunity for the company for developing its capacity of international logistics operations. Lanis et al., (2017) thinks that clear policy development on wine export and logistics operations by Winemakers’ Federation of Australia (WFA) and Australian Grape and Wine Authority (AGWA) has enhanced the opportunity of potential trade development for Australian Wine companies. Thus, from holistic considerations, Windowrie Wines has tremendously developed opportunities of international trading and logistics operations based on incorporation of the ability of addressing ever-changing consumption preferences and patterns of global consumers of wines.

****How Opportunities inform Strategy****

As Windowrie Wines faces significant scope of developing its international trades and logistics through addressing the diverse needs and preferences of wine enthusiasts worldwide, this can also be helpful for strategic capability development of the business (Lučić, 2018). Growing opportunity of business in global level and enhanced scope of wine and logistics export have assisted the management of the company in devising suitable operations planning and strategic formulation for its international marketing and brand image enhancement. According to Morrison & Rabellotti (2017), while confronting the opportunity growth of export in global level, Windowrie Wines has been able in drafting key strategic priorities of the business. This is the factor influencing development of 150 acres land for fruit cultivation and vineyard formation in Australia by the business and the company manages and controls all operations under its direct practical guidance for producing quality wines of international level (Windowrie Wines - Buy wine of Windowrie winery online @ Just Wines, 2019). Thus, enhanced scope of international trade and logistics has led the business in controlling quality of operations.

 Windowrie Wines has adopted the decision of product portfolio development in 2011, according to which, Windowrie has developed two new ranges of products ‘The Mill’ and ‘Family Reserve’. Moreover, the company has realized the necessity of achieving organic status of all its products considering the growing scope of exporting healthy drinks to the global consumers. This has led to strategic adoption of the decision of establishing its organic winery in 2008. As opined by Xia (2019), in case of developing key investment planning and policies of marketing and promotional operations, analysis of the opportunity growth in international trading has been of significant implications. Taking decisions on investing in areas of research and development and development of guidelines for regulatory services by Windowrie Wines have been based on close analysis of the increase of opportunity in international trade and logistics. Apart from this, opportunity in international trade has assisted the business in realizations of its scopes for enhancing its overall competitiveness in global market through increasing market share in wine export and logistics operations (Kroger-Knight et al., 2019).

On the other hand, finding new scopes in wine trade in global markets has helped Windowrie Wines in framing its specific policy guidelines for improving logistics efforts as well as commercial strategies for international trading according to country specific situations. Grant et al., (2015) has described that for export of wines worldwide, the company has adopted specific organizational model along with developing policies for responding to different regulations. Most importantly, Windowrie Wines has the opportunity of strategic decision-making for developing relationship with its members of supply chain and distribution systems worldwide, which is important for enhancing capability in international trade and logistics operations of wine (Dal Bianco et al., 2015). However, based on close analysis of the changing taste, perception and preferences of consumers, the business might develop a specific Policy Committee for analyzing scopes for steady increase of international trades and accessing global markets. Specifically Windowrie Wines can develop strategy for focusing  on the Asian markets like India, China and Thailand, which are emerging as the main driver of increased consumption of wine in world market. Therefore, this is definite that opportunity in international trade and logistics is supporting strategic development and decision making by Windowrie Wines regarding its marketing, brand development and investment policies.

****Risks involved and mitigation of the Risks****

With regard to the discussion of international trade and logistics operations, the areas of risks involved and mitigation strategies are important to consider. Windowrie Wines in case of conduction of international trading of wine is facing different risks and particularly the risks of international trade policies, government policies and legal regulations have been most pressing with this context. For example, in trading wines with USA and different EU nations, there are larger complexities due to requirement of legal certificates on Quality manufacturing, Registration of Health and Sanity and Biological Stability. Not in all cases, Windowrie Wines is able in meeting such strict policy and registration requirements by global markets. Moreover, as supported by Morrison & Rabellotti (2017), while exporting wines and logistics providence to high potential markets like Scandinavia, China and Singapore, almost 15-18% high tariff rate is faced by the business. Thus, mostly the government laws, policies and strict regulations are creating resistance in smooth conduction of international trade and logistics operations for Windowrie Wines.

This is important to note that mostly the Australian wine companies face barriers in case of maintaining their Intellectual Property Rights while Windowrie Wines are facing trading in international markets and the similar hurdle due to absence of regulatory systems for protecting geographic significance of the wine producers. Drake-Brockman & Messerlin (2018) commented that this is a significant issue arising from complexities due to trade agreements developed by WTO. Thus, in international logistics and trade, Windowrie Wines cannot secure accurate representation of the brand, leading to issue in its promotional efforts. However, apart from these issues, due to complexity in trade regulations and policies, Windowrie Wines cannot always understand the ever-changing government and legal regulations in different markets clearly. This is a major problem faced by the company in its international trades and logistics operations. Thus, there is the scope of lack of sufficient visibility and insights into the situations of consumption pattern of customers and market structure in those international markets.

Hence, adoption of effective strategies for mitigation of these issues is vital for achieving success and competitiveness in international trading and logistics service by Windowrie Wines. There are wide ranges of existing as well as likely issues that can hinder growth of the international trade. If the growth of the international trading is hindered it would automatically hamper the revenue generation of the company in the competitive market.

****Recommendations****

Windowrie Wines might follow the recommendations provided below for solving barriers faced in international trade and logistics operations and enhance its overall effectiveness:

* For Windowrie Wines, resolving the issues of trade regulations, legal and government policies will be the priority. The company might follow the processes of negotiation of policies mentioned in the Free Trade Agreements as according to the policies by Wine Institute of Australia; this can be effective in reducing tariff rates in international trade and logistics of wine.
* Windowrie Wines would seek active cooperation of the Australian Government in all its business operations and this specifically will be of help for resolving the issues of government regulations and legal trade policies in international markets. For solving the issues of intellectual property rights, this particular strategy will be important also.
* This will be very effective for the business in engaging in bilateral discussions with international trade partners i and to develop business partnership and relations with those.  Thus, strengthening the relationship with business partners will help Windowrie Wines in avoiding such issues.
* For logistics operational in international markets, Windowrie Wines would adopt particular strategy for developing relationship with transporters, supply chain partners and infrastructure providers.
* Then business has to develop its overall resource management and infrastructural development policies for taking care of the logistics operation in international level. Moreover, this is important for Windowrie Wines to develop special team for R&D on market structure change and change in trade policies and government rules in international trade and exports.

****Conclusion****

The entire discussion reflects considerable opportunity for Windowrie Wines in international trade and export of wines as well as in case of scopes for logistics operations in global markets. This is cant opportunity apparent from the discussion that significant opportunity in international trade and logistics operations is awaiting Windowrie Wines. As the company is already facing issues in international export of wines, all the existing and likely issues would be considered by the business with significant importance. Thus, Windowrie Wines require close consideration and execution of the recommendations provided. Particularly, for international logistics operation development, the business needs relationship development with suppliers and providers worldwide