

Queensland – China

Trade and Investment Strategy
2025



**TRADE +
INVESTMENT**
QUEENSLAND

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Mission Statement

Leverage the complementarities in the Queensland-China trade and investment relationship to support our clients, investors, and education providers to achieve commercial success and jobs growth in key opportunity areas.

Note about the Strategy

This strategy addresses the markets of Mainland China and the Special Administrative Regions (SAR) of Hong Kong and Macau.

Minister's Foreword



Queensland's longstanding relationship with China is built on strong foundations of mutual respect, shared prosperity and enduring people-to-people links. From the early contribution of Chinese migrants to Queensland's agricultural sector to today's vibrant trade, investment and education connections, China continues to play an important role in Queensland's economic success.

China remains Queensland's largest trading partner, an important source of foreign direct investment, and the single largest source of international student enrolments.

Amidst the development of the *Queensland–China Trade and Investment Strategy 2025*, the global trade and investment environment is experiencing considerable instability, and it is likely that this will continue. While this is contributing to uncertainty in the global trade and investment markets, it also presents substantial opportunities for Queensland.

This Strategy is a timely opportunity to provide a pathway to navigate these and other global economic challenges. It identifies strategic themes to support business opportunities in areas such as health, advanced manufacturing, energy, food and agribusiness, and education and training – all areas which Queensland has established its proficiency, and commitment to advance this further. As an initial gateway for a roadmap that will respond to the transforming environment, this Strategy also recognises the critical role of innovation, regional engagement and growing consumer markets.

Importantly, this Strategy reflects Queensland's commitment to strong and enduring partnerships across China. It positions Queensland businesses to capitalise on complementary strengths and shared aspirations for sustainable growth, innovation and prosperity.

The Queensland Government recognises the importance of strengthening our international trade and investment relations, and accordingly, remains firmly committed to supporting our businesses, investors, education providers and innovators to achieve success in China.

The Hon. Ros Bates MP
Minister for Finance, Trade, Employment and Training

Why China?

Queensland and China share deep cultural, social and economic ties dating back to the 19th century, when Chinese migrants worked in the goldfields of North Queensland's and helped to establish the region's agricultural industry¹.

Today, China is Queensland's largest trading partner (\$43.8 billion of total trade with Mainland China and \$431 million with Hong Kong SAR during 2024²). It is also a significant source of Foreign Investment to Australia (\$88.0 billion from Mainland China and \$146.6 billion from Hong Kong SAR during 2023³), the state's largest source of international student enrolments (24,000 students from Mainland China and 3,000 from Hong Kong SAR during 2024)⁴.

China operates a 'one country, two systems' framework, under which the Hong Kong and Macau SARs maintain a high degree of autonomy from Mainland China, with their own legal, economic, and regulatory systems⁵⁶. Hong Kong originates and intermediates two-thirds of Mainland China's inward foreign direct investment and outward direct investment as well as most financial investments. The territory is an important source of investment for Queensland.

China remains vital to Queensland's future prosperity and growing jobs in our State.

Our future opportunity in the market rests on the strong complementarities between Queensland's export capabilities and Chinese demand, continued efforts to shift the Chinese economy to one driven by consumption, investment opportunities driven by Chinese innovation and our long-standing trade, investment and people-to-people links.

1 Chinese Business History in Queensland Farming: 1882-1900 | State Library of Queensland

2 Queensland Trade Profiles, Queensland Government Statistician's Office (QGSO)

3 Statistics on who invests in Australia | Australian Government Department of Foreign Affairs and Trade

4 Queensland Trade Profiles, Queensland Government Statistician's Office (QGSO)

5 Introducing Hong Kong – Hong Kong Economic and Trade Office, New York

6 Basic Law - Basic Law - Chapter I (EN)

7 Unlocking Domestic Demand Key to Reviving Growth Momentum in China – World Bank Economic Update



The world's **second largest economy**, driving one-third of global growth

Queensland's largest **trading partner** and export market



World's largest middle-class (450 million people⁷)

Queensland's largest source of **international student enrolments**



Market access through agreements such as China-Australia Free Trade Agreement (ChAFTA)

Australia's fifth largest source of **Foreign Direct Investment** (combined total of Mainland China and Hong Kong SAR)

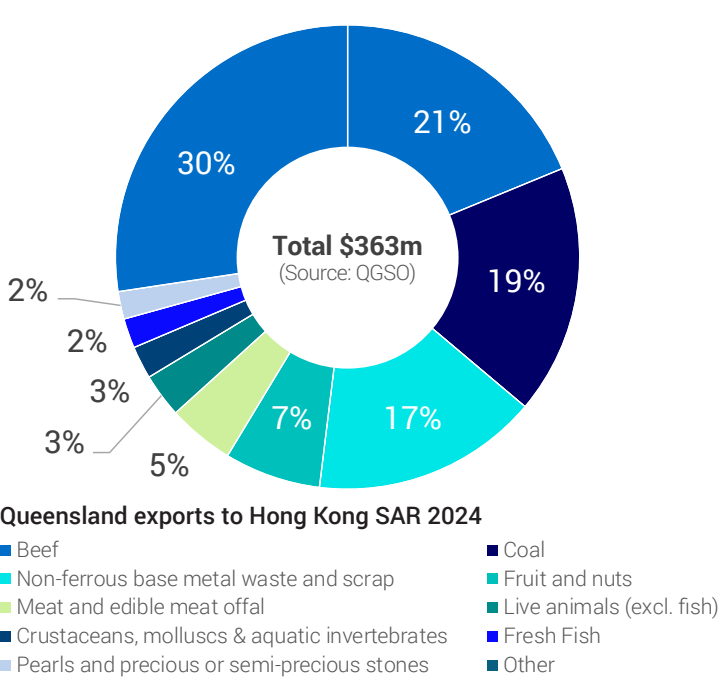
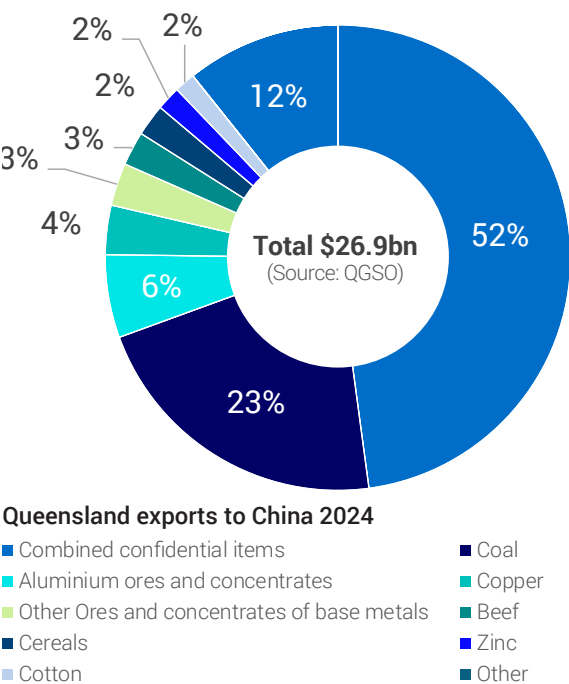


Market Snapshot

	Mainland China	Hong Kong SAR
POPULATION ⁸	1.41 billion	7.5 million
GDP PER CAPITA ⁹	USD \$12,614	USD \$50,531
QUEENSLAND EXPORTS TO CHINA	AUD \$26.9 billion , including LNG, coal, aluminium ores and concentrates (bauxite), copper, zinc and lead ores, beef, sorghum, zinc, and cotton.	AUD \$363 million , including beef, coal, aluminium waste and scrap, fruits and nuts, live horses, live fish, seafood.
QUEENSLAND IMPORTS FROM CHINA	AUD \$16.9 billion , including manufactured goods, electronics, and industrial machinery.	AUD \$68 million , including manufacturing electronics, professional and scientific equipment.
FOREIGN INVESTMENT TO AUSTRALIA ¹⁰	AUD \$88 billion investment in Queensland includes energy, mining, infrastructure, agribusiness, and tourism infrastructure.	AUD \$146.6 billion investment in Queensland include energy, mining, infrastructure and agribusiness.
INTERNATIONAL STUDENTS	24,000	3,000
INTERNATIONAL VISITORS ¹¹	143,000	21,300

Note – All data is from QGSO and ABS unless otherwise specified.

Note – Confidential items include export commodities which are subject to confidentiality restrictions.



8. World Bank 2023
9. ibid
10. DFAT 2023
11. International Visitor Survey 2023-24

Regional **Agreements**

China-Australia Free Trade Agreement (ChAFTA)	Australia-Hong Kong Free Trade Agreement (A-HKFTA)	Regional Comprehensive Economic Partnership (RCEP)
<p>ChAFTA entered into force in 2015, providing almost all of Australia's goods exports to Mainland China with duty-free entry. ChAFTA provides new or significantly improved market access commitments for Australian banks, insurers, securities and futures companies, law firms and professional services suppliers, education services exporters, as well as health, aged care, construction, manufacturing and telecommunications services businesses in Mainland China.</p>	<p>A-HKFTA entered into force on 17 January 2020 marking significant enhancement in economic relations between Australia and Hong Kong. The agreement provides Australian businesses with greater certainty in trade and investment activities. This agreement continues access for Australian exporters across education, financial and professional services and ensures that all Australian goods can enter Hong Kong SAR tariff-free.</p>	<p>RCEP was entered into force on 1 January 2022. This partnership enhances Australia's existing FTAs across 14 Indo-Pacific countries and territories, including Mainland China and Hong Kong by providing expanded market access, simplified trade procedures and greater certainty for services and investment across the Indo-Pacific region (including Mainland China and Hong Kong).</p>



Market Dynamics

China seeking to reposition as a stable force in an uncertain world

Against the backdrop of an increasingly uncertain and protectionist world, China now aims to position itself globally as an 'anchor of stability'¹², seeking to counterbalance increased tariff regimes by presenting itself as a stable force committed to free trade.

China is keenly aware of the need to bolster its exports to help address a reduced market for its goods arising from tariff measures, and is proactively seeking to enhance trade ties with the United Kingdom, Europe, Southeast Asia, Korea and Japan.

Whilst the impact of global tariff measures and trade tensions will continue to evolve, China views any attempt to contain or suppress the growth of its market as being incompatible with the building of mutual trust and bilateral relationships and, more broadly, a challenge to its stated goal of the 'rejuvenation of the Chinese nation.'

Like any foreign market, China can present risks and challenges for Queensland businesses. The rapidly evolving and changing regulatory landscape in (and in relation to) China means that Queensland companies should conduct thorough due diligence and obtain professional advice before establishing business relationships in the market. Opportunities can be considerable, but also time sensitive, and businesses need to consider when and how they invest their efforts as market dynamics can evolve quickly.



12. World Bank Global Economic Prospects, January 2025

Consumption in China: A nuanced picture

China continues to contribute to approximately one-third of global growth¹³, with the Chinese economy projected to grow by 4.0 per cent during 2025¹⁴. This growth comes despite significant economic headwinds impacting many global economies such as an ongoing property crisis, relatively weak consumption, reduced consumer confidence, an aging population, and high youth unemployment.

The Chinese Government has prioritised a long-time goal to shift the economy from one in which growth is investment-led to one driven by household consumption to further progress Chinese economic development. However, increased government measures to stimulate consumer spending will be needed to make progress towards this, particularly in light of the fact that top-line consumption indicators remain weak when compared to the pre-COVID period.

Evidence suggests that in less developed tier two, three, and four cities, consumer confidence is significantly higher than in more developed tier one cities¹⁵ and that demographically, more positive consumer sentiment can be found amongst millennials and baby boomers, regardless of whether they reside in a higher or lower tier city.

Whilst overall consumption and consumer confidence in the market remain low, it is important to place this in a global context noting that Chinese consumers overall are relatively more confident than those in most developed markets.¹⁶

In addition, pockets of higher consumer sentiment and positive growth exist in a range of sectors, regions and key demographics across the market.

For example, growth in food, consumer health, services, electric vehicles (EVs) and domestic tourism remain robust with Queensland exporters particularly well placed to take advantage of the demand for both food and consumer health products.

These trends highlight the increased importance of Queensland exporters developing a nuanced strategy in relation to the market. Strategies that target younger and/or older consumers; that include a focus on second, third, or fourth tier cities; and/or engagement through e-commerce or digital platforms, will likely maximise the benefits to be derived.

13. Two Sessions, One Vision: "China as an Anchor of Stability" | INSS

14. China Brief: The Truth About Chinese Consumption | McKinsey

15. World Economic Outlook Update, January 2025: Global Growth: Divergent and Uncertain

16. China Brief: The Truth About Chinese Consumption | McKinsey



Innovation as a driver of investment and partnership opportunities

The Chinese Government's current Five-Year Plan (2021-2025) prioritises innovation and self-sufficiency in sectors including renewable energy, healthcare, biotechnology, agricultural sustainability, food security, advanced manufacturing, higher education and vocational education, complementing Queensland's key economic strengths.

Through China's successive Five-Year Plans, and industrial policies such as 'Made in China 2025', China has emerged as a global innovator and is rapidly catching up to the US in gross research and development (R&D) spending. This is evident in its artificial intelligence (AI) boom, cutting-edge medicines, advancements in space and quantum technology, and domination of global production of green technologies including solar panels, batteries and EVs¹⁷.

China's role as a market leader in these areas offers opportunities to leverage Queensland's capability in clinical trials, medical innovation and healthcare, and to grow Chinese investment and partnership in Queensland in sectors including commercially-viable renewables, energy, EV transport, advanced manufacturing and biotechnology.

As China looks to unveil their next Five-Year Plan – and adapt to changing global market conditions – TIQ will encourage Queensland businesses to understand China's next phase of development priorities, and support them to take advantage of consequent areas of market opportunity).

Future Outlook

Cautious optimism in a maturing market facing headwinds

The future of Queensland's economic engagement with China in the medium term will involve both challenges and opportunities in a maturing market in which growth will likely be further reduced by a combination of factors.

Should they continue, trade restrictions and tariffs on imported goods from China entering the United States will further weaken a Chinese economy already weighed down by a property crisis, weak overall consumption indicators, an aging population and youth unemployment. These factors will likely reduce China's overall GDP growth prospects for some time which may have an impact on future demand for key Queensland exports, particularly commodities.

Conversely, retaliatory trade restrictions and tariff measures will also offer up opportunities for Queensland businesses in certain sectors to garner some of the market share left by other nation's goods that are no longer commercially viable in China due to these measures.

This, coupled with continued strong complementarities between Queensland exports and key pockets of growth in the Chinese economy, and opportunities to leverage Chinese investment and partnerships strongly aligned with China's development goals, encourage cautious optimism about Queensland business in the market going forward.

17. Made in China 2025 Strategy (English Translation), PRC State Council



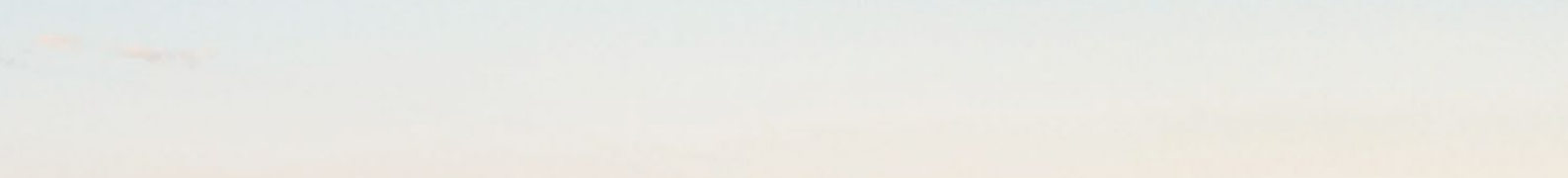
Opportunities and Challenges for Queensland

Opportunities	Challenges
<ul style="list-style-type: none"> ➔ Projected growth of e-commerce and rising disposable incomes in China's lower tier cities are opening new export opportunities for Queensland's food, agriculture, and health products. ➔ The Greater Bay Area's focus on connectivity, market access, and innovation offers potential for Queensland firms in health, design, digital trade and infrastructure. ➔ China's demand for high-quality healthcare and clinical trials continues to grow, creating a strategic opening for Queensland's capability in these areas. ➔ Queensland can partner with China to support its continued need for traditional energy as well as investment and partnership in commercially-viable renewables. ➔ China's focus on addressing youth unemployment and further development of higher education and vocational training creates opportunities for Queensland to expand partnerships in skills-based education and career-focused learning pathways. ➔ Favourable market access for Queensland exporters exists through trade agreements such as ChAFTA, RECP, and A-HKFTA. ➔ Queensland's collaboration with the Australia China Business Council (ACBC), Austrade and DFAT strengthens bilateral trade and investment ties by providing a platform for Queensland businesses to engage with Chinese counterparts, access market insights, and participate in high-level policy and industry dialogues. 	<ul style="list-style-type: none"> ➔ The Australia-China bilateral relationship is complicated owing to the fact that each has different political systems as well as differences in views on a range of important issues ¹⁸. ➔ The application of trade restrictions and tariffs by the US on China will likely weaken GDP growth of the latter and may weaken demand for key Queensland exports, especially commodities. ➔ Economic headwinds including a struggling property sector, overall weak consumer sentiment, and youth unemployment will likely continue to limit GDP growth. ➔ A complex and sometimes rapidly changing regulatory landscape in and in relation to China can present risks and challenges for Queensland businesses.

18. China country brief | Australian Government Department of Foreign Affairs and Trade

TIQ's Strategic Priorities





Build markets in second, third and fourth tier cities to take advantage of market growth and more positive consumer sentiment

Queensland Capability: Many Queensland businesses offer products that align with strong demand and are well-placed to scale into second, third, and fourth tier cities where consumer appetite for premium food, agriculture and complementary medicine products is growing and consumer sentiment is more positive vis-à-vis first tier cities.

TIQ Focus: Connect consumer goods, food, agriculture and complementary medicines exporters with new markets in select second, third, and fourth tier cities.



Support small and medium sized enterprises (SMEs) to leverage expanding e-commerce channels

Queensland Capability: Queensland SMEs offer a range of products that appeal to customers in China's growing e-commerce market which facilitates increased market access via cross-border e-commerce channels.

TIQ Focus: Connect Queensland SMEs with China's leading e-commerce platforms to grow their business and export opportunities in the world's largest e-commerce market.



Seize growing business opportunities in the thriving Greater Bay Area

Queensland Capability: A new TIQ office, located in Shenzhen, strengthens Queensland's on-the-ground presence in the Greater Bay Area, making it easier to build local partnerships, support clients face-to-face, and tap into opportunities across the region.

TIQ Focus: Leverage the establishment of TIQ's new Shenzhen office working in conjunction with TIQ offices in Guangzhou and Hong Kong to facilitate opportunities in the Greater Bay Area for exports and market access for clients.



Grow export opportunities in clinical trials and healthcare

Queensland Capability: Queensland has world-class clinical research facilities, a strong public and private healthcare system, and proven experience delivering trials for global pharmaceutical companies. These strengths position Queensland well to meet China's growing demand for healthcare innovation and medical services.

TIQ Focus: Leverage Queensland's competitive market advantage and strong capabilities in clinical trials and healthcare to grow export outcomes in these areas.



Promote investment aligned with China's market capabilities and goals

Queensland Capability: Queensland's strengths in energy, advanced manufacturing and clinical trials position it as a natural partner for Chinese investment in sectors aligned with China's development priorities.

TIQ Focus: Noting China's own market capabilities and development goals, promote investment in traditional energy, commercially viable renewables, EV transport, advanced manufacturing, biotechnology, and infrastructure.



Boost international education opportunities

Queensland Capability: Queensland offers high-quality education and training across all levels, with a strong reputation for student experience, employability outcomes, and transnational partnerships.

TIQ Focus: Noting Mainland China's own priorities to address youth unemployment, grow capability in the higher and vocational education sectors, and market demand for short-term mobility experiences for school-age children, leverage Queensland's International Education and Training sector to grow joint program articulation agreements in higher education and vocational training.



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