



AustCham China **Doing Business in** **China Report**

May 2025





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Message from the Chair

It is a pleasure to present the *2025 Doing Business in China* report — the most comprehensive edition yet, capturing responses from more than 850 companies, both foreign and Chinese, operating across a wide range of sectors and geographies. This report provides a timely and valuable benchmark for business sentiment, commercial priorities, and perceived risks in the China market.

Importantly, the data was collected prior to the announcement of sweeping US trade measures on 2 April 2025, which have since escalated tensions between the US and China. As such, this report captures business sentiment and commercial positioning at a moment of relative stability — and highlights what Australia stands to lose should external disruptions begin to erode the confidence reflected here. At the same time, Australian businesses will be closely monitoring how these global shifts may open new opportunities in areas like

energy, agriculture, and green supply chains, where Australia's strengths and China's evolving needs may increasingly align.

The topline message is clear: despite complexity, companies remain committed to China. Nearly 70 percent of respondents rank China among their top three global investment priorities, and over half plan to expand geographically within China over the next three years. This includes both foreign and Chinese firms targeting new cities and regions to capture emerging market opportunities.

Diplomatic improvements are delivering tangible benefits. Nearly half of foreign firms (45 percent) report that doing business in China has become easier, and nearly 90 percent express a positive sentiment about the improved Australia–China relationship. These gains are translating into increased exports, greater market access, and stronger partnerships with Chinese counterparts.

Challenges persist on both sides of the corridor. In China, companies continue to navigate regulatory complexity, economic uncertainty, and geopolitical risks, with one-third of foreign firms still finding the business environment difficult — down from 58 percent in 2022. Nearly half report having initiated or expanded supply chain diversification strategies to manage risks.

Despite these challenges, 61 percent of foreign firms indicate that government engagement and regulatory oversight have had a positive impact on their operations, suggesting opportunities for constructive dialogue and alignment. This is further underscored by the finding that the second highest area of planned investment after “geographic expansion” is in “government affairs”, as firms

seek to navigate evolving regulatory frameworks and align their strategies with policy priorities.

The survey also highlights growing frustration with Australia’s foreign investment settings — particularly among those seeking to attract Chinese capital into sectors aligned with Australia’s own strategic priorities, such as clean energy, critical minerals, advanced manufacturing, and healthcare. Businesses were clear: the issue is not just regulation, but a lack of transparency, clarity, predictability, and commercial timeframes in Australia’s Foreign Investment Review Board (FIRB) process. This uncertainty is deterring investment — even in areas where Chinese expertise and capital could support Australia’s economic resilience and transition. Clearer guidance on where investment is welcome, and how national interest is assessed, would unlock opportunities currently left on the table.

Nearly 60 percent of foreign firms are bullish on China’s market opportunities over the next two years, with clean energy technologies and agribusiness and food products emerging as the most promising sectors. With

the right policy settings and strategic partnerships, these sectors could serve as anchors for future growth.

The lesson from this report — and from my recent conversations with businesses in China and Australia — is that companies are not disengaging. They are adapting, weighing new risks, and seeking trusted partners and institutions to help navigate forward.

The China-Australia Chamber of Commerce (AustCham China) remains ready to support this next chapter of engagement: grounded, informed, and focused on commercial outcomes. Whether it’s advocating for a predictable regulatory environment, connecting members to emerging opportunities, or providing strategic insights on policies, our role has never been more relevant.

Thank you to all the businesses that contributed to this report. I encourage you to read it closely and use it as a foundation for thoughtful action in a fast-changing global environment.

Vaughn Barber
Chair, AustCham China



Message from the Australia China Business Council

This report stands out for its clarity and depth. It provides one of the richest sets of insights we've seen into how Australian and Chinese businesses are engaging with each other: what's working, where the pressure points are, and what's needed to support the next phase of growth.

AustCham China has delivered a valuable contribution. Drawing on more than 850 responses across a wide spectrum of sectors, this year's report goes beyond sentiment. It provides insight into how companies are thinking and acting - commercially, strategically and operationally - in what remains one of the world's most important markets.

It is clear that Australian businesses remain committed to China. They're adapting, investing and focussing on areas of genuine comparative advantage. The data shows strong intent to expand geographically, deepen local partnerships and scale or build partnerships in areas such as agribusiness, clean energy, healthcare and education.

The confidence is grounded not only in China's market potential, but also in the ongoing stabilisation of the bilateral relationship. The return of high-level dialogue has helped create a more stable platform for which businesses can plan and grow.

But this is not a one-way story. Just as important are the findings on how Chinese companies view investment in Australia. The report confirms strong interest in sectors where Australia is looking to grow: energy transition, critical minerals, EV manufacturing and infrastructure. But it also underscores frustrations with Australia's foreign investment regime. Uncertainty, a lack of transparency, and slow or unpredictable timelines are all cited as issues that make it harder for investors to proceed, even where the economic case is strong and the national interest is clear.

That's why organisations like AustCham China and the Australia China Business Council (ACBC) matter. We are not simply membership groups, we are trusted channels for engagement, grounded in commercial experience and focused on practical outcomes. Our networks are complementary - one based in Australia, the other on the ground in mainland China - but our purpose is shared: to support companies navigating complexity, identifying opportunity, building capability and building sustainable connections.

We also bring perspective. As the global economic landscape continues to fragment and realign, Australia needs to be more deliberate in how it positions itself in the region. That means being informed, connected and engaged - with China, and with the broader

region. It also means rebuilding institutional capability and ensuring that our business, government and policy leaders have the insight and tools needed to shape the future, not just respond to it.

This report is a welcome contribution to that effort. I thank AustCham China for its leadership and the quality of this work. I encourage all those with an interest in Australia China business to read the findings closely and use them as a springboard for deeper, more confident engagement.

David Olsson AM
National President and Chair,
Australia China Business Council



Foreword

The *2025 Doing Business in China* survey finished in the field at the end of January 2025. This coincided with the second Donald Trump administration entering office and almost immediately unleashing a trade war of unprecedented proportions that had China as a particular focus. By the end of the Biden administration, the average US tariff on Chinese goods already stood at 21%. On 1 February, President Trump slapped an additional 10 percent tariff on Chinese goods. Beijing responded with retaliatory tariffs of its own. Tit-for-tat escalation then followed and by April prohibitive average tariffs exceeding 100 percent were being levied by both sides.

The temptation is to imagine that the latest *Doing Business in China* survey has been overtaken by events. True, if the survey were completed today some of the results would no doubt be different. But here's why it remains relevant.

First, the impressively large sample is comprised of foreign and Chinese-owned businesses deeply engaged in the Australia-China trade and investment corridor, and the Australia-China and US-China economic relationships have long operated on different tracks. Whereas the American and Chinese economies have become more competitive, Australia's remains highly complementary. Both sides of Australian politics continue to emphatically welcome increased trade with China.

And unlike Washington, Canberra has never shown any interest in containing China's economic rise. Canberra also sees deeper regional economic integration, including with China, as beneficial not just for prosperity but stability and security too. When the first Trump administration began imposing tariffs on China in 2018, Canberra swiftly made clear that it did not support the moves. When the Biden administration imposed export controls targeting China in 2022, Australia's Trade

Minister, Don Farrell, described them as “draconian”. Following the return of the Albanese government, Minister Farrell also made clear that “We don’t want to do less business with China, we want to do more business with China”. He further emphasised that “we continue to engage with China based on our national interests and not on what the Americans may or may not want”.

There is also no China-US equivalent of the China-Australia Free Trade Agreement (ChAFTA). Struck in 2015, ChAFTA now sees all Chinese goods entering Australia tariff-free, while the average trade-weighted tariff that China places on Australian goods is just 1.1 percent. In contrast, as of early April, the tariff wall that Australian exporters to the US face is nearly 10 times that level. Underlying economic complementarities and ChAFTA mean that there will be plenty of Australia-based farmers and miners engaged with China looking eagerly at money that US companies forced to abandon the China market have left on the table.

Second, as headline-grabbing as Trump 2.0’s trade policy moves have been, China’s \$US18 trillion economy is fundamentally a much bigger story. In 2024, goods exports

to the US only accounted for 11 percent of China’s total exports, and goods exports in total have fallen to less than 20 percent of China’s GDP. This means that the days when China’s economic reality depended crucially on US demand are long gone, and the economic pain that Washington can inflict is easily exaggerated. Trump’s tariffs are a tax on American importers and consumers. With the US relying far more on Chinese goods than the reverse, a strong case can be made that escalation dominance and the balance of leverage in the trade war lies with Beijing.

Relatedly, recent developments are concentrated around geopolitical risk. But businesses engaged with China face a much broader suite of challenges – and opportunities. One of the big questions being asked in the financial press during 2023 and 2024 was around whether China was still “investable”. More than geopolitical disruption, this reflected doubts about whether Beijing could successfully engineer much-needed structural reforms, like arresting demographic decline, curbing debt accumulation and transitioning the economy away from a traditional

growth model that relied on property and infrastructure construction. The survey results shed light on what businesses engaged in the Australia-China trade and investment corridor are thinking about this broader, and ultimately more important, suite of issues.

If there is a single takeaway to be drawn from the survey findings it is that businesses are upbeat about China’s business environment, its broader economy and the opportunities that deeper Australia-China economic engagement presents.

James Laurenceson

Professor of Economics and Director, Australia-China Relations Institute, University of Technology Sydney (UTS:ACRI)



Key Findings

The strengthening of Australia–China relations has ushered in a wave of optimism among businesses, significantly enhancing confidence across various sectors. The vast majority of companies now view the bilateral relationship positively, citing tangible improvements in diplomatic and trade dynamics. This positive sentiment has translated into operational ease, with many firms

reporting that conducting business in China has become notably simpler compared to previous years. This shift has prompted a strategic realignment, with numerous companies recalibrating their long-term plans to capitalise on China's evolving market landscape. For many, China remains a cornerstone of global investment strategies, consistently ranking as a top priority due to its

vast market potential and economic significance.

Financially, foreign firms have experienced a robust upswing in 2024, with nearly all reporting profitability—a substantial improvement from the prior year. A significant portion of these firms have also seen their profit margins expand, reflecting stronger market performance and operational efficiencies. Over the past several years, many companies have increased their investments in China, signalling confidence in the market's long-term prospects. However, most maintain a prudent approach to exposure, deriving only a modest share of their global revenue from China. This balanced strategy helps mitigate risks and counters concerns about overreliance on a single market.

Looking ahead, the outlook remains overwhelmingly positive, with a majority of foreign firms expressing enthusiasm about China's market opportunities over the next few years. This optimism is underpinned by confidence in their ability to execute innovative and digitally driven strategies tailored to China's dynamic business environment. Key

growth priorities include expanding sales revenue, forging deeper partnerships with local entities, and streamlining operations to boost efficiency. To navigate potential risks, many firms are proactively diversifying their supply chains, ensuring resilience against disruptions. Australian exports continue to flourish in high-demand sectors such as agribusiness, clean energy technology, biopharma, and education, while Chinese investments in Australia are increasingly focused on areas like renewable energy, critical minerals, electric vehicle infrastructure, and healthcare. Geographically, major cities like Shanghai, Beijing, and Shenzhen remain focal points for business expansion, though emerging inland hubs are gaining traction as viable investment destinations.

Despite the positive momentum, challenges persist. In China, firms face complexities arising from regulatory intricacies, macroeconomic uncertainties, and ongoing geopolitical tensions, which continue to shape the risk landscape. Meanwhile, in Australia, FIRB's policies are a significant point of contention. The majority of

firms find FIRB's guidance unclear and its settings overly restrictive, particularly for Chinese investors, creating hurdles for cross-border investment. While most companies describe China's economy as stable or on a growth trajectory, some acknowledge pockets of volatility that warrant careful monitoring.

Nevertheless, the commitment to the Chinese market remains steadfast. The optimism surrounding future opportunities far outweighs concerns, driven by China's unmatched market scale, innovation ecosystem, and strategic importance. Businesses are navigating challenges with a blend of caution and ambition, leveraging local partnerships, digital capabilities, and diversified strategies to sustain growth. This resilience underscores a broader narrative: despite uncertainties, China continues to be a pivotal market where opportunities significantly outweigh risks for forward-thinking firms.

Business Confidence & Strategy

86%

of companies view the improved Australia–China relationship positively.

76%

say improved relations have positively influenced their long-term China strategy.

67%

rank China among their top three global investment priorities.

53%

say doing business in China has become easier.

Performance & Profitability

75%

of foreign firms were profitable in 2024 – up from 58 percent in 2023.

51%

reported increased profitability year-on-year.

62%

of foreign firms have increased investment in their China business since 2019.

Most derive less than 25%

of global revenue from China, countering “overexposure” concerns.

Note: Not all respondents completed every question in the survey, and certain questions were directed exclusively to foreign-owned enterprises. The percentages reported on page 12 and 13 reflect the proportion of respondents who provided valid responses to each individual question, rather than the total survey population.

Forward Outlook

59%

of foreign firms are optimistic about China's market opportunities over the next two years.

57%

are confident in innovation and digital strategy execution in China.

3 top growth priorities

- Grow sales revenue
- Deepen local partnerships
- Improve operational efficiency

49%

of foreign firms are diversifying supply chains to manage emerging risks.

Policy & Risk Environment

61%

of foreign firms say increased Chinese regulatory oversight has had a positive impact.

22%

say China's economy remains volatile, though 61 percent describe it as stable or growing.

93%

of foreign firms say FIRB guidelines for obtaining approval are unclear.

55%

of foreign firms view FIRB settings as restrictive toward Chinese investment.



About the 2025 Survey

The *2025 Doing Business in China* survey, led by the China-Australia Chamber of Commerce (AustCham China) and conducted from 30 November 2024 to 31 January 2025, represents the largest dataset to date in the fourth edition of this authoritative report. Targeting senior executives from companies actively engaged in the Australia-China bilateral corridor, including trade, investment, joint ventures, and operational activities, the

survey was distributed in collaboration with AustCham China's South China and West China chapters, the Australia China Business Council (ACBC), and Dynata, a third-party global panel provider. This multi-channel strategy ensured extensive participation from both member and non-member organisations, reinforcing the survey's comprehensive reach and representativeness across the Australia-China business community.

The survey garnered 858 valid responses, the most extensive dataset yet, from executives representing companies directly involved in Australia-China business activities. Respondents were classified into two groups based on ownership to capture distinct perspectives within the bilateral corridor. Companies with 51 percent or greater ownership by Chinese entities were designated as Chinese respondents (454 participants), while those with less than 51 percent ownership by Chinese entities, including firms incorporated in Australia or other jurisdictions, were classified as foreign respondents (404 participants). This ownership threshold establishes a framework for differentiating Chinese and foreign business perspectives, delivering actionable insights into their respective experiences. For companies with operations beyond the Australia-China corridor,

responses were confined to their activities within this bilateral context, ensuring data relevance and focus.

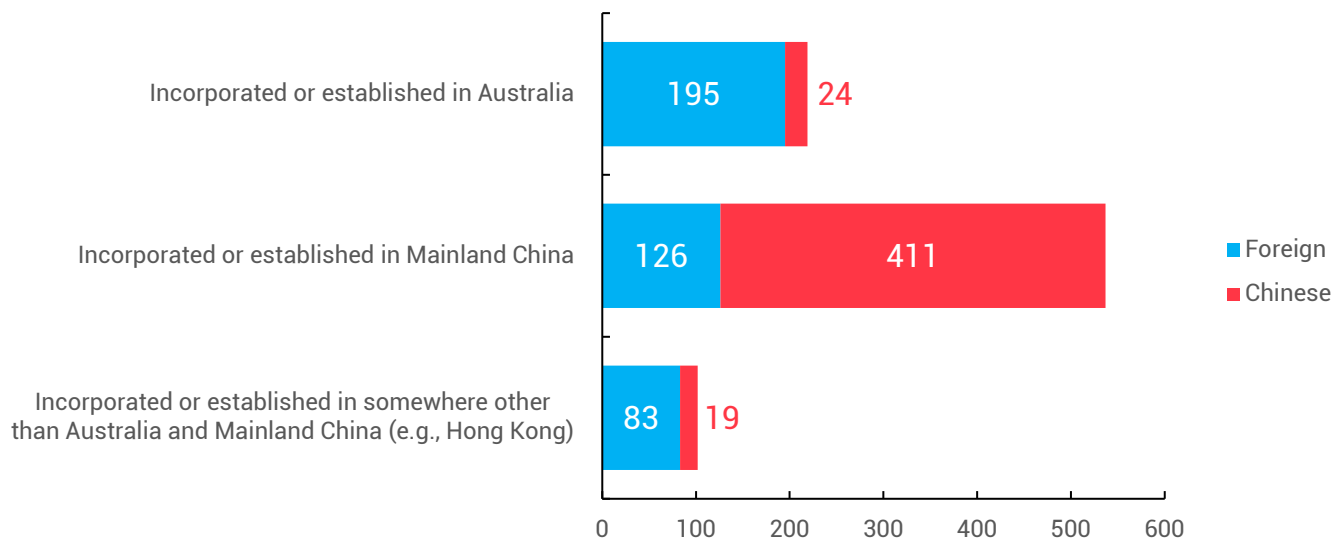
Comprising over 100 questions, the survey incorporated a sophisticated mix of multiple-choice and open-ended formats, tailored to respondents' company type, ownership structure, and operational footprint in the Australia-China market. All questions were optional, allowing participants to bypass items as needed, resulting in variable response counts. For transparency, the report specifies the number of respondents per question, and only those questions with substantial response rates or yielding robust, valid analysis were included, ensuring the reliability and relevance of the findings. Select questions were directed to foreign respondents only, to address their specific challenges and opportunities, adjusting the respondent base for

those items accordingly. This adaptive methodology enabled the survey to capture both overarching trends and granular insights critical to the Australia-China business landscape.

As with all opt-in surveys, there is a potential for response bias, with certain sectors or regions possibly overrepresented due to varying levels of engagement. However, the strategic use of multiple distribution channels and third-party panels mitigated this risk, fostering a balanced and robust sample. Under AustCham China's leadership, this fourth report, with its largest dataset to date, solidifies the survey's position as one of the most authoritative instruments for understanding the evolving dynamics, opportunities, and challenges faced by Chinese and foreign business communities operating within the Australia-China bilateral corridor.

Figure 01

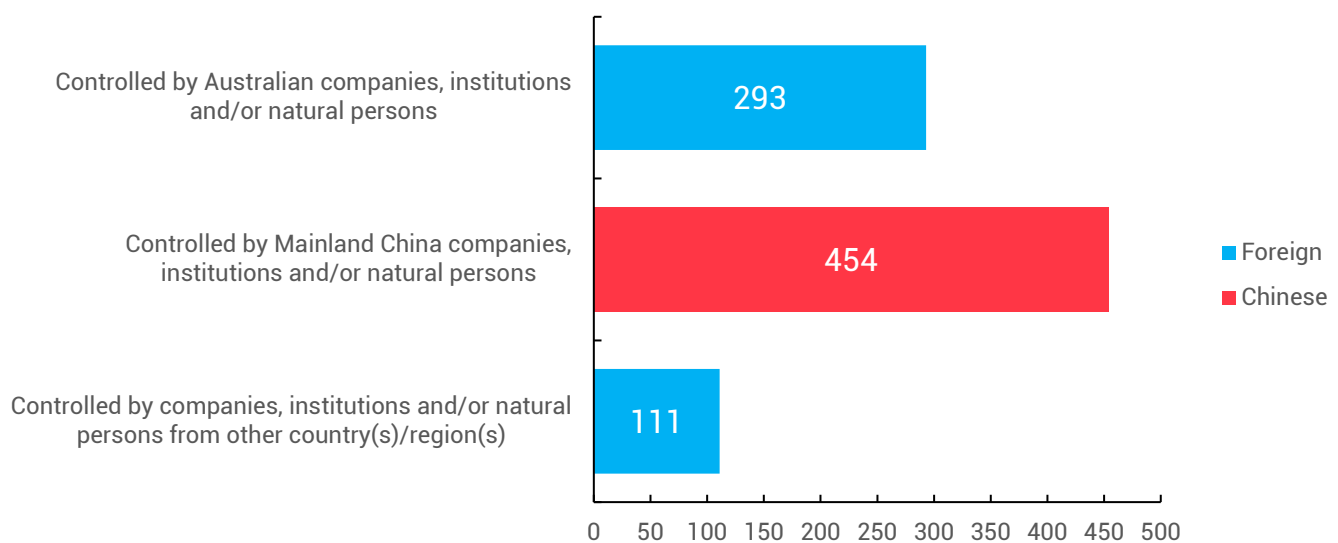
Which of the following statements describes the legal form of your organisation?



404 Foreign respondents, 454 Chinese respondents

Figure 02

Which of the following best describes the ownership and control structure of your organisation?



404 Foreign respondents, 454 Chinese respondents

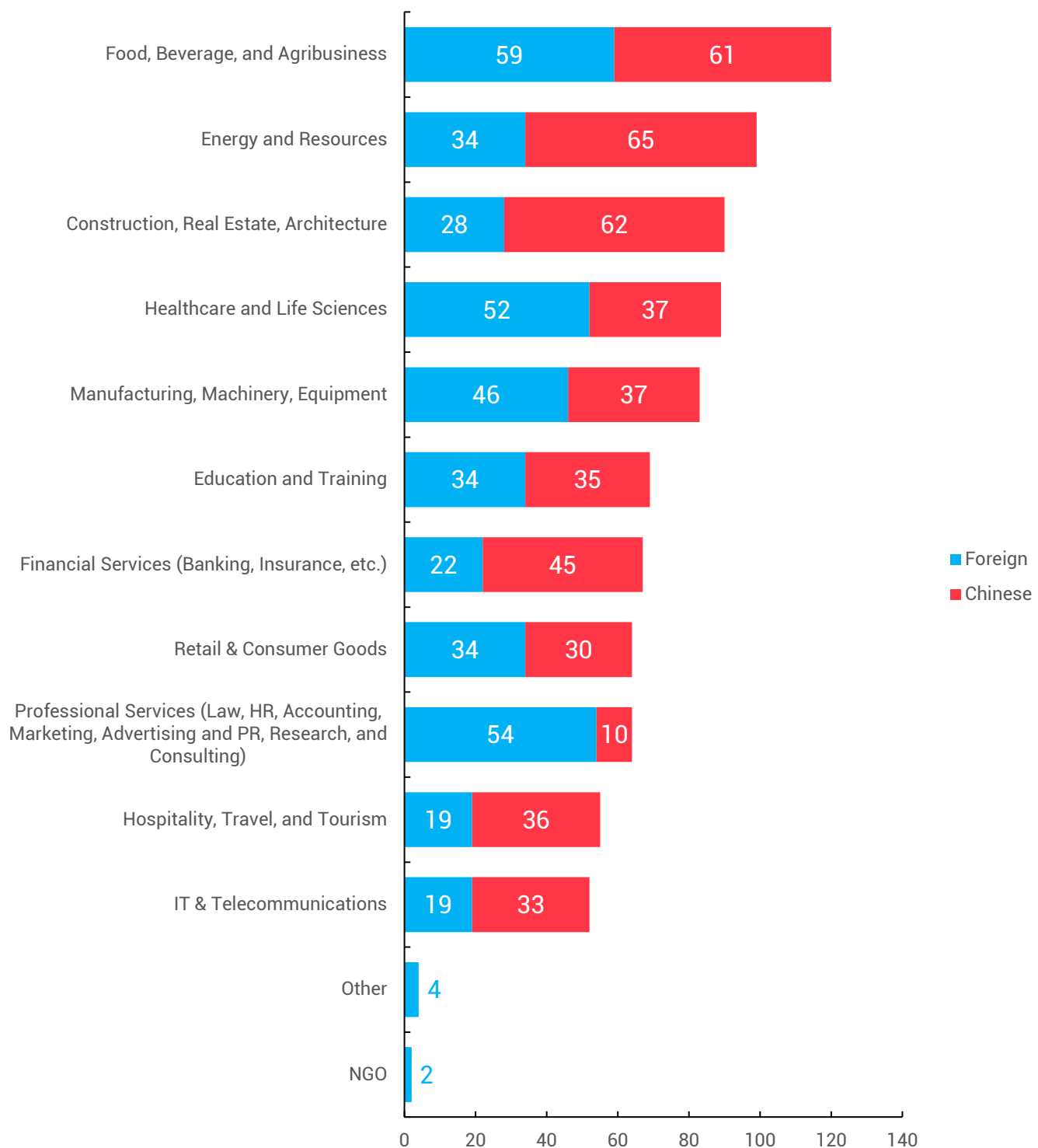
“Actions speak louder than words in terms of promoting and facilitating Chinese investment into Australia.”

[Anonymous foreign respondent]



Figure 03

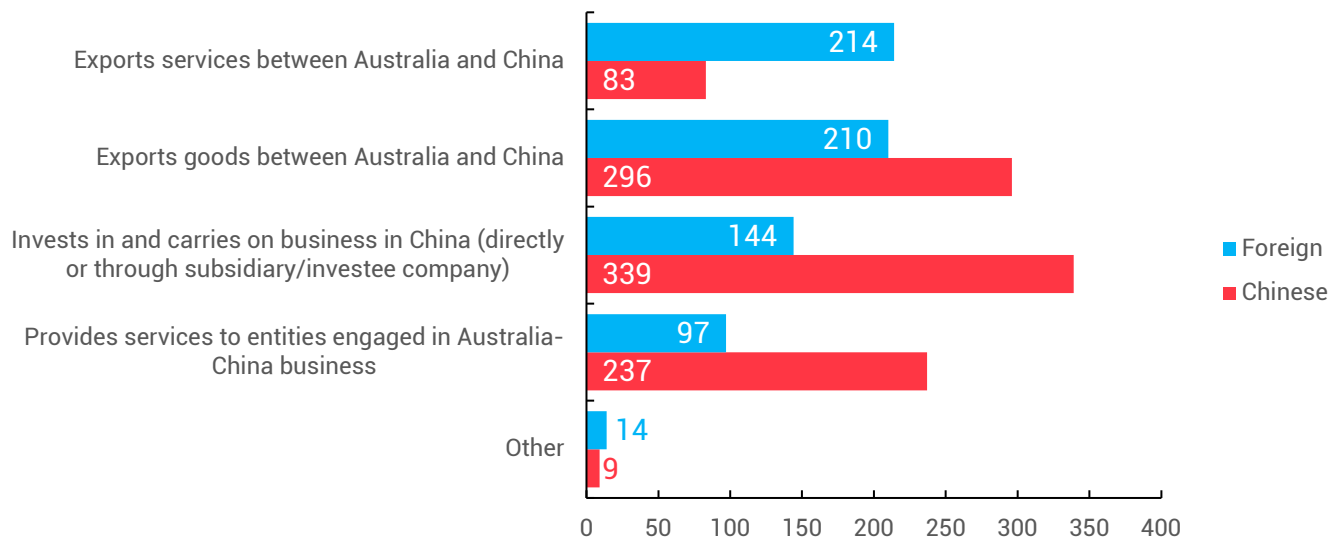
Which best describes the main industry your organisation operates in with respect to its China business?



404 Foreign respondents, 451 Chinese respondents

Figure 04

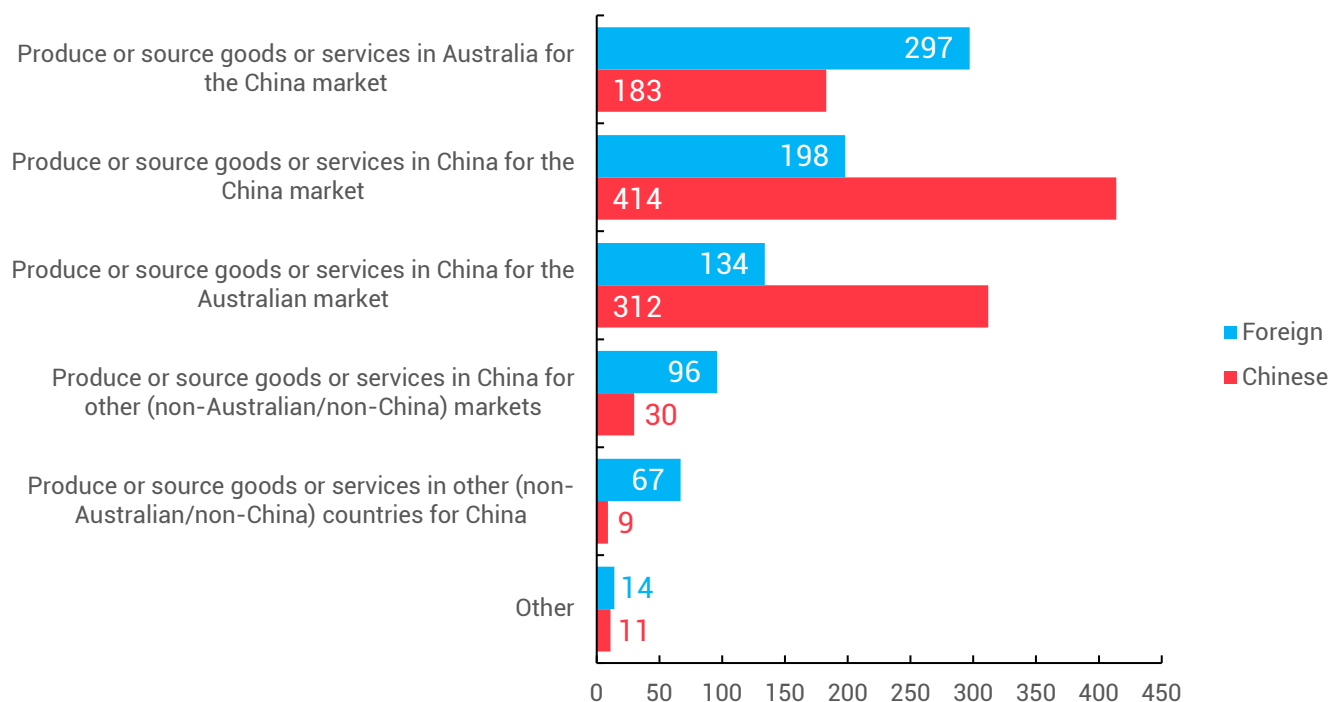
Which of the following activities best describe your organisation's involvement in Australia-China business?



404 Foreign respondents, 454 Chinese respondents (Multiple responses allowed)

Figure 05

What is your organisation's primary strategy in China?



404 Foreign respondents, 454 Chinese respondents (Multiple responses allowed)



Improved Bilateral Relations and the Impact on Australia-China Businesses

The foreign and Chinese-owned businesses forging economic connections between Australia and China are feeling enthused with 86 percent describing their overall sentiment towards the improved state of the bilateral relationship as somewhat or very positive. This overwhelming positivity underscores the critical role diplomatic stability plays in boosting business confidence.

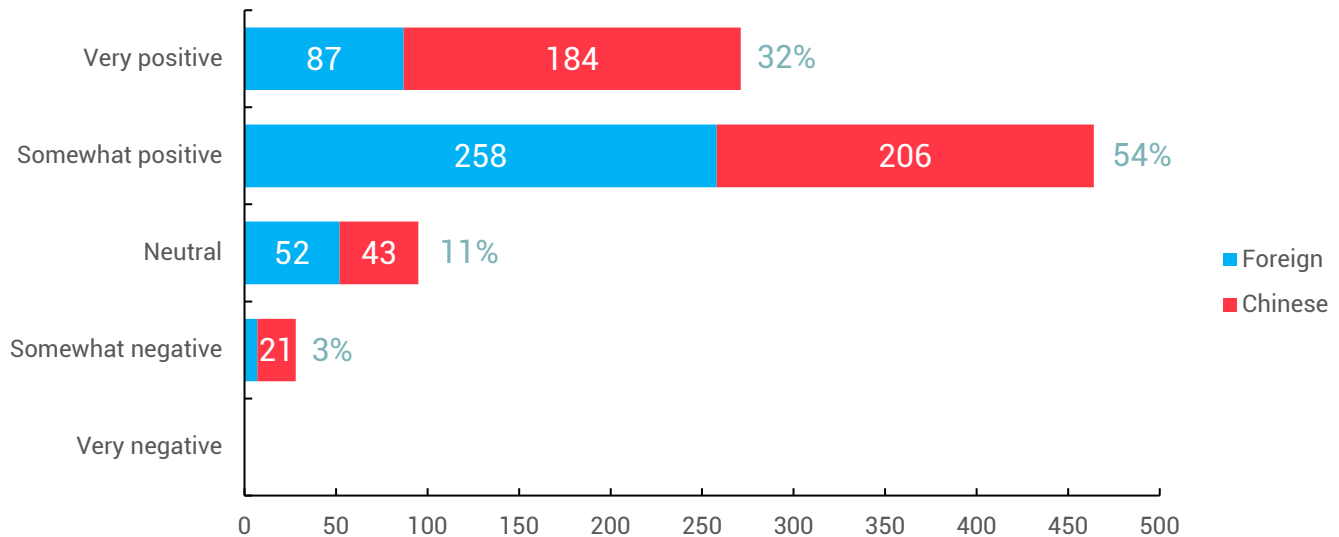
Around half (53 percent) report that doing business in China had become easier following improved bilateral relations, while more than one in five (22 percent) foreign-owned companies identify increased Australian exports to China

as the specific benefit that has resulted. These practical payoffs link diplomatic improvements directly to economic gains, particularly in export-driven sectors.

Businesses do not see the improvement in Australia-China relations as a blip providing a short-term sugar hit. Only six percent express pessimism about the impact of the bilateral relations outlook on their business. More than three-quarters (76 percent) of foreign-owned companies say their long-term strategic planning for the China market has been positively influenced by the improvement in bilateral relations.

Figure 06

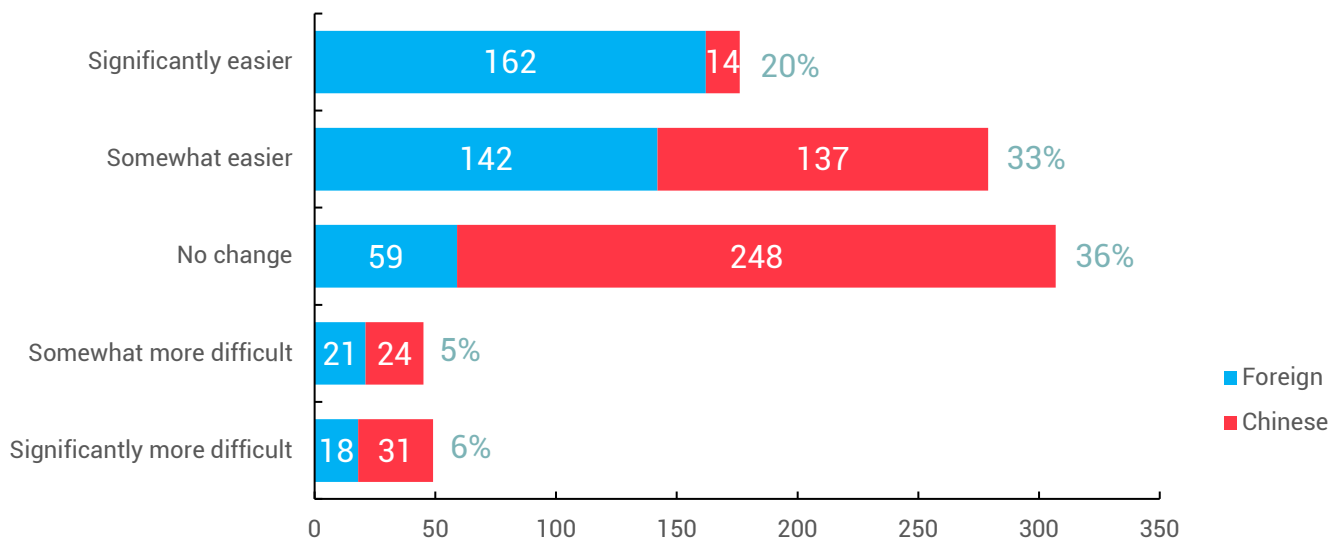
How would you describe your overall sentiment regarding the improved bilateral relationship between China and Australia?



404 Foreign respondents, 454 Chinese respondents

Figure 07

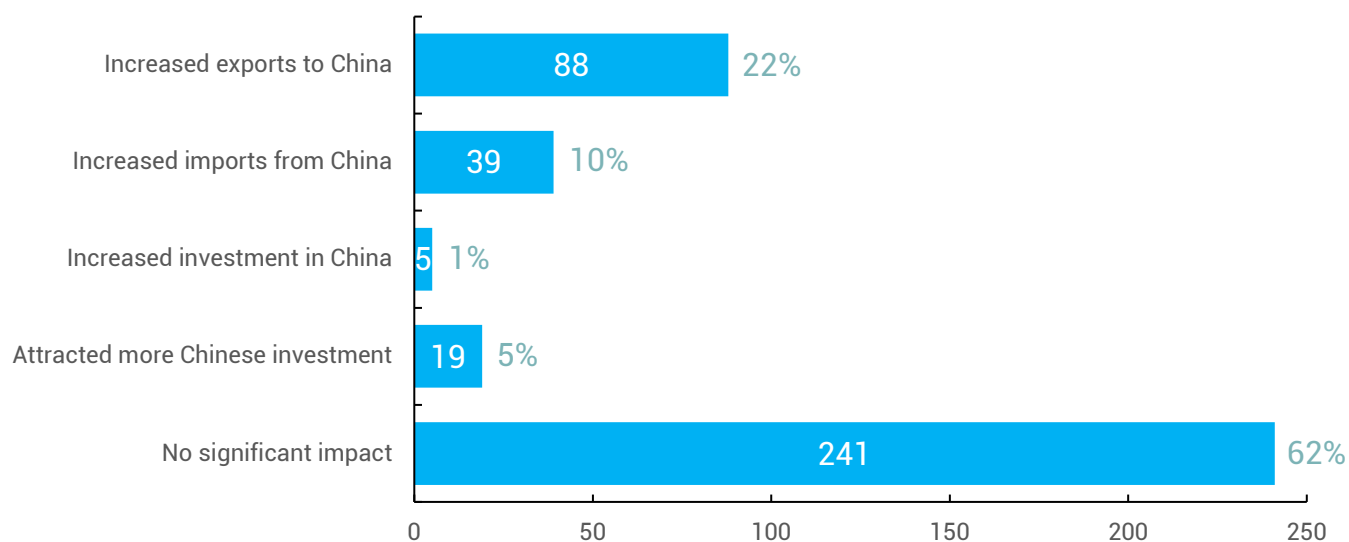
Since the improvement in Australia-China relations, have you noticed a change in the ease of doing business in China?



402 Foreign respondents, 454 Chinese respondents

Figure 08

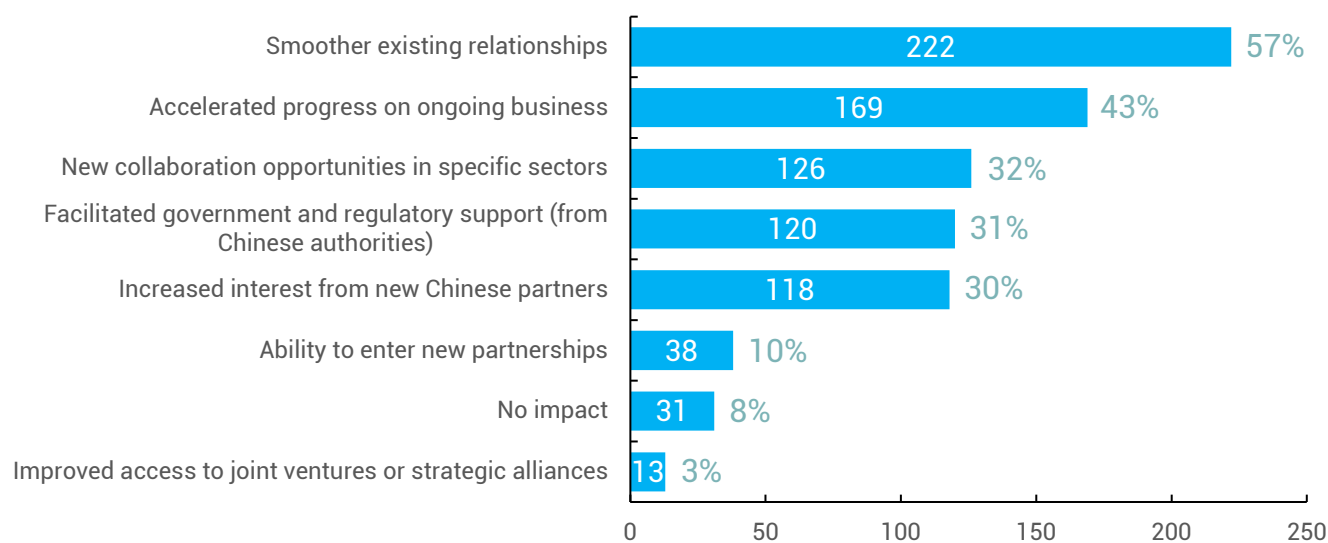
How has the improvement in relations impacted your organisation's trade and investment activities with China?



392 Foreign respondents

Figure 09

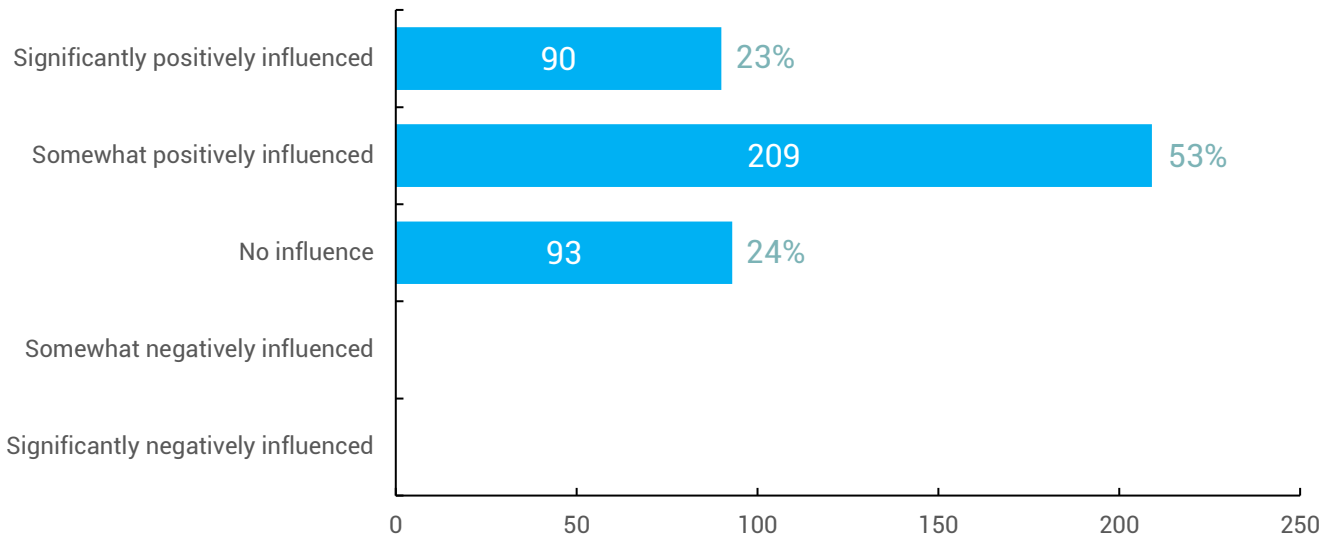
How have the improved bilateral relations affected your collaboration or partnership opportunities with Chinese entities?



392 Foreign respondents (Multiple responses allowed)

Figure 10

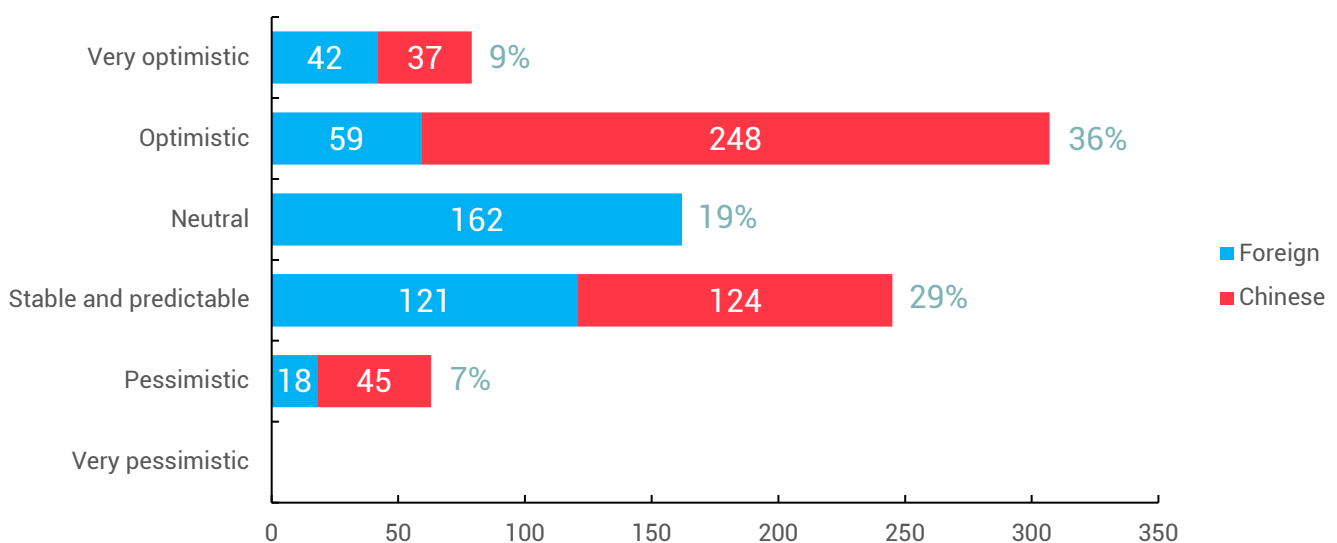
To what extent have changes in the bilateral relationship influenced your organisation's long-term strategic planning for the China market?



392 Foreign respondents

Figure 11

What is your outlook on the future of Australia-China relations and the potential impact on your business?



402 Foreign respondents, 454 Chinese respondents



The Business Environment in China

Despite the benefits from improved bilateral relations, foreign-owned companies do not see the overall business environment in China as smooth sailing. Nearly one-third (30 percent) reported the environment to be somewhat or extremely difficult. That said, while significant, this proportion is sharply down from the 58 percent that described the environment as difficult

in AustCham's *2022 Doing Business in China* report, signalling that China's reforms—like the Foreign Investment Law and reduced red tape—are bearing fruit.

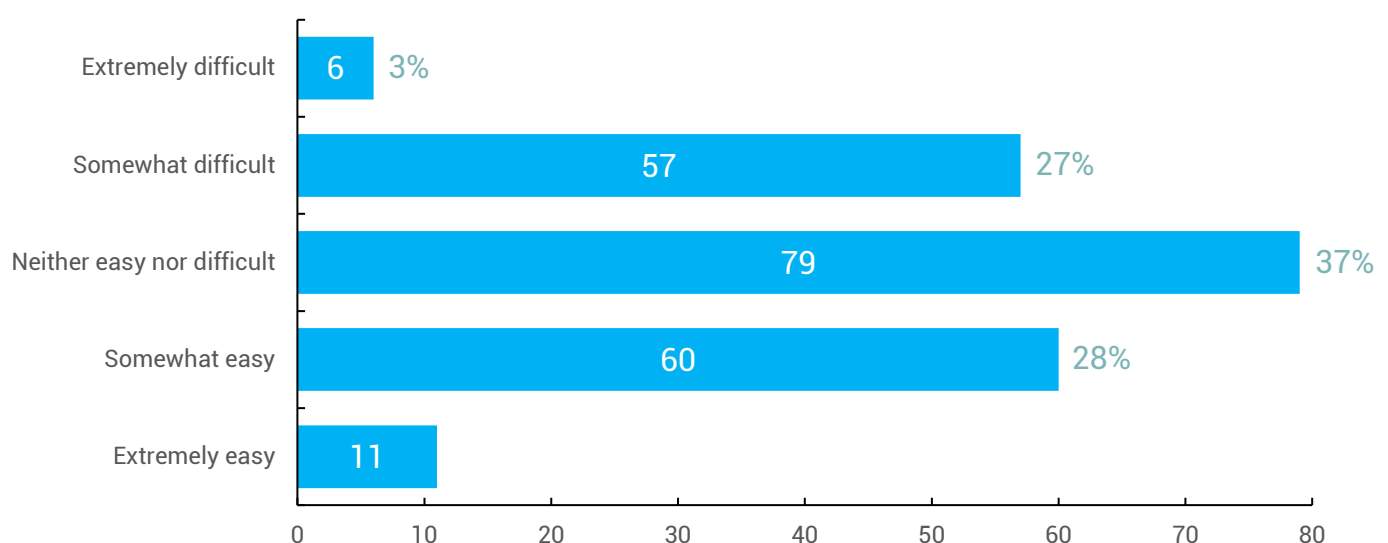
Nearly half (47 percent) of foreign-owned companies also considered that there had been an increase in oversight towards their operations from Chinese regulatory authorities over the past year,

while more than two-thirds (71 percent) noted an increase in engagement from government authorities more generally. Yet, rather than this pointing to troubling state intervention in their day-to-day operations, 61 percent regarded the net impact of these changes as positively impacting their business. This was more than double the proportion describing the impact as negative (24 percent) – suggesting that oversight and engagement is perceived as fostering transparency and establishing feedback mechanisms, rather than crimping business autonomy.

China's political leaders appear keen to reassure foreign-owned companies that the government will remain a helping rather than a grabbing hand with President Xi Jinping's high-profile roundtable with global business leaders in March a case in point, though the persistent challenges for one-third of firms indicate ongoing needs for regulatory clarity and market access improvements.

Figure 12

How would you rate the ease of doing business in China for your organisation?



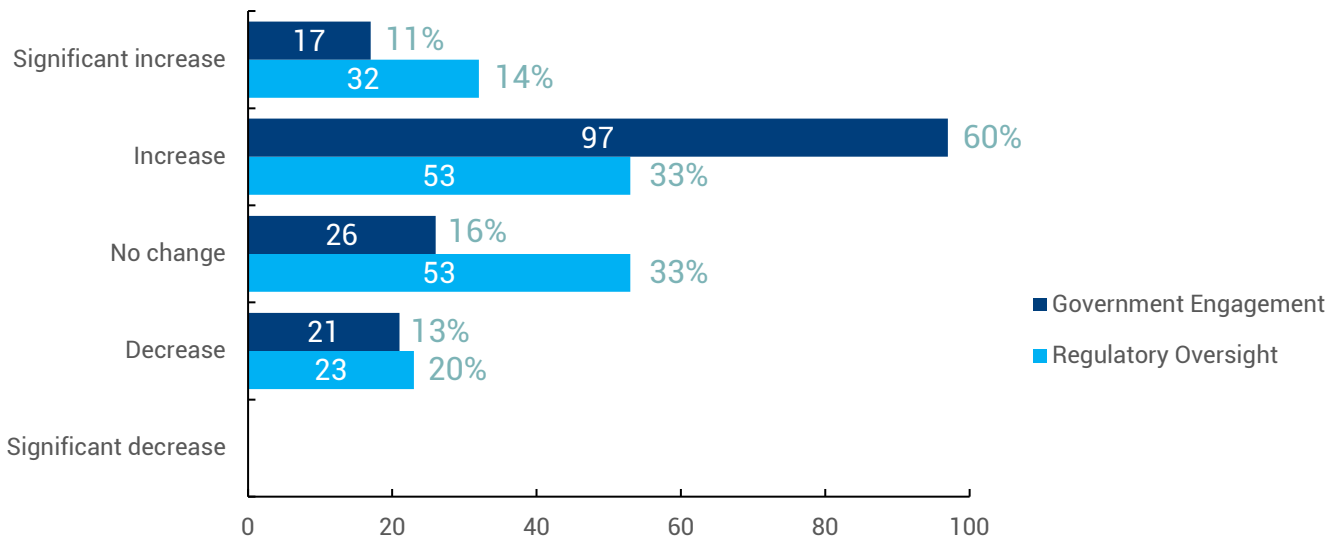


“The reality is, doing business in China has always been tough. It is a very foreign and complex environment in which even Chinese find difficulties.”

[Anonymous foreign respondent]

Figure 13

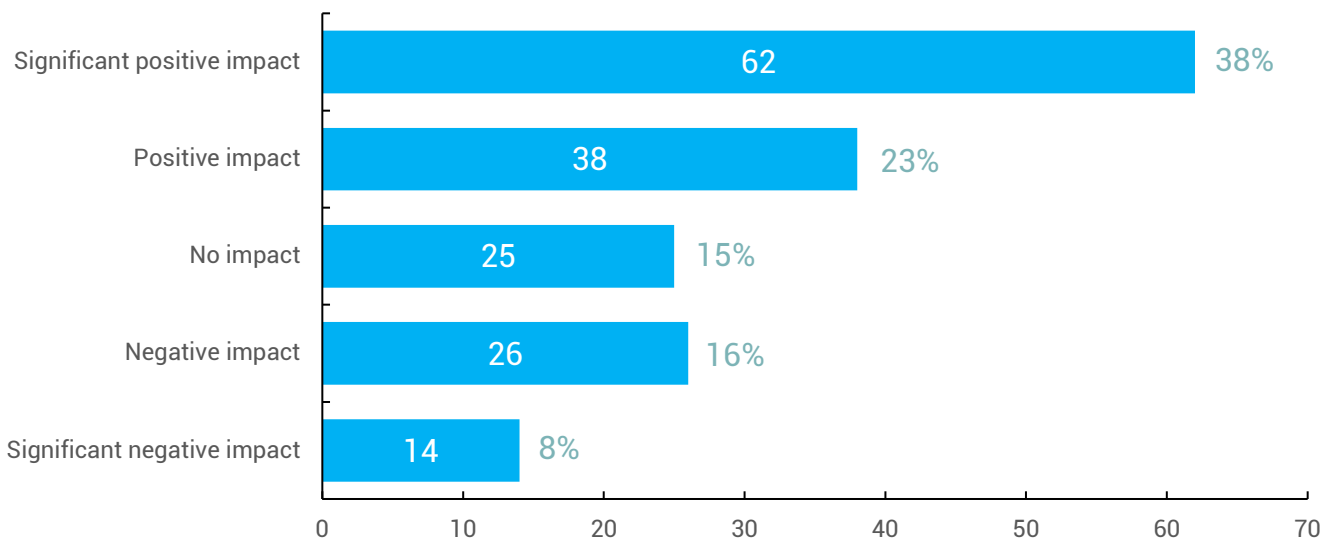
Over the past year, how has the level of regulatory oversight and government engagement from Chinese authorities towards your organisation changed?



161 Foreign respondents

Figure 14

How have the changes impacted your business?



165 Foreign respondents



Business Performance

The China business of foreign-owned companies in 2024 was overwhelmingly profitable with just 4 percent reporting a loss. This was dramatically down on 18 percent a year earlier. *The 2022 Doing Business in China report* also put the loss-making proportion at 18 percent.

Half (50 percent) of foreign-owned companies said that they had recorded an increase in their profitability over the past

year, double the proportion that recorded a decrease (27 percent), highlighting China's attractiveness despite global headwinds. This suggests firms have adapted effectively, possibly via localisation or targeting high-growth sectors.

Only a limited number of companies appeared reliant on the China market for their success. For nearly two-thirds (63 percent), China accounted for one-

or less of their organisation's total revenue. Just nine percent said that China accounted for more than half of their revenue. These findings contrast with widespread perceptions seen in media commentary that Australia-based companies are dangerously dependent on China.

This balance between opportunity and diversification reflects a strategic approach to risk management, bolstering resilience in a complex market.

Figure 15

How will the revenue of your organisation's China business change in the year ending 31 December 2024 relative to the following years?

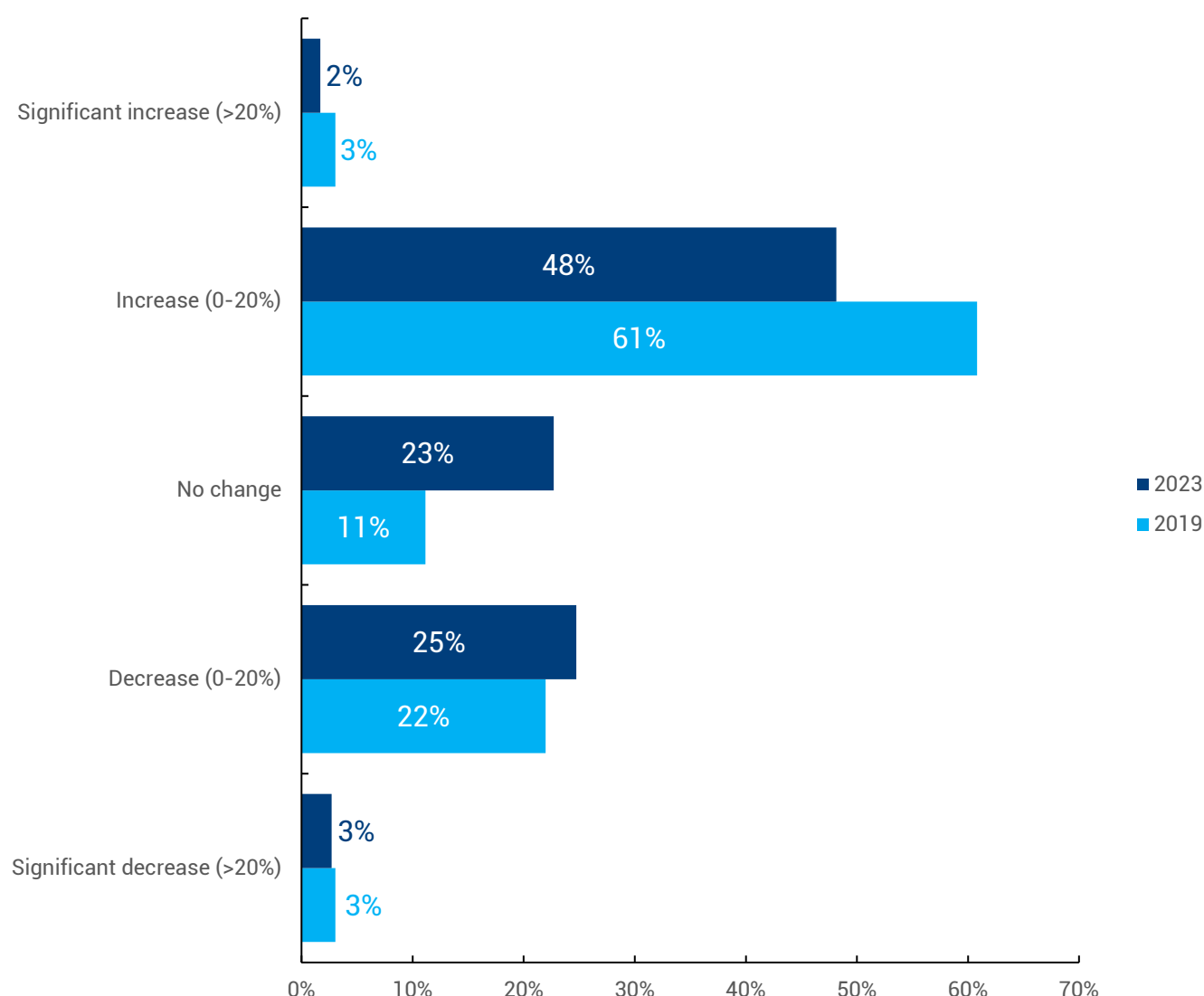
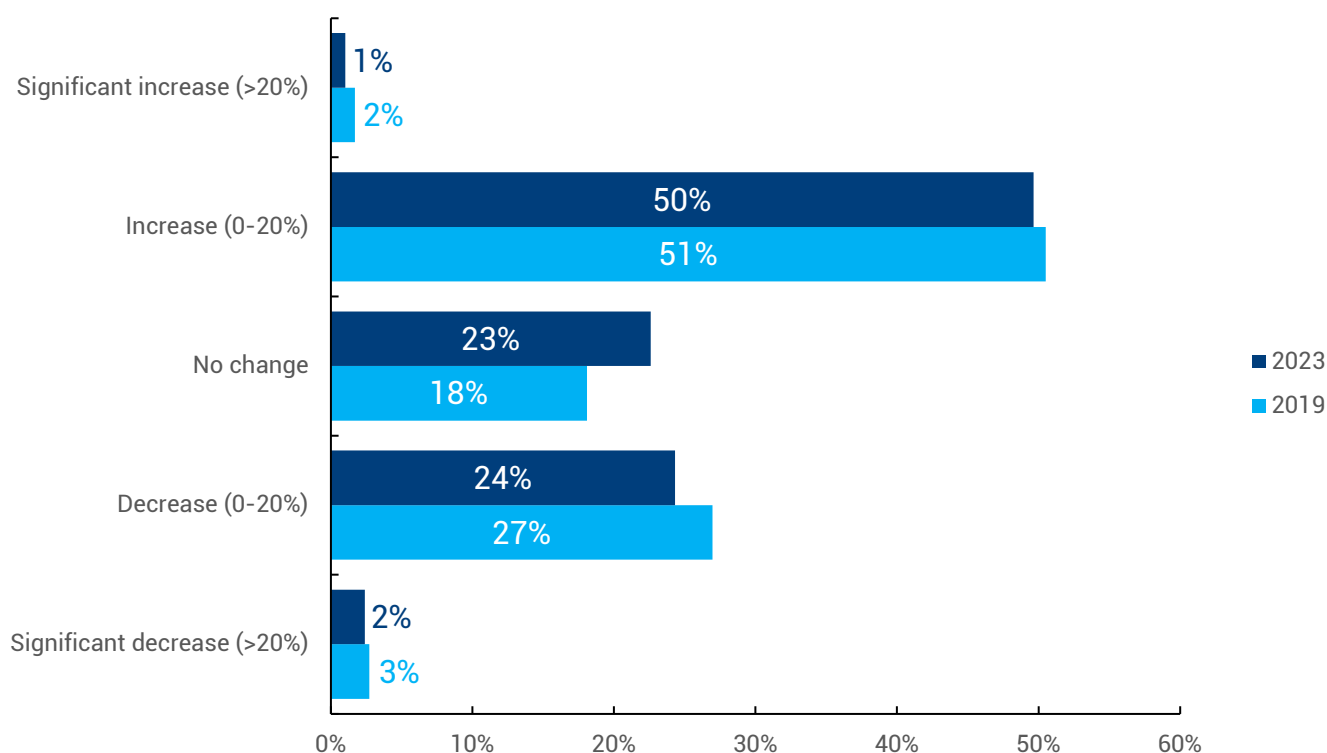


Figure 16

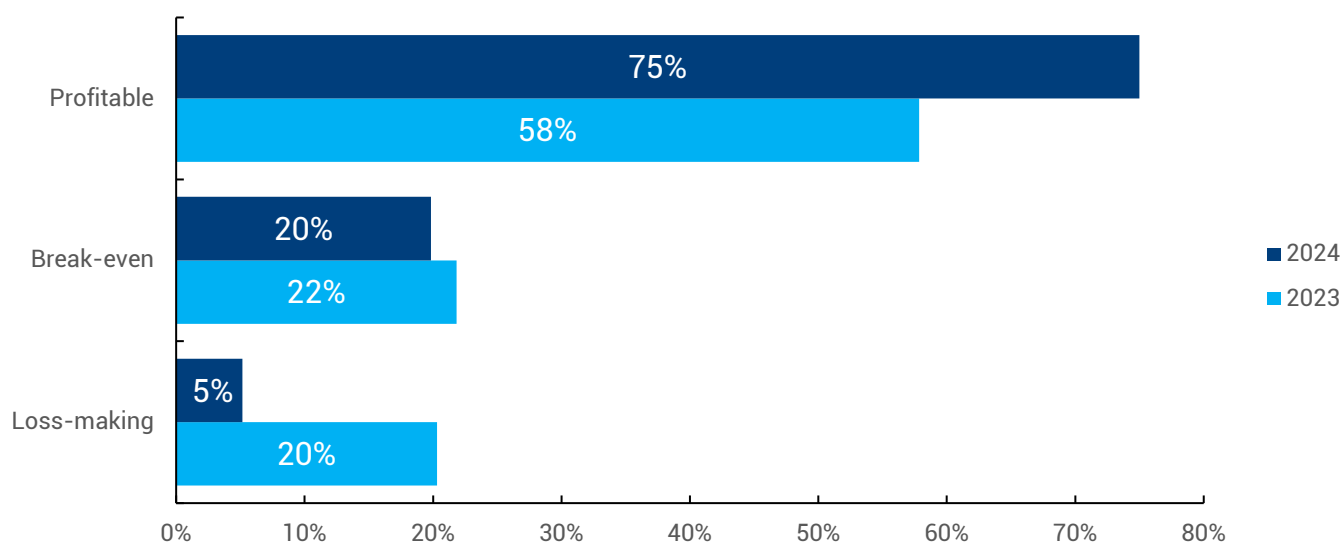
How will the profitability of your organisation's China business change in the year ending 31 December 2024 relative to the following years?



293 Foreign respondents

Figure 17

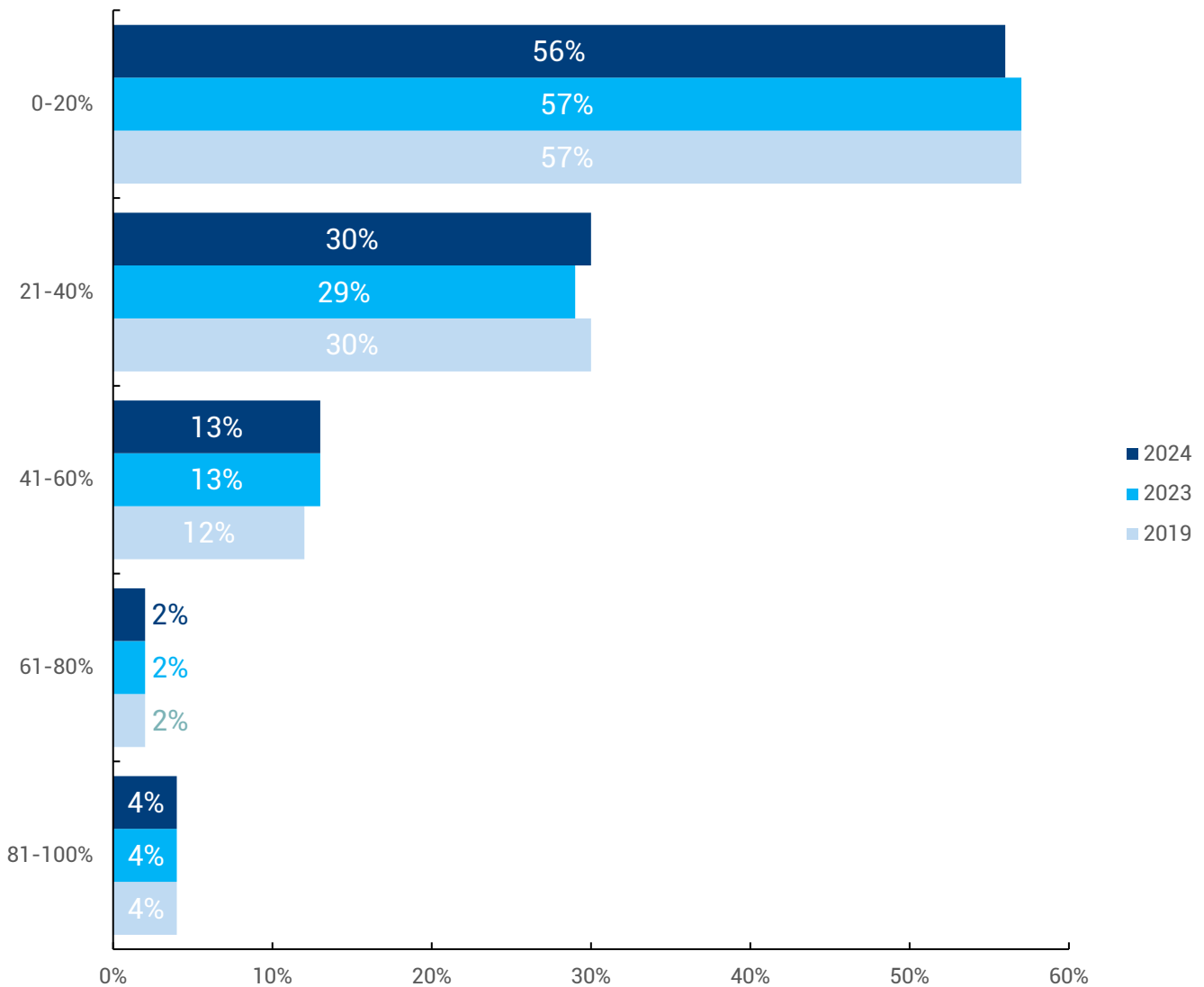
What was/will be the financial performance of your organisation's China business in the following years?



261 Foreign respondents

Figure 18

How much did/will the revenue from your China business represent as a percentage of your organisation's total worldwide revenue in each of the following financing years?



105 Foreign respondents



Business Opportunity

Foreign-owned companies are committed to China. Nearly half (47 percent) said that their organisation's total investment in their China business in 2024 had increased relative to 2019. More than two-thirds (67 percent) also said that China ranked as one of the top three priorities in their organisation's global investment plan for the coming three years.

More than half (56 percent) of foreign and Chinese-owned companies assessed that conditions for inbound foreign direct

investment (FDI) in China had improved over the past year and an even greater proportion (69 percent) expected this improvement to continue in the coming three years — a trend driven by reduced restrictions, pro-growth policies, and support for high-tech sectors.

For foreign-owned companies, China's coastal metropolises of Shanghai (40 percent), Beijing (37 percent) and Shenzhen (31 percent) were identified as the top three localities for expansion. This focus maps well with the Australian government's diplomatic presence in

China, though China's second and third-tier cities may offer untapped potential.

Capitalising upon the "Perception of Brand Australia" and "Supporting China's green economy" were nominated by all respondents as the top two priorities their organisations were focusing on.

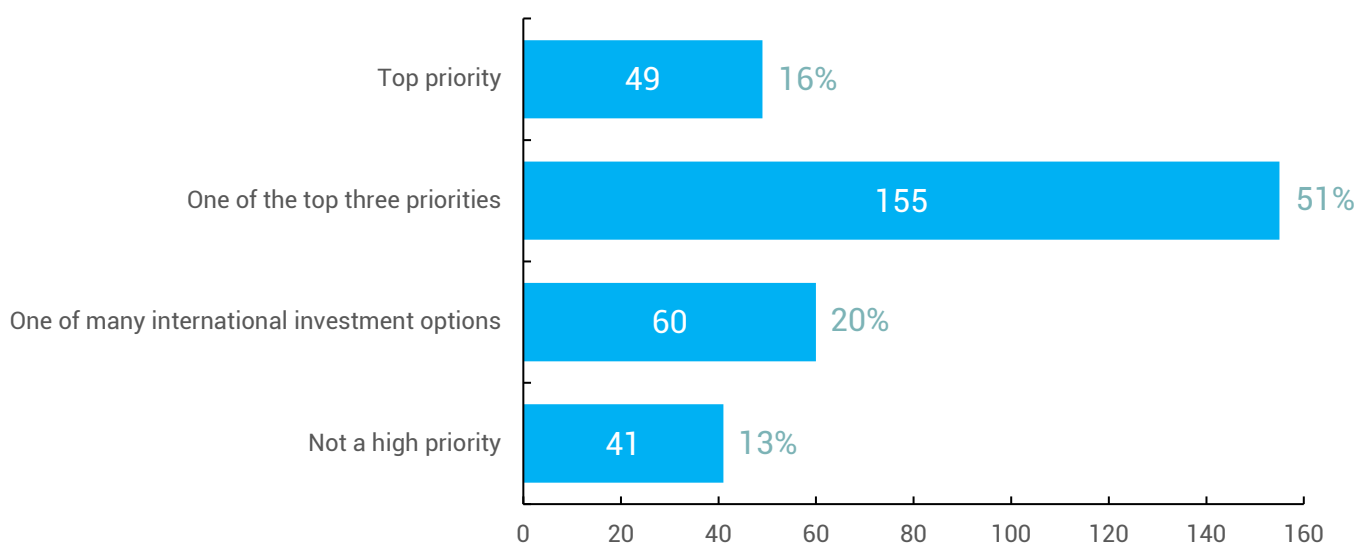
In terms of Australian trade revenue potential, not far behind traditional areas of strength such as "Iron ore, coal and mineral extraction" and "Agribusiness and food products" were "Clean energy technologies" and "Biopharmaceuticals and medical services". On the import side of the equation, Chinese electric vehicles were the standout. A glance at the roads of any major Australia capital city will confirm this potential is already being unlocked.

In terms of investment, Australian opportunities in China are headlined by "Agribusiness", "Clean energy technologies" and "Education and training services", while topping the list for Chinese investment in Australia were "Clean energy and renewables", "Critical minerals extraction" and "EV battery manufacturing and infrastructure".

Whether the opportunities that businesses see in these areas can be translated into signed deals and new projects will depend significantly on Australian policy settings. For example, the last time a Chinese investor was approved to invest in Australia's critical minerals sector was December 2020.

Figure 19

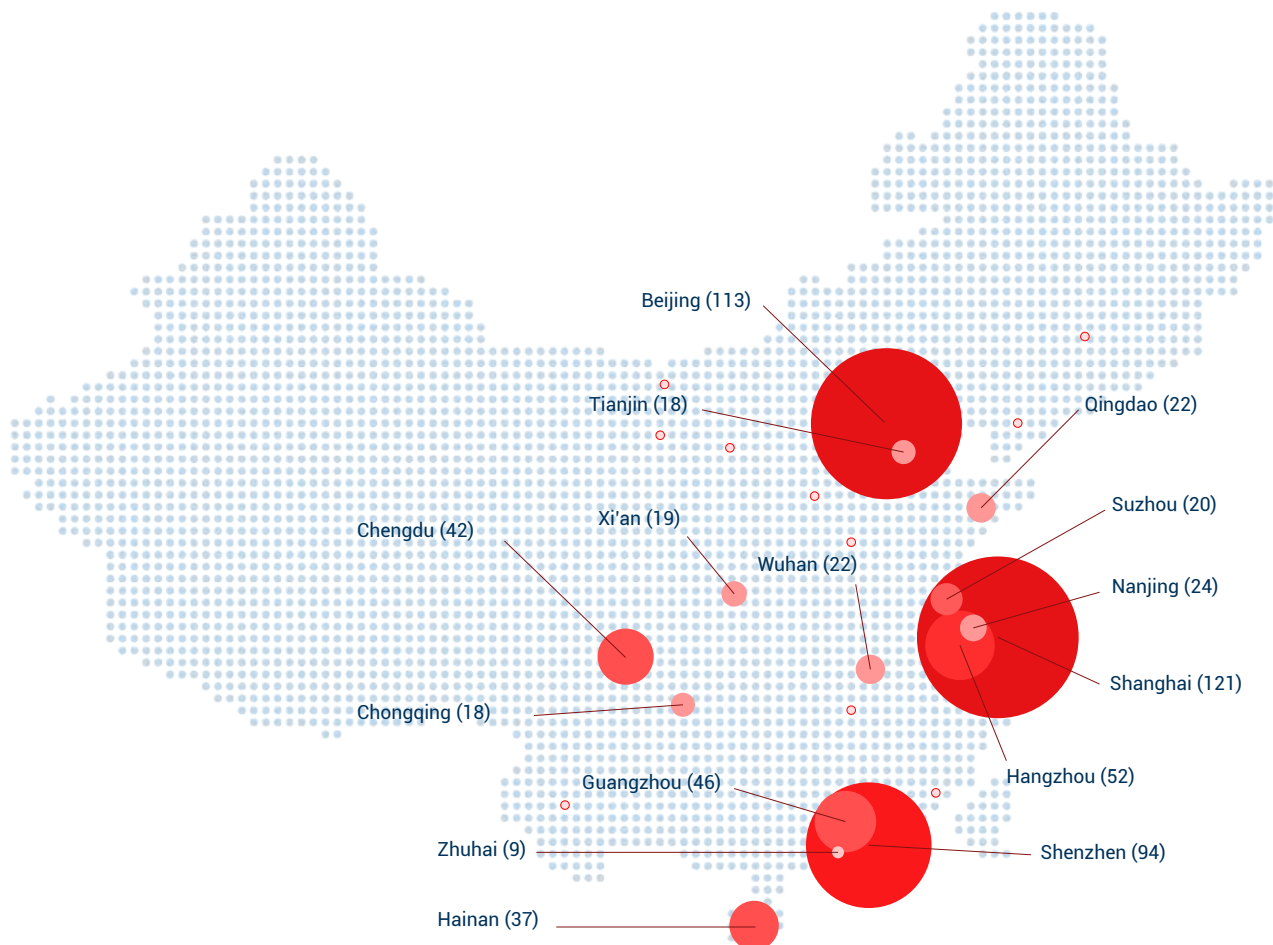
How does China rank in your organisation's global investment plans over the next three years?



305 Foreign respondents

Figure 20

Which cities/regions in China, if any, will be your organisation's first, second and third most important priority for geographical expansion in China over the next 3 years?

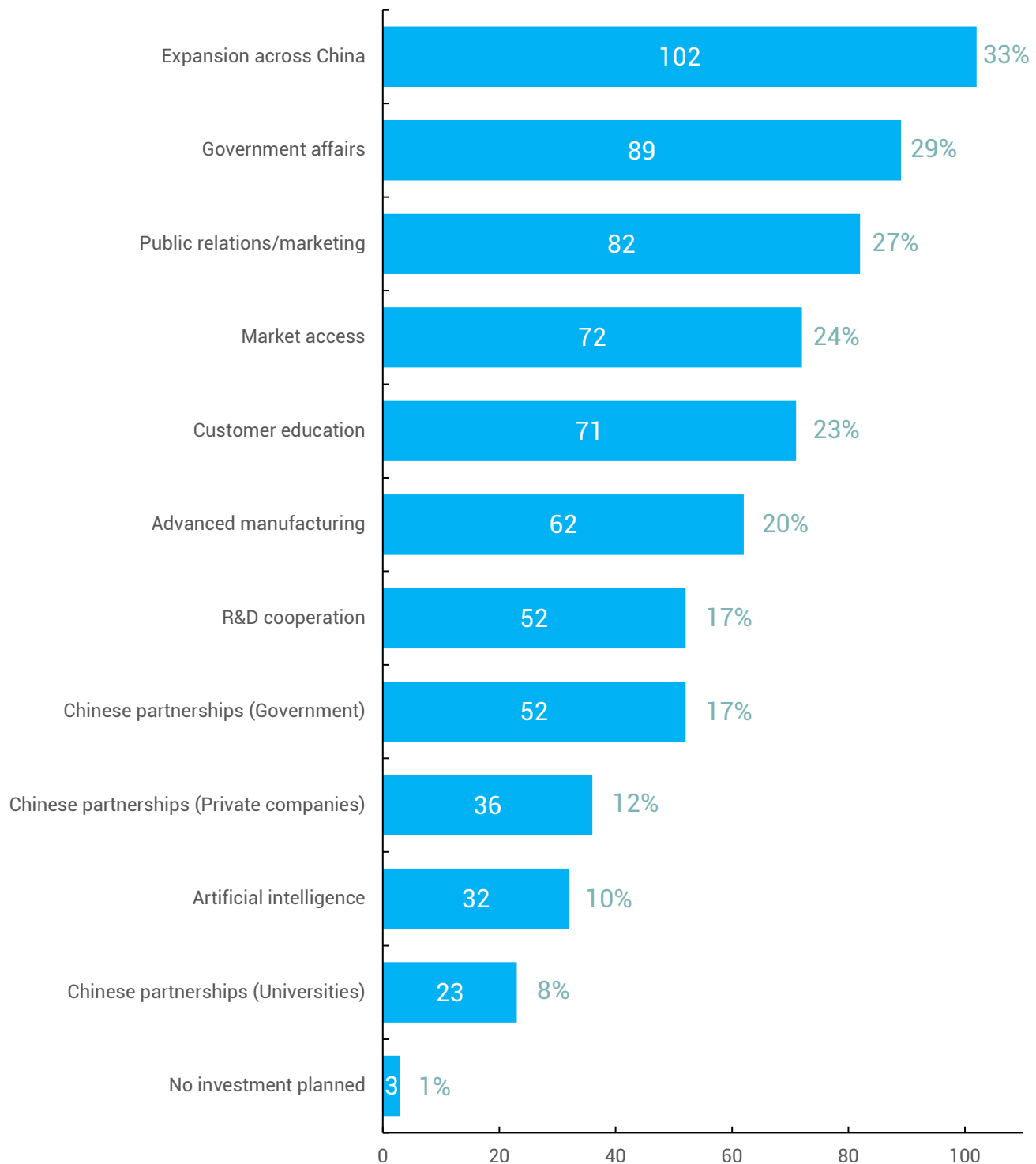


Other cities

| | |
|------------------------|----|
| Kunming, Yunan | 2 |
| Zhengzhou, Henan | 1 |
| Changchun, Jilin | 1 |
| Shenyang, Liaoning | 1 |
| Xiamen, Fujian | 2 |
| Changsha, Hunan | 1 |
| Yinchuan, Ningxia | 1 |
| Wuhai, Inner Mongolia | 1 |
| Taiyuan, Shanxi | 2 |
| Not planning to expand | 62 |

Figure 21

What are the main areas your organisation is looking to invest in its China business over the next three years?



305 Foreign respondents (Multiple responses allowed)

“We’re being pressured to diversify our investments, but it’s hard to balance that with the opportunities still available in China.”

[Anonymous foreign respondent]

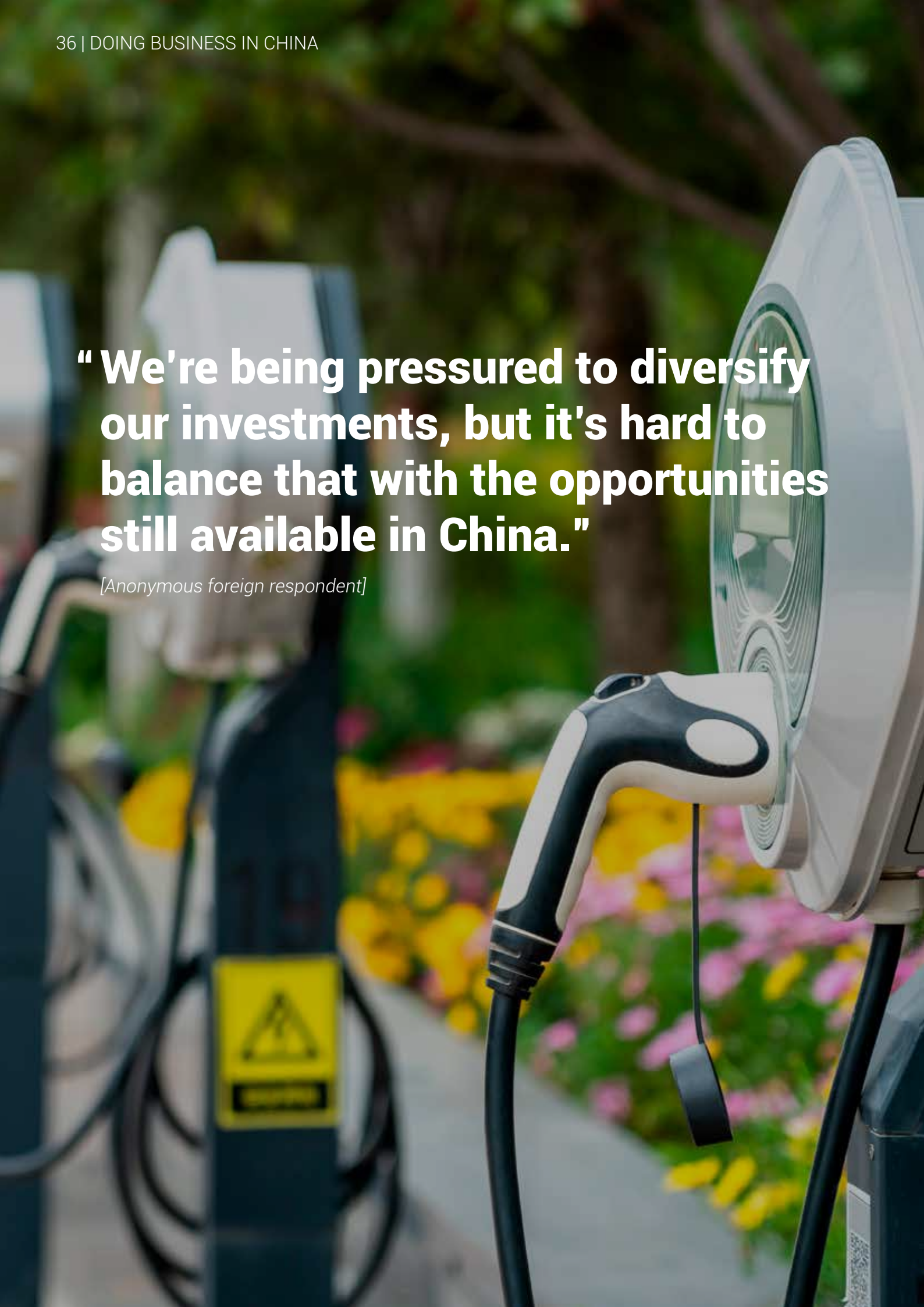
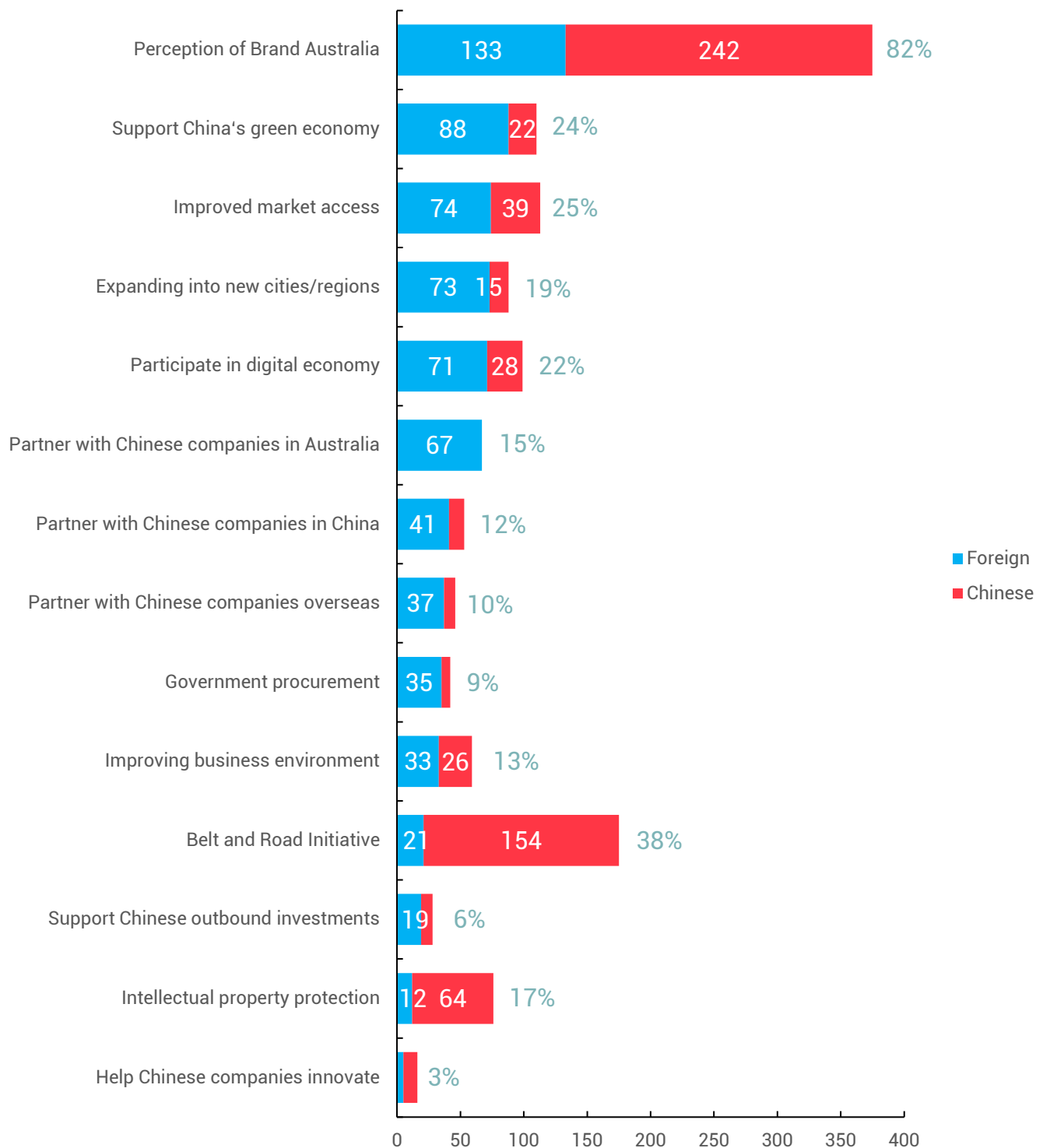


Figure 22

Which of the following options are the key opportunities in China that your organisation is focusing on?

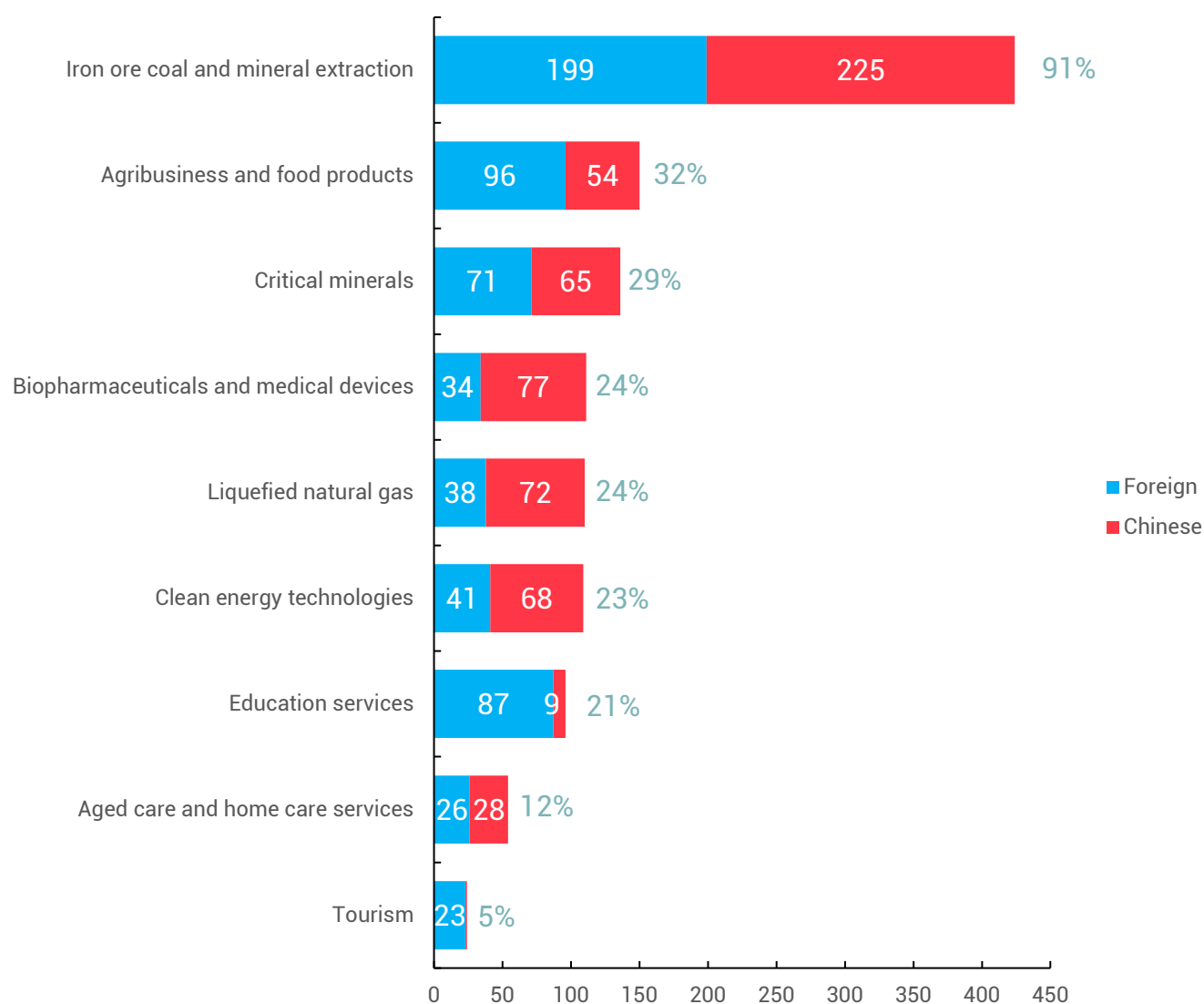


204 Foreign respondents, 254 Chinese respondents (Multiple responses allowed)

Trade Opportunities

Figure 23

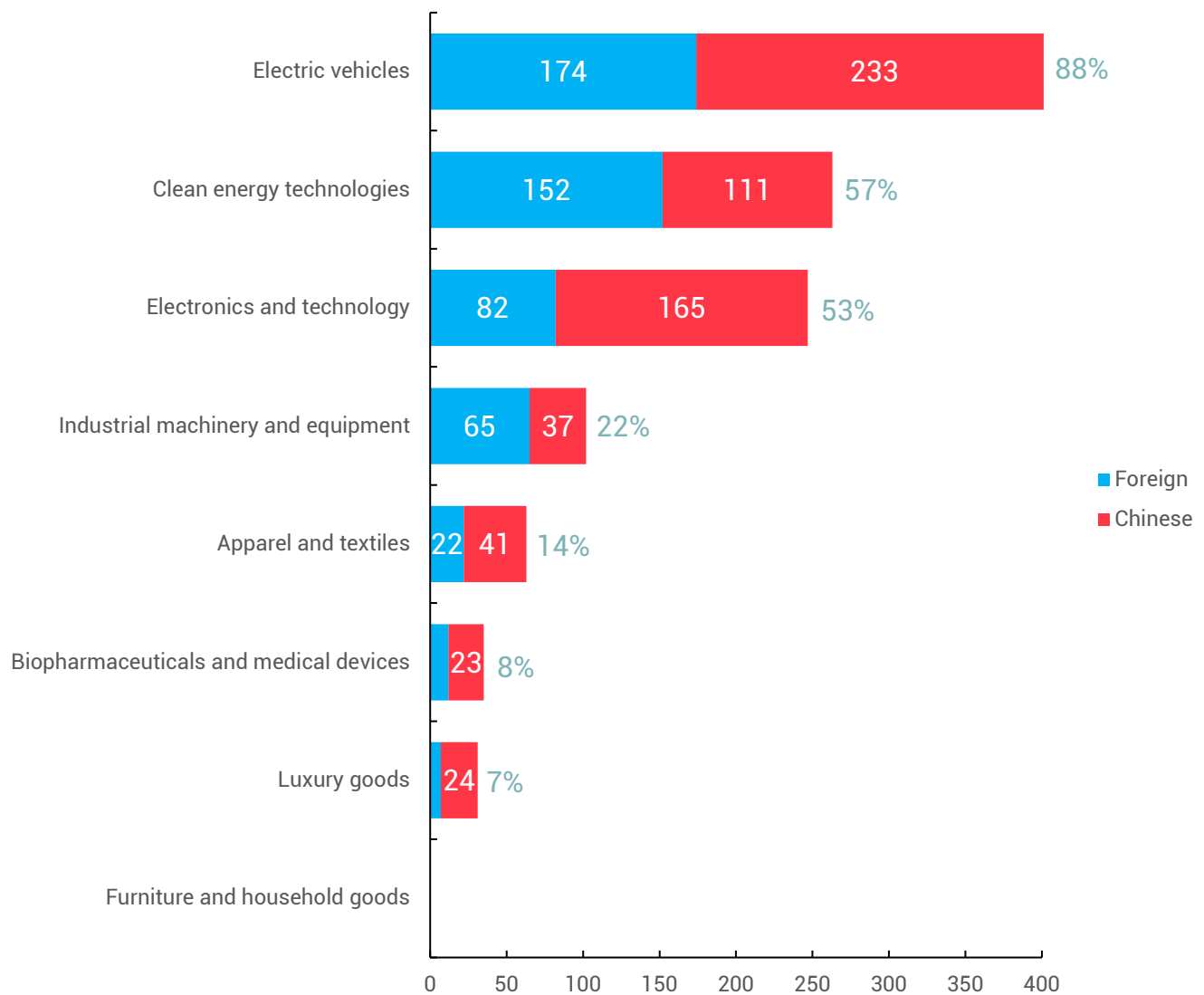
Which Australian export sectors to China do you believe have the greatest potential for growth in the next 5 years in terms of export revenue?



204 Foreign respondents, 260 Chinese respondents (Multiple responses allowed)

Figure 24

Which Chinese export sectors to Australia do you believe have the greatest potential for growth in the next 5 years in terms of increased total volume?

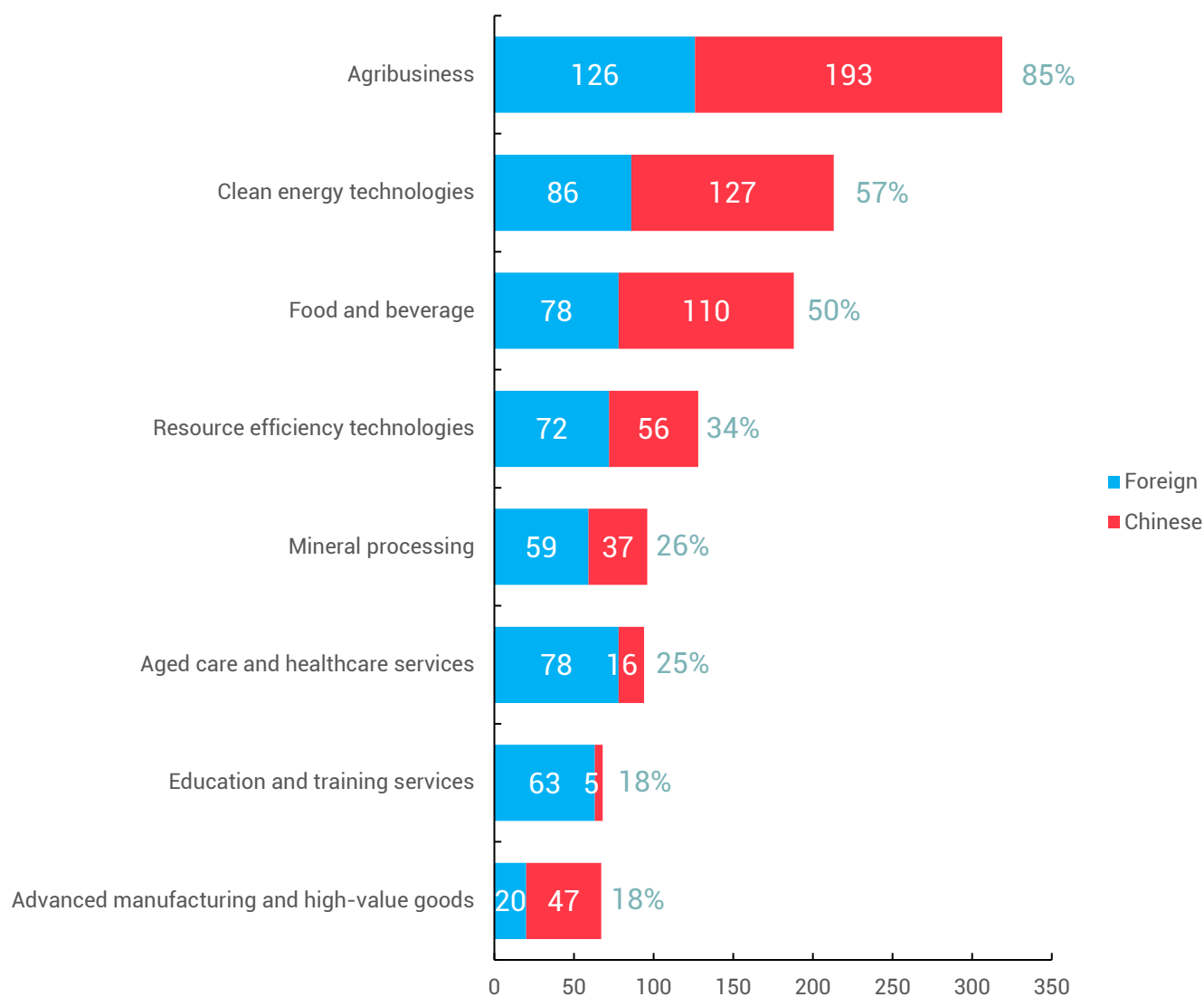


204 Foreign respondents, 260 Chinese respondents (Multiple responses allowed)

Investment Opportunities

Figure 25

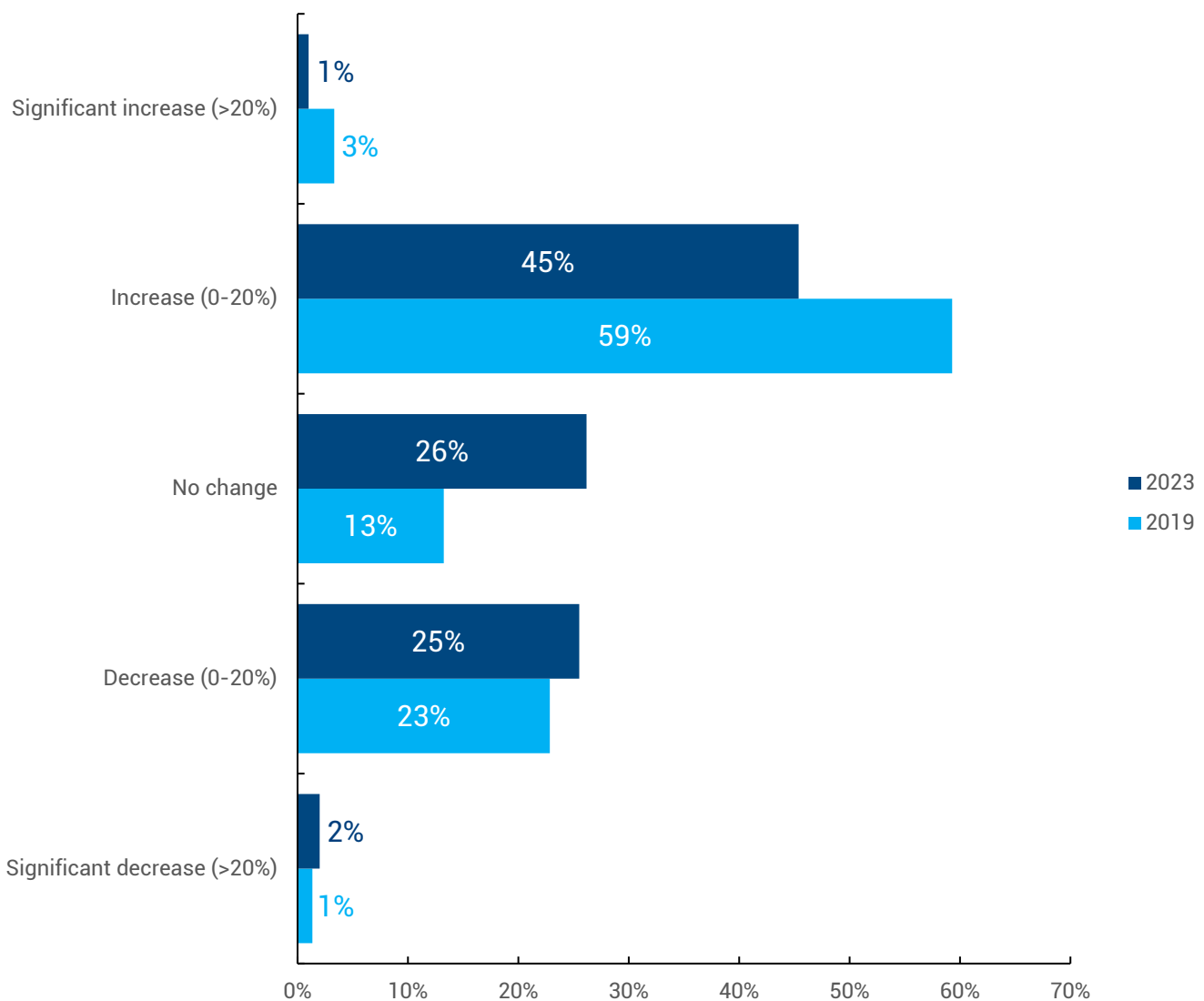
Which sectors do you believe offer the greatest opportunities for Australian investment (including in partnership with Chinese companies) in China over the next 5 years?



155 Foreign respondents, 220 Chinese respondents (Multiple responses allowed)

Figure 26

How will your organisation's total investment in its China business change in the year ending 31 December 2024 relative to the following years?



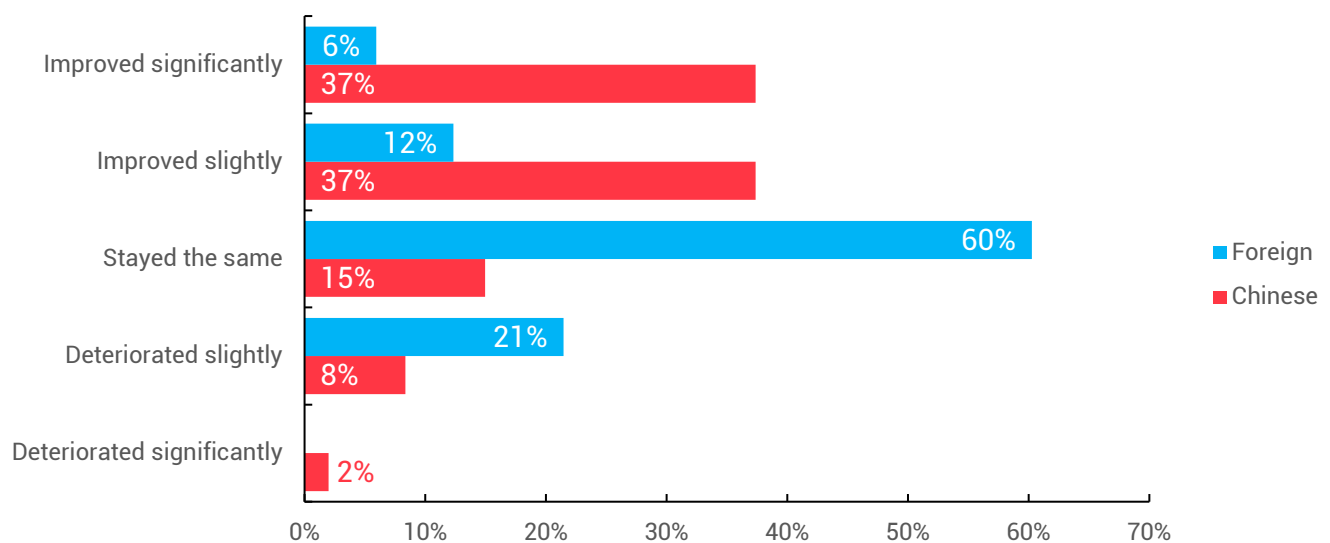
202 Foreign respondents

“The geopolitical backdrop is still affecting how comfortable we feel about long-term investments in China.”

[Anonymous foreign respondent]

Figure 27

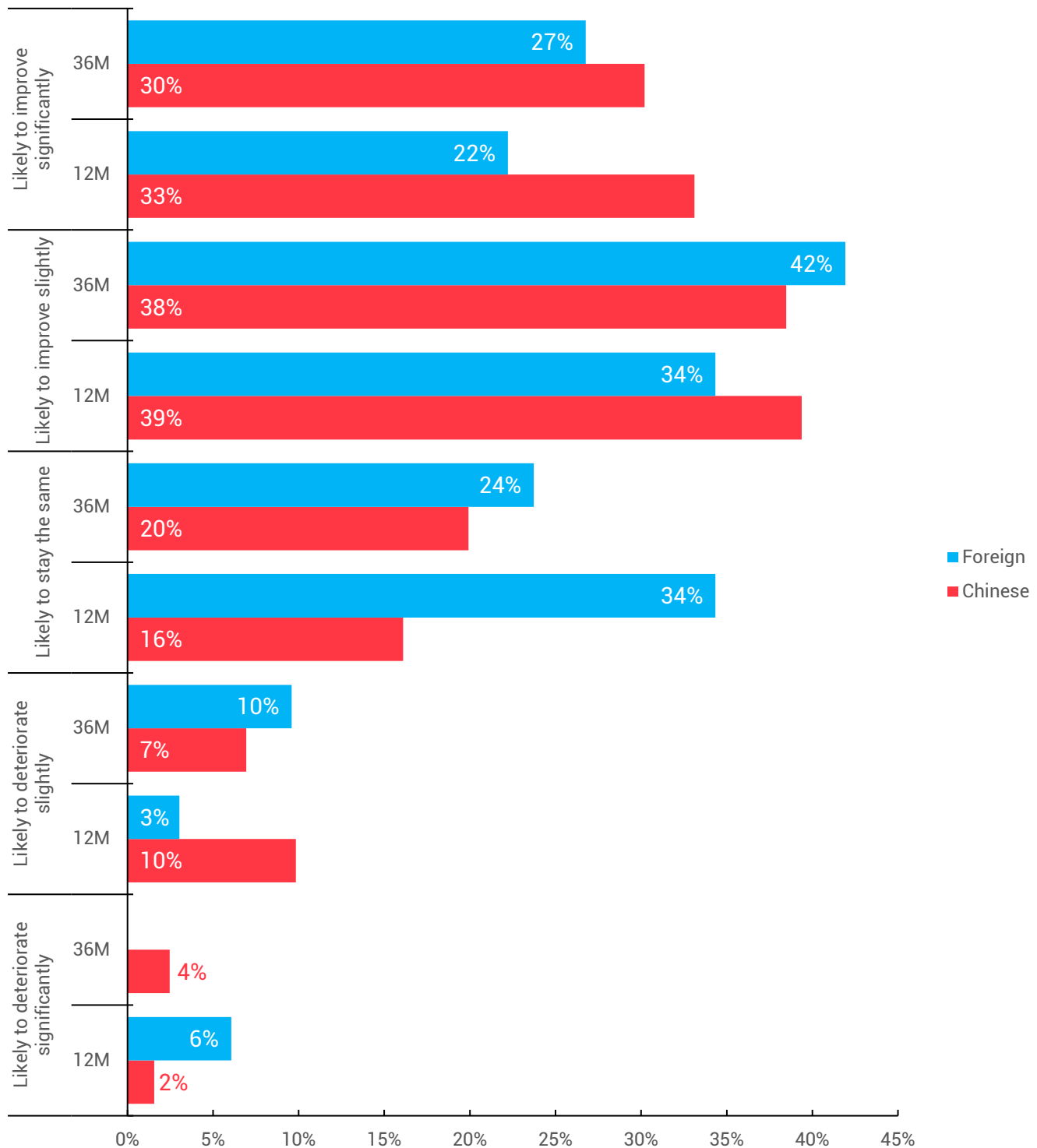
How do you feel China's conditions for inbound Foreign Direct Investment (FDI) have developed compared to 12 months ago?



219 Foreign respondents, 454 Chinese respondents

Figure 28

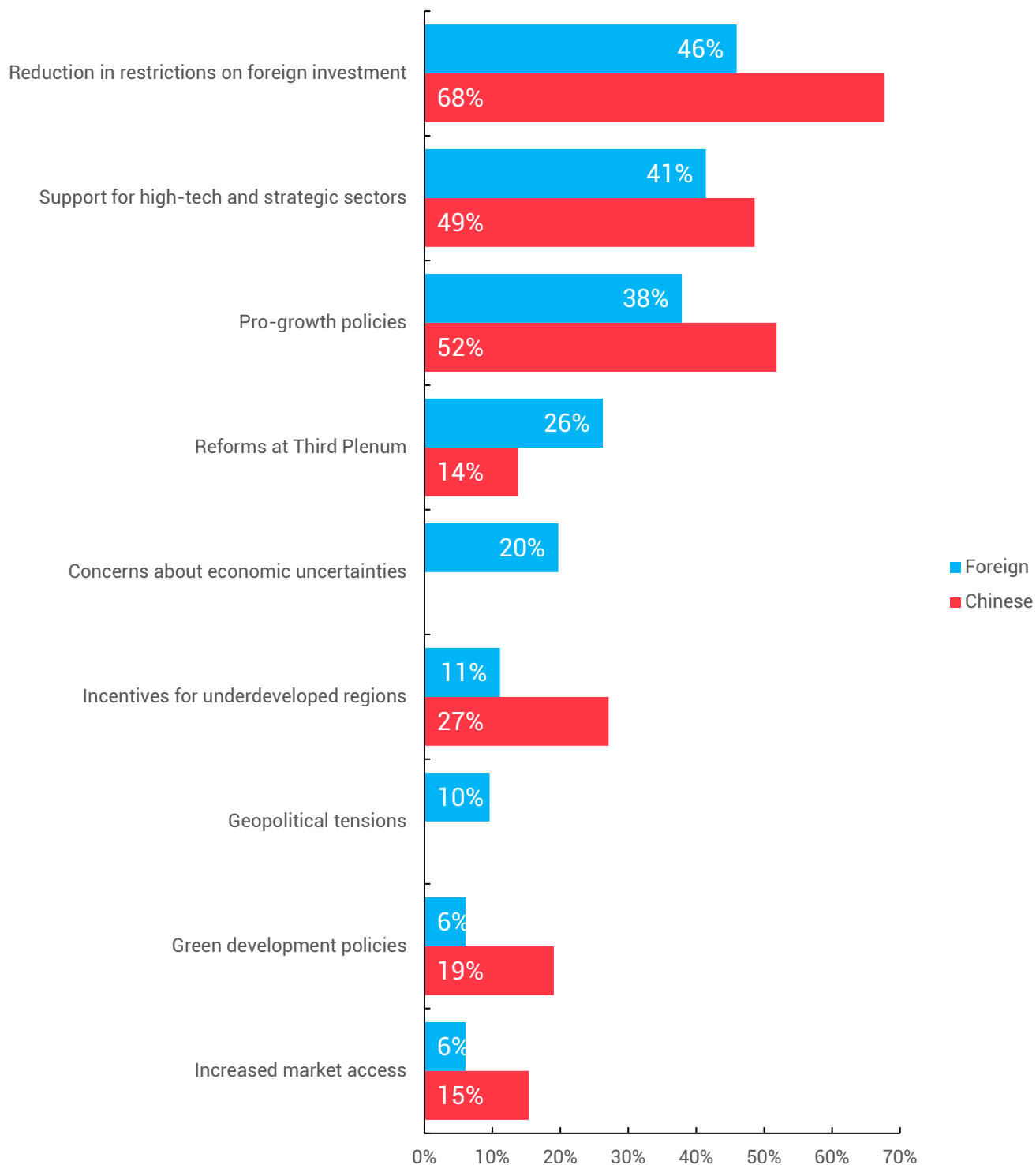
What is your outlook for China's conditions for inbound FDI in the next 12 and 36 months?



202 Foreign respondents, 438 Chinese respondents

Figure 29

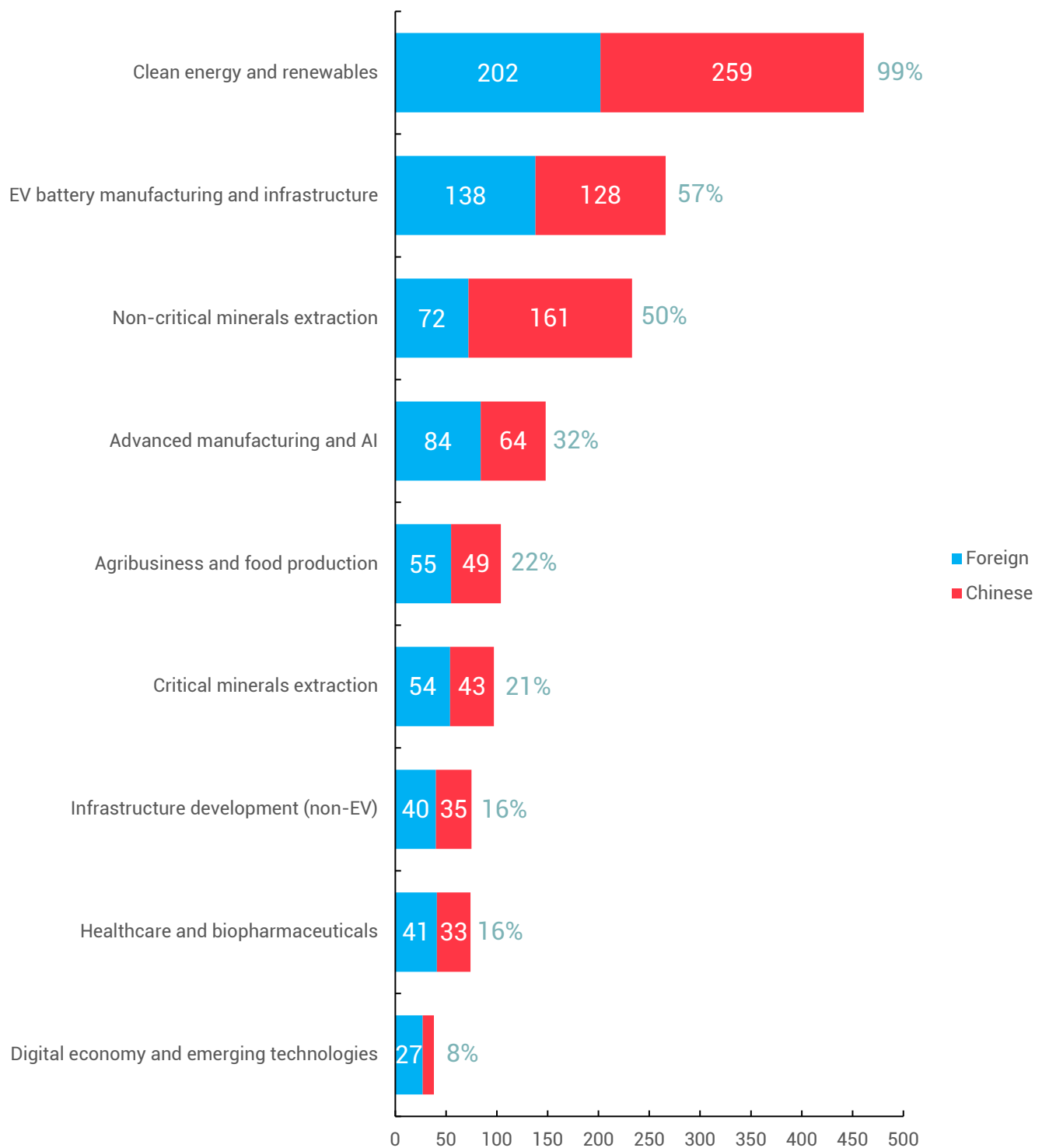
Which of the following factors influenced your responses on FDI?



198 Foreign respondents, 247 Chinese respondents (Multiple responses allowed)

Figure 30

Which sectors do you believe offer the greatest opportunities for Chinese investment into Australia over the next 5 years?



204 Foreign respondents, 260 Chinese respondents (Multiple responses allowed)



Impact of Australia's Foreign Investment Settings

The verdict delivered by respondents on Australia's foreign investment settings as managed by the Foreign Investment Review Board (FIRB) was stark. More than two-thirds (67 percent) described FIRB's settings towards Chinese companies as restrictive or very restrictive. This jumped to more than three-quarters (77 percent) for Chinese-

owned businesses in the sample. No Chinese-owned respondents and just two foreign-owned ones (from a total sample of 530) said that FIRB's settings towards Chinese companies were conducive for investment. Ultimately this is a message being delivered to Australia's Treasurer. FIRB's job is to coordinate across government agencies

and formulate a recommendation as to whether an investment proposal ought to be approved. It is the Treasurer, however, who is the final decision-maker and determines FIRB's processes. These survey results are also against the backdrop of data from the Australian Bureau of Statistics showing that the stock of Chinese foreign investment in Australia fell from \$92.2 billion in 2021 to \$73.4 billion last year. China now accounts for just 1.5% of the total foreign investment stock.

On FIRB's guidelines and requirements for obtaining investment approval, foreign-owned businesses were even more confused and perplexed than Chinese-owned ones with an extraordinary 93 percent contending that these were unclear and lacked transparency. This highlights a tension between Australia's security concerns and economic interests,

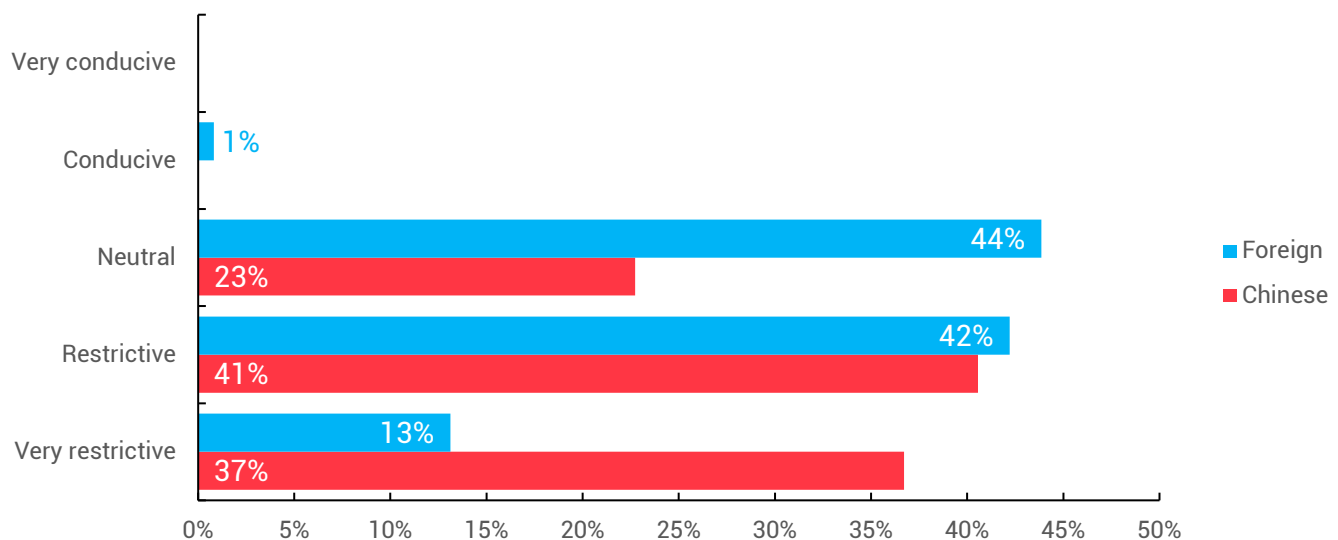
risking the loss of Chinese investment and technology critical for sectors like renewables.

Beyond FIRB, fewer than one in five (17 percent) of all respondents regarded the impact of broader Australian government policies on the investment climate for Chinese companies in Australia to be positive, suggesting a desire for clearer, more welcoming settings to balance security and growth.

Australia does not lack overseas funding options for investment. The problem is that investment also frequently comes bundled with technology, and these days more and more Chinese companies are the global leaders in their industry. This means that sometimes an American or Japanese investor is a poor substitute for a Chinese one.

Figure 31

How do you perceive Australia's current foreign investment settings for Chinese companies, particularly as regulated by FIRB?



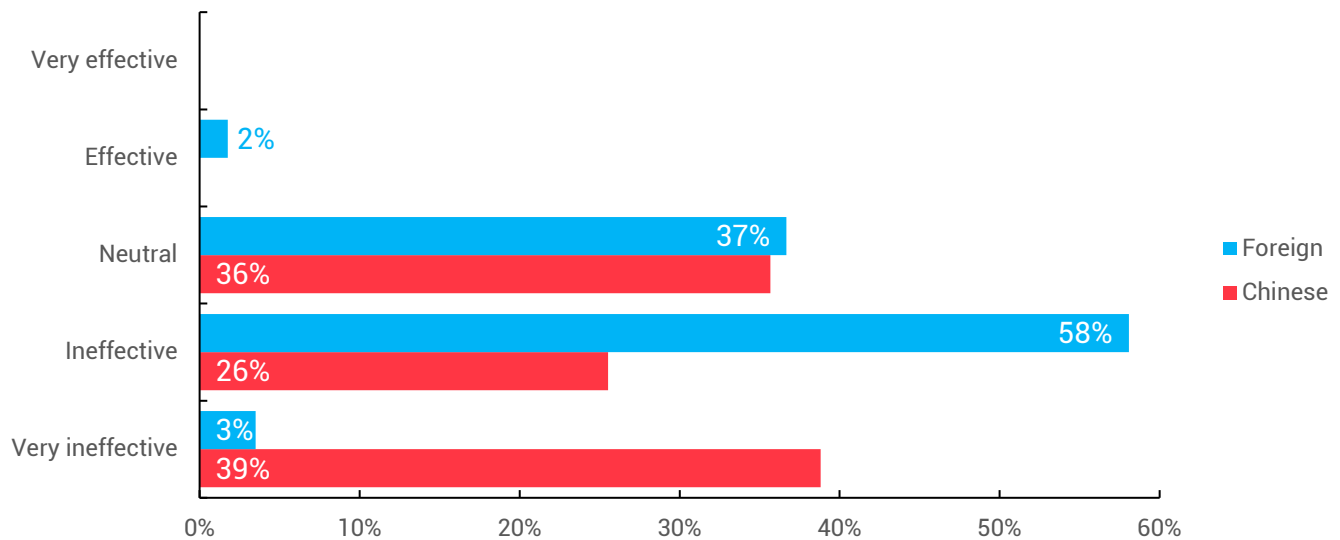


**“Improve the FIRB regime —
lower costs, more transparency,
and certainty.”**

[Anonymous foreign respondent]

Figure 32

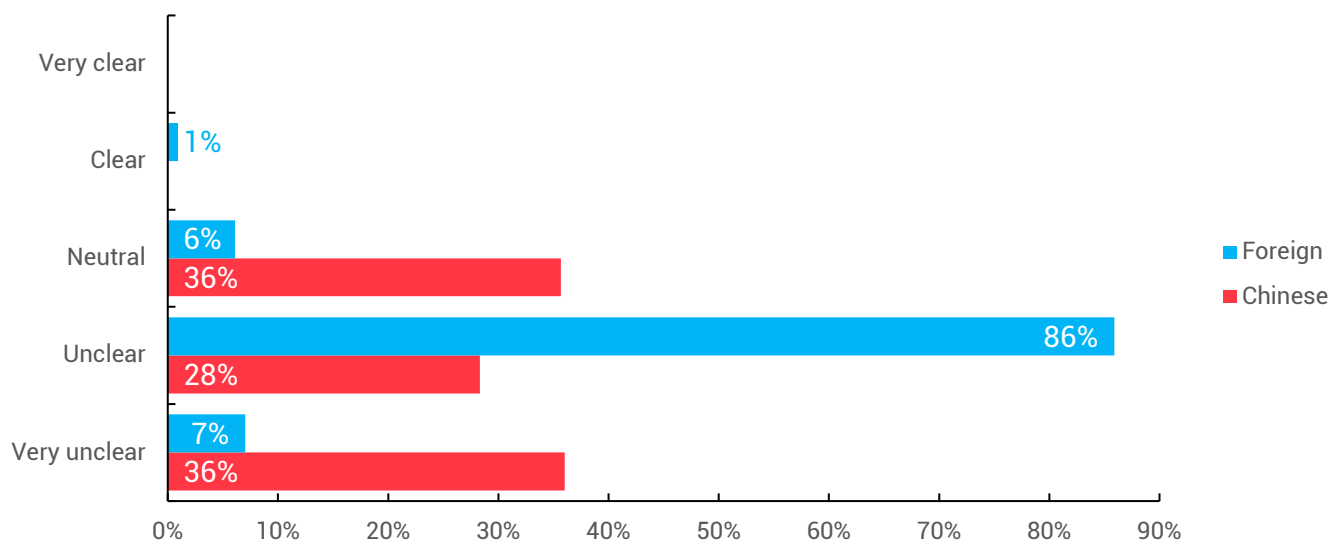
How would you rate the overall effectiveness of Australia's FIRB in terms of approving Chinese investment?



229 Foreign respondents, 286 Chinese respondents

Figure 33

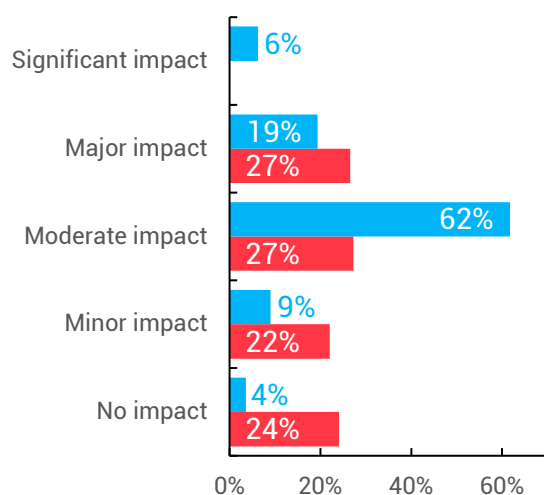
How clear and transparent do you find the guidelines and requirements for obtaining approval under the FIRB regime?



213 Foreign respondents, 286 Chinese respondents

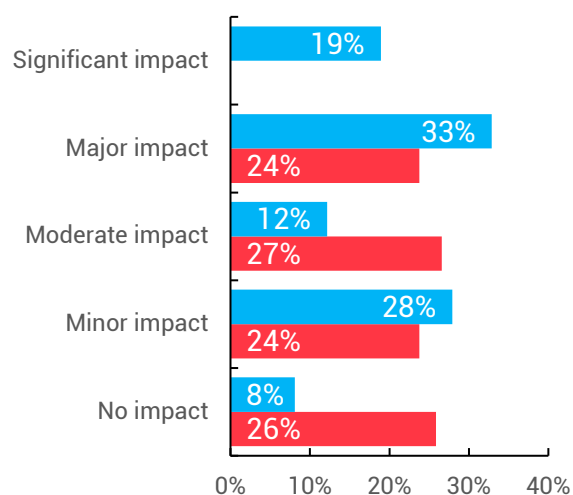
To what extent does FIRB influence your company's decisions about the following types of transactions involving Chinese businesses?

Figure 34
Accepting investment from Chinese businesses



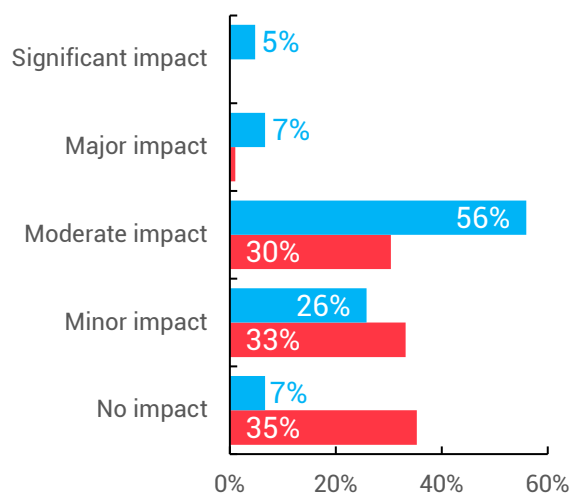
222 Foreign respondents, 286 Chinese respondents

Figure 35
Selling assets or equity to Chinese investors



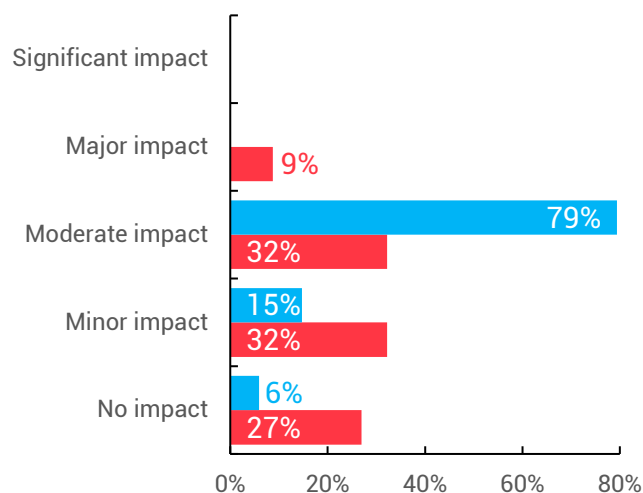
222 Foreign respondents, 286 Chinese respondents

Figure 36
Entering into joint ventures or partnerships with Chinese companies



209 Foreign respondents, 286 Chinese respondents

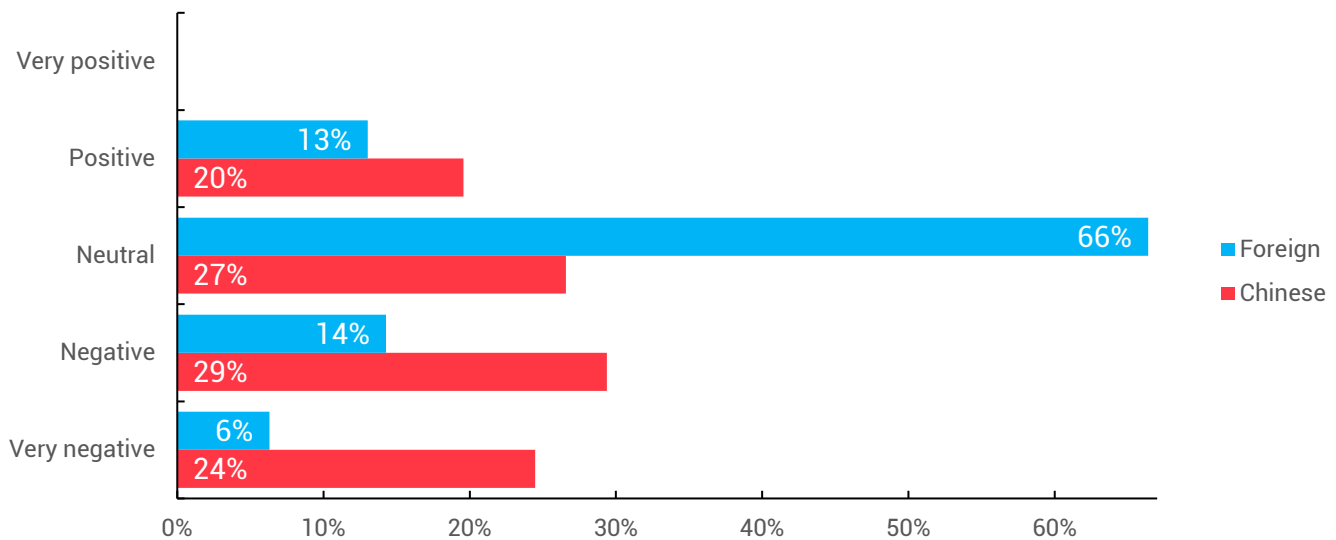
Figure 37
Procurement or contracting with Chinese suppliers



238 Foreign respondents, 286 Chinese respondents

Figure 38

How do you perceive the impact of broader Australian government policies on the investment climate for Chinese businesses in Australia?



238 Foreign respondents, 286 Chinese respondents

“There needs to be a faster track for low-risk or smaller investments. Not everything is a national security threat.”

[Anonymous foreign respondent]



Business Risks and Challenges

When presented with a raft of potential risks, the impact of geopolitics loomed prominently for foreign-owned companies. Fewer than one in five (17 percent) said that the Australia-China relationship would only have a small or lesser impact on their China decisions and operations. Nearly one in three (32 percent) said the impact would be large. The proportion assessing that the state of US-China

relations would have a large impact on their business was only slightly less at 28 percent. When presented with a raft of possible challenges facing their business in China, the second most frequently nominated was US technology/investment restrictions. US and Chinese tariffs on each countries' goods did not rank highly but this would no doubt be different if the survey were repeated today.

Still, despite the emphasis that companies themselves place on geopolitics, as well as the extensive coverage it attracts in media reporting and commentary, other risks and challenges were rated even more highly. Nearly half (47 percent) said that business fundamentals like concerns about China's economy would have a large impact on their China decisions and operations, while 44 percent said similarly about the predictability of China's regulatory environment, indicating a focus on controllable factors like capital transfers over external uncertainties.

Despite the popular attention it attracts, intellectual property rights enforcement

was seen by few respondents as a pressing challenge. Some readers may be surprised to learn that according to the US Chamber of Commerce China now ranks 22nd out of the 55 countries it surveys around Intellectual Property Right protection. This means it sits on par with Mexico, is ahead of all South-east Asian nations, with the exception of Singapore and enjoys a large lead over India.

Still, the aggregation of risks has led to nearly half (49 percent) initiating or increasing the diversification of their supply chain outside of China. Two in five (40 percent), however, remain intent on keeping a China-centric focus.

“Despite the lower political tensions, we’re still navigating a lot of the same obstacles.”

[Anonymous foreign respondent]

Figure 39

To what extent do the following impact decisions about and/or operation of your organisation's China business?

(0=not at all; 5=to a significant extent)

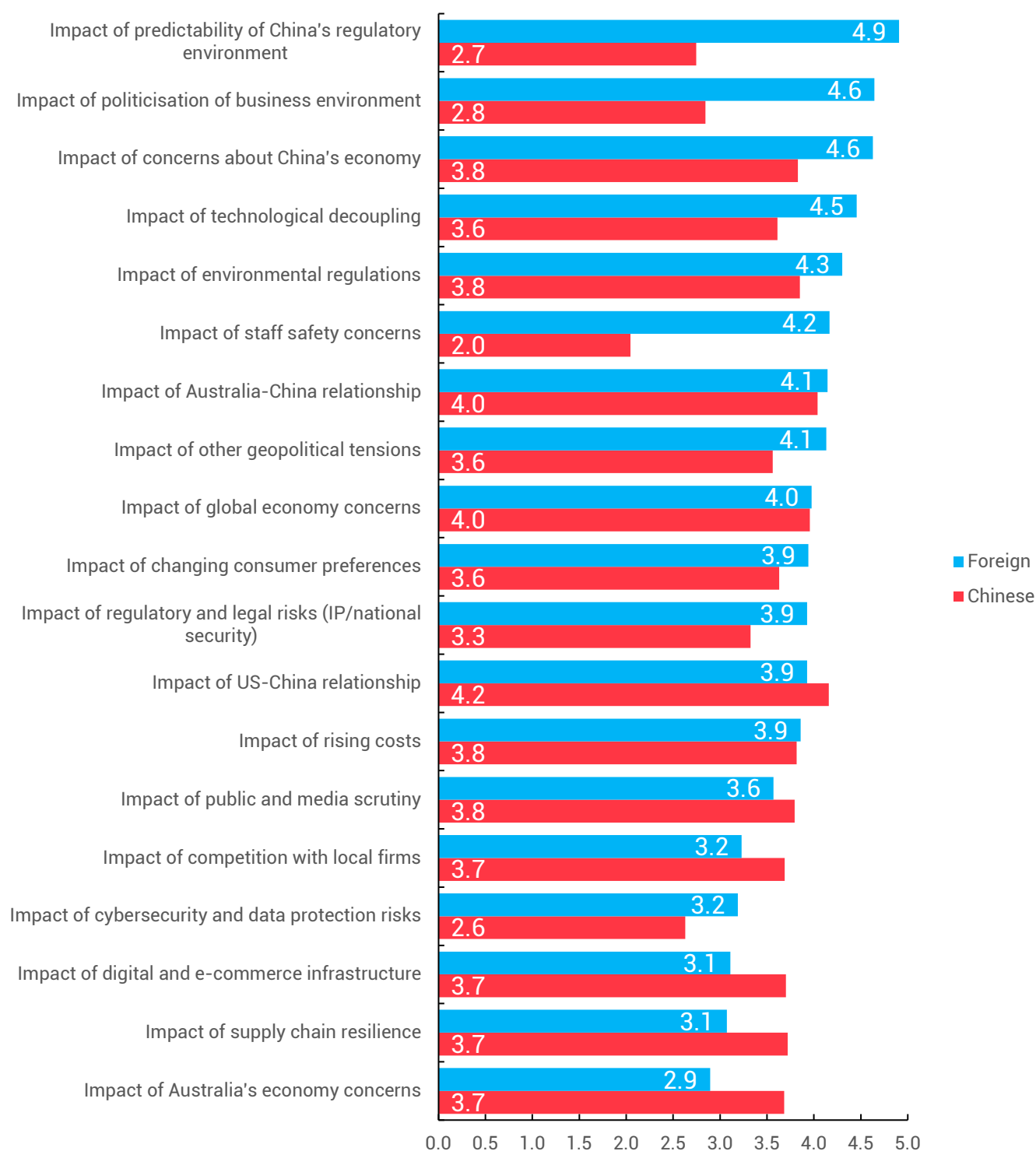
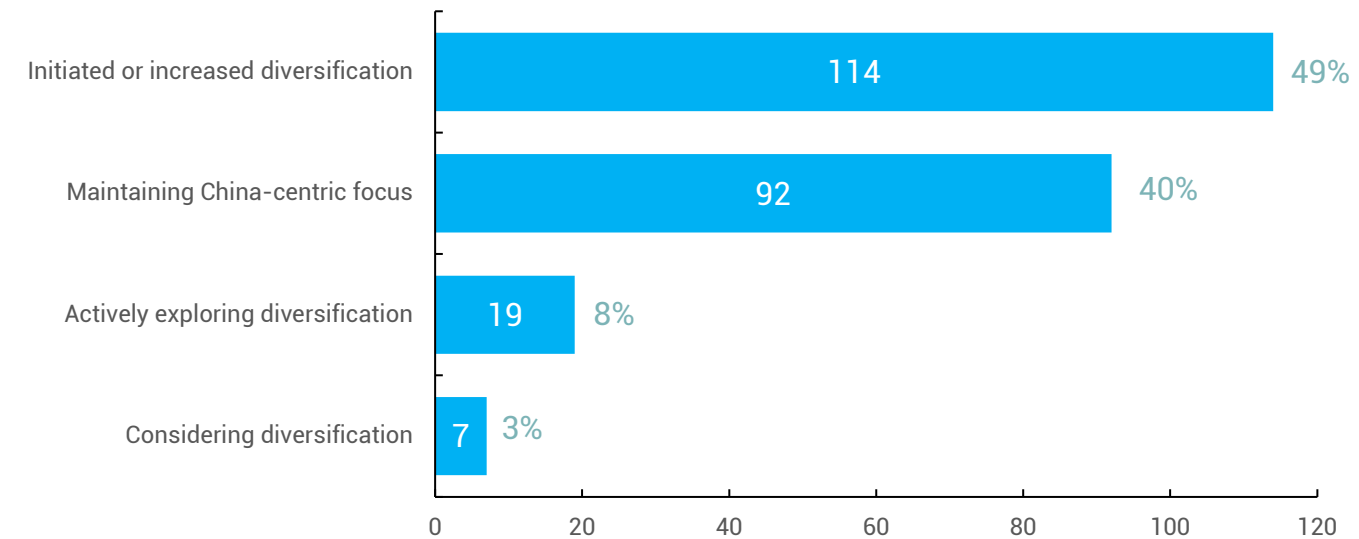


Figure 40

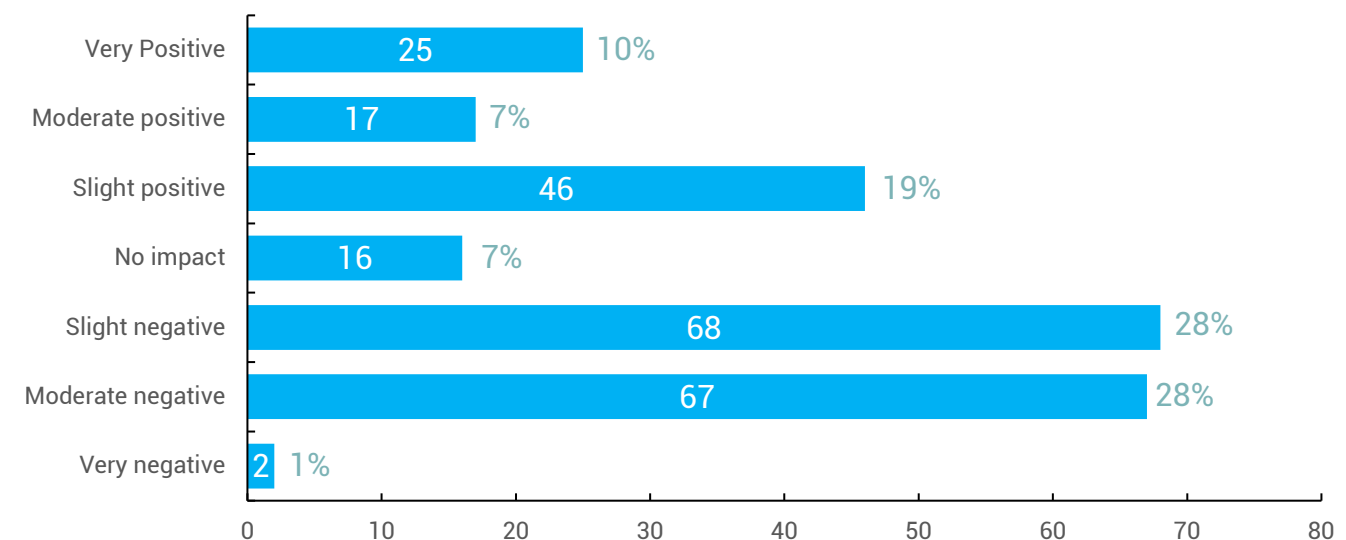
Have you considered diversifying your business activities or supply chain outside of China due to these risks?



232 Foreign respondents

Figure 41

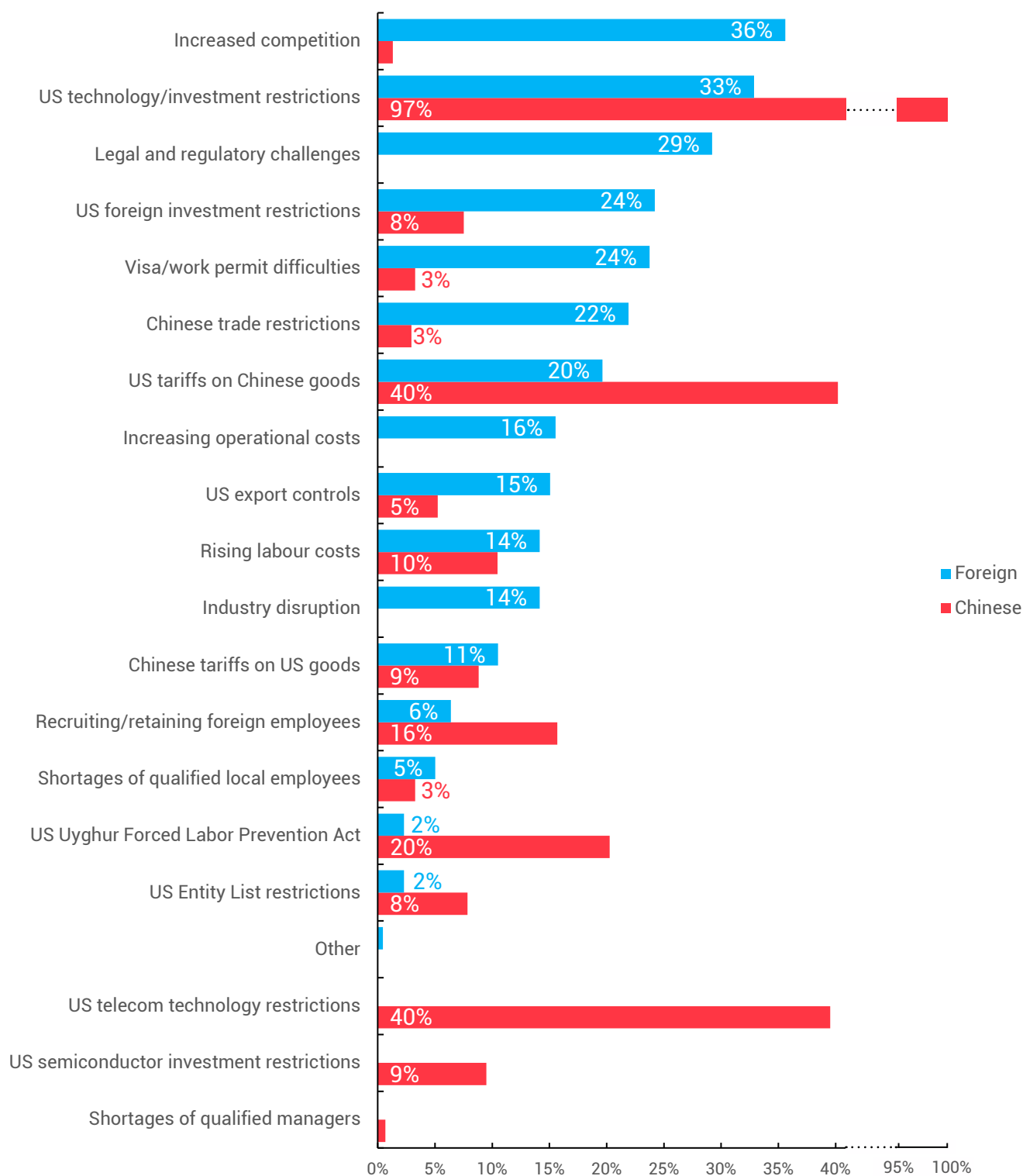
Considering US policies and measures, has the overall impact on your organisation's business with China been positive or negative?



241 Foreign respondents

Figure 42

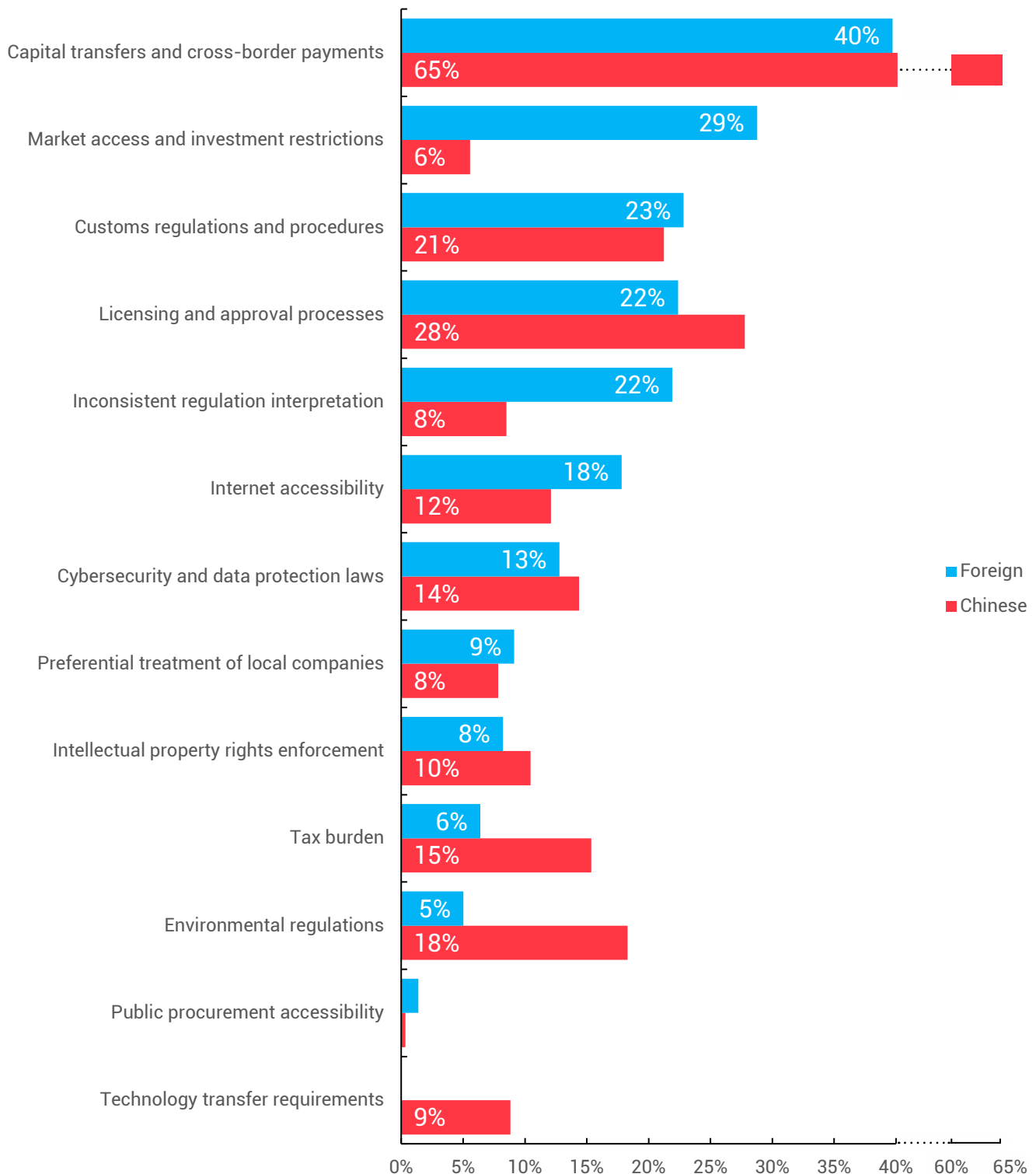
What are the top five challenges facing your organisation's business in China?



219 Foreign respondents, 306 Chinese respondents (Multiple responses allowed)

Figure 43

In your experience operating in Mainland China, which regulatory and legal challenges have most significantly impacted your business?



219 Foreign respondents, 306 Chinese respondents (Multiple responses allowed)



China's Economic and Policy Outlook

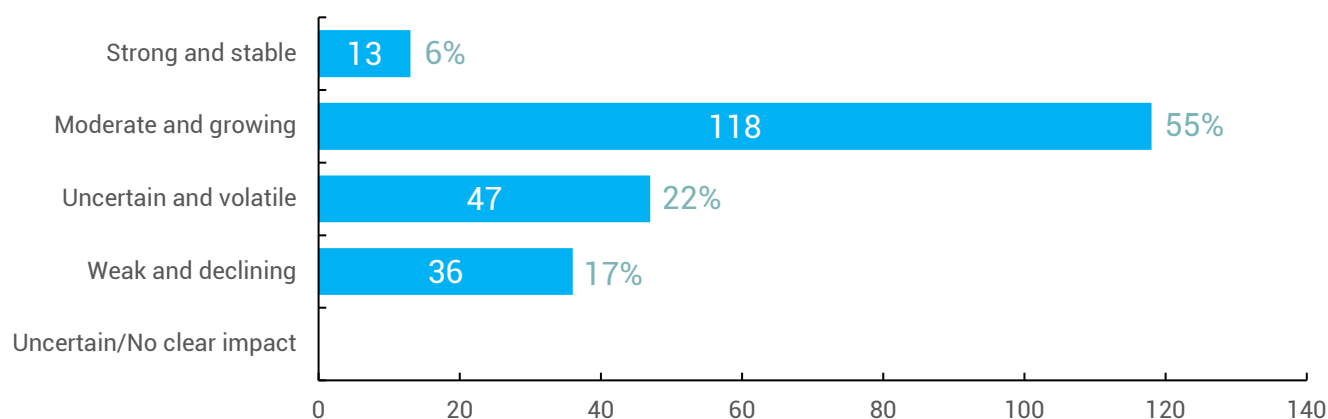
Despite more than six in 10 businesses perceiving the current state of China's economy as "moderate and growing" or "strong and stable" for their China business, some nervousness was apparent. While fewer than one in five (17 percent) described it to be "weak and declining", that still left another one-fifth (22 percent) nominating "uncertain and volatile".

This mixed view reflects China's shift to what Beijing describes as quality-driven growth, with "fluctuations in domestic demand" and "trade tensions"—the latter would have been further ignited by the second Trump administration's tariff war — as key risks.

At least prior to the outbreak of tariffs emanating from Washington, very few respondents (14 percent) expected their industry in China to perform worse this year than last, while the proportion of optimists about the market opportunities going forward exceeded the pessimists by a ratio of more than two to one (59 percent versus 26 percent). The gap between the optimists and pessimists was narrowest with respect to the outlook for the regulatory environment (35 percent versus 34 percent), signalling uncertainty that could shape long-term planning amid China's evolving economic landscape.

Figure 44

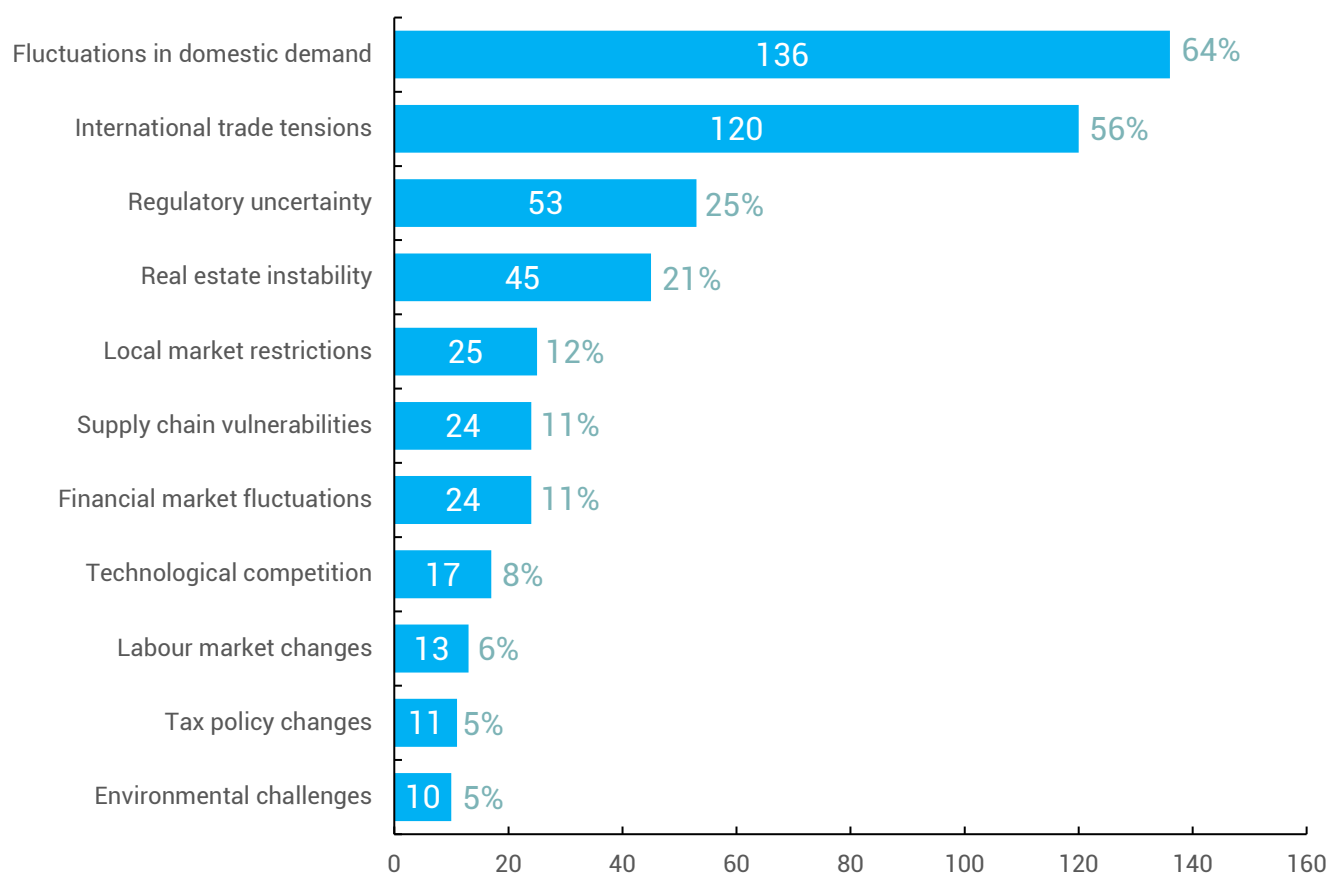
How do you perceive the current state of China's economy with regards to your organisation's China business?



214 Foreign respondents

Figure 45

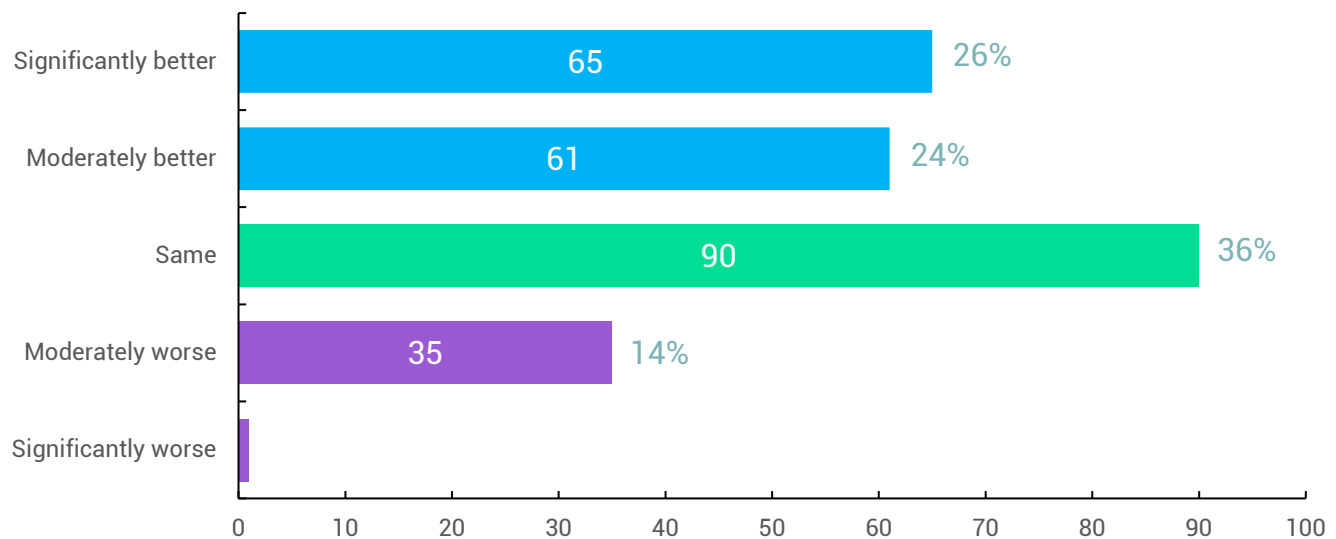
We invite foreign businesses to share their insights on potential downside risks to China's economic growth.



214 Foreign respondents (Multiple responses allowed)

Figure 46

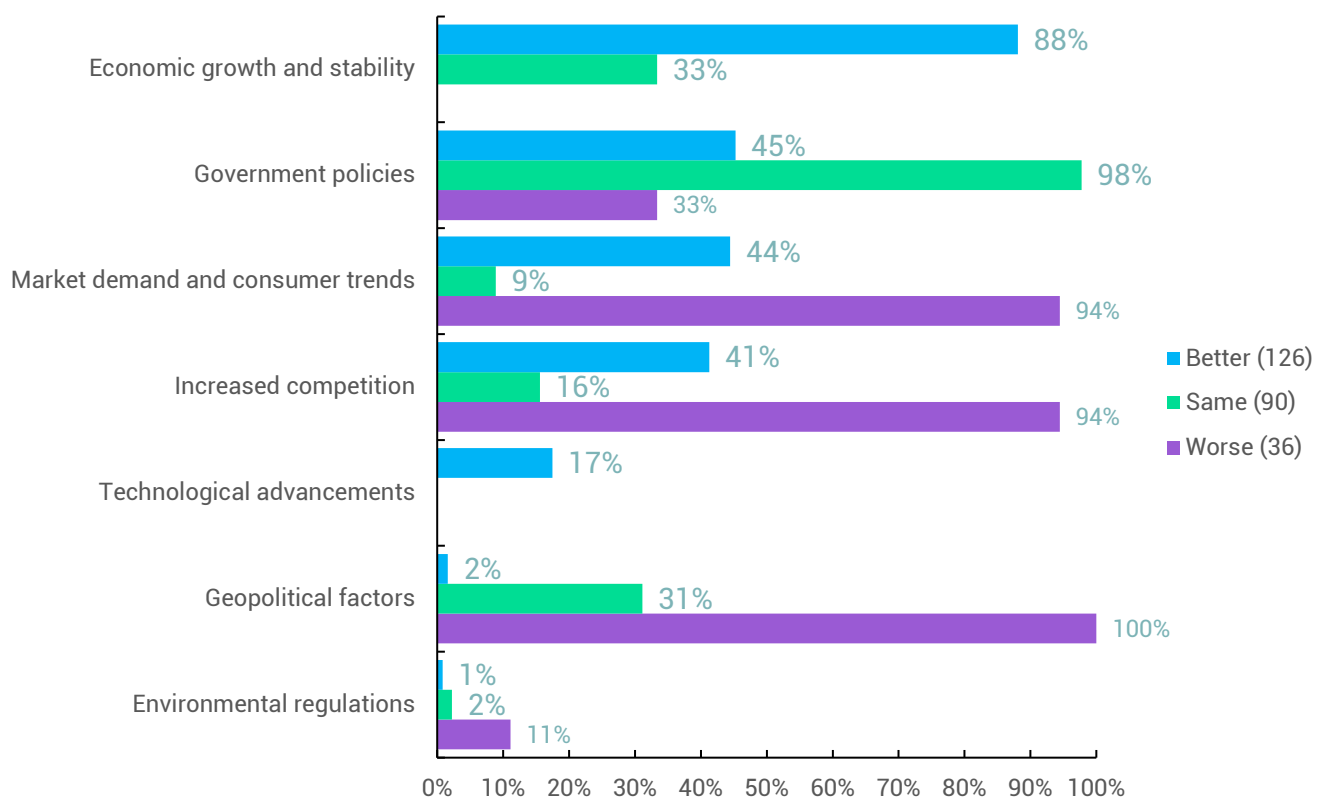
How do you expect your industry in China to perform 2025 compared to other markets globally?



252 Foreign respondents

Figure 47

What factors contribute to your outlook for your industry's development in China compared to other markets?



252 Foreign respondents (Multiple responses allowed)

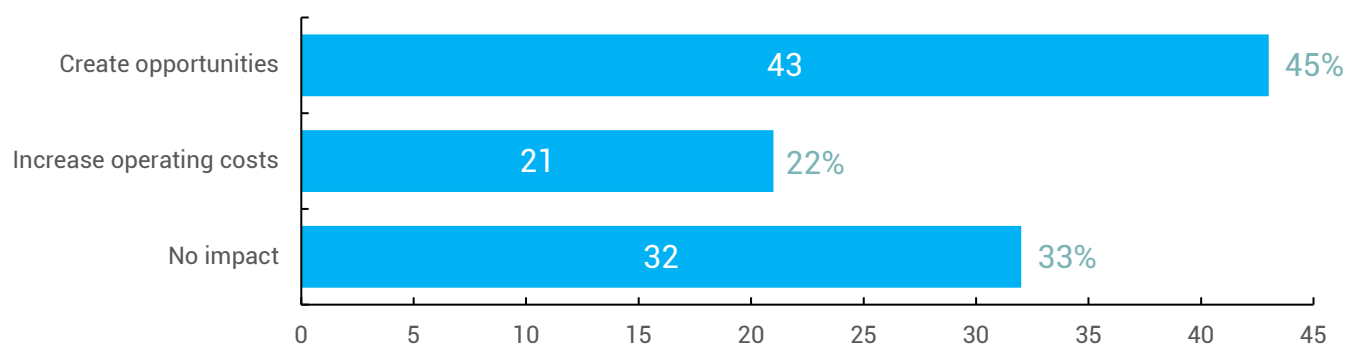
**“China’s consumer demand is
still unpredictable right now.”**

[Anonymous foreign respondent]



Figure 48

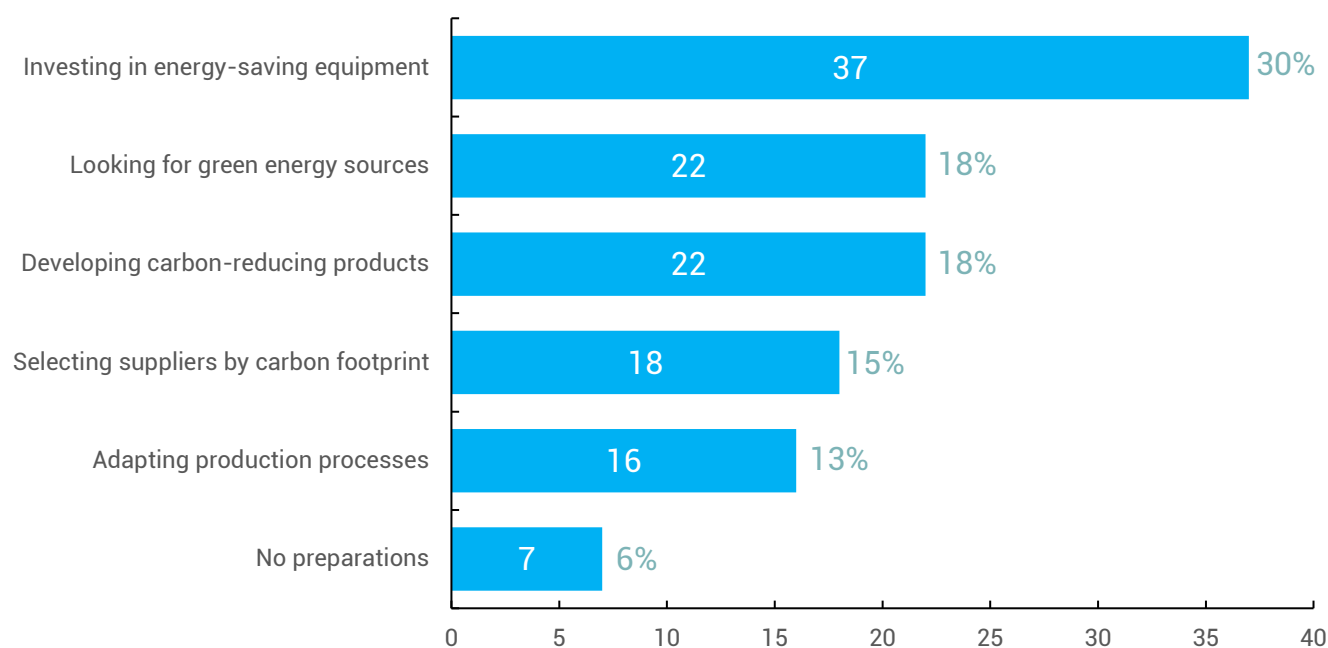
What impact(s) will the laws, regulations, policies, and actions that China implements to achieve its carbon peaking and carbon neutrality goals have on your organisation's China business?



96 Foreign respondents

Figure 49

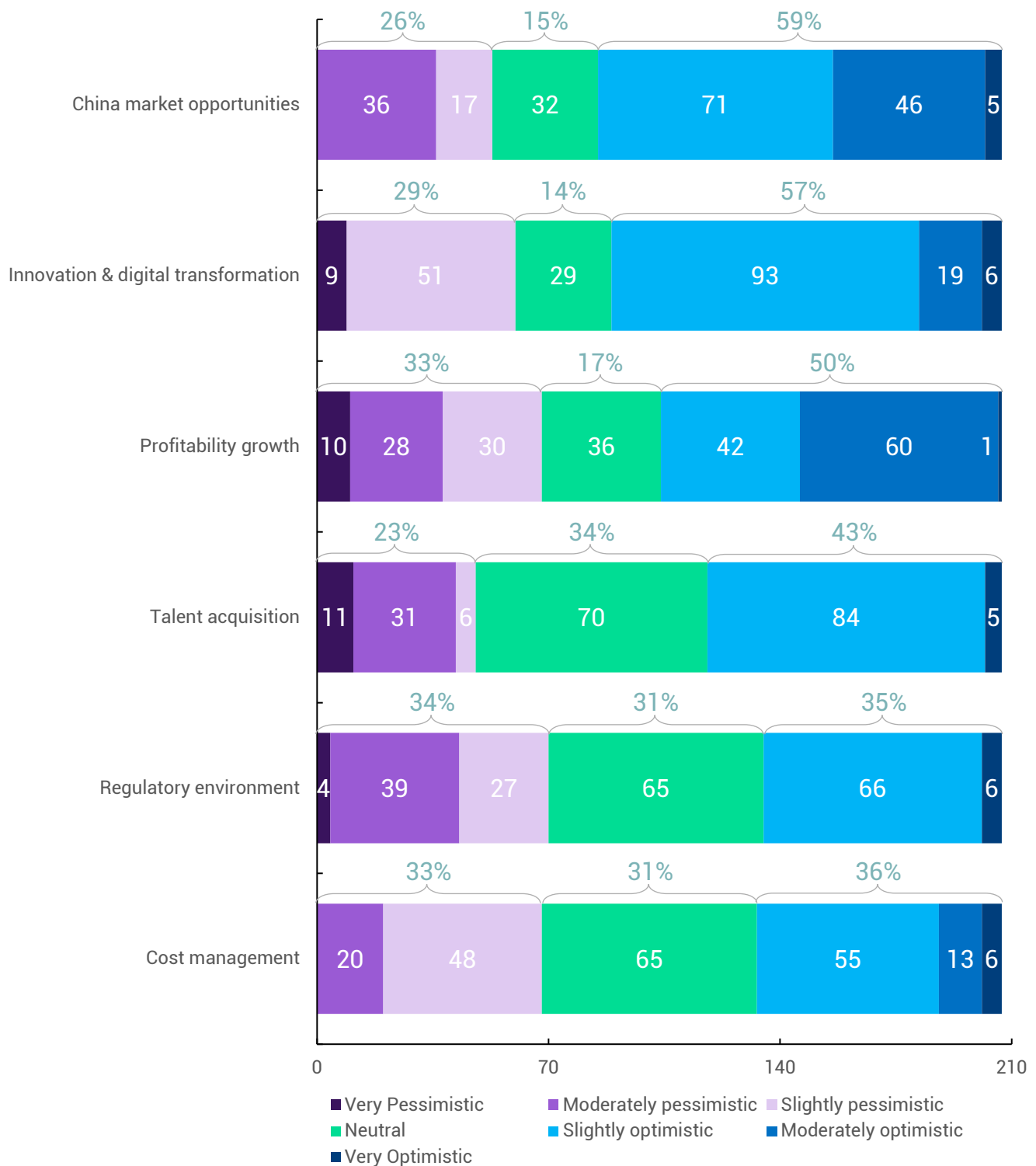
What actions is your organisation already taking or planning to take in respect of your China business in response to and/or expectations of these requirements?



96 Foreign respondents

Figure 50

How would you describe your business outlook in China in each of the following areas over the next two years?





Survey Methodology

This report is based on the *2025 Doing Business in China* survey, which aims to provide a timely snapshot of business sentiment and operational conditions across the Australia-China business corridor.

The *2025 Doing Business in China* survey, conducted by the China-Australia Chamber of Commerce (AustCham China), is the fourth edition of this report and includes the largest dataset to date. The survey was conducted online from 30 November 2024 to 31 January 2025, targeting senior executives from companies engaged in the Australia-China bilateral corridor, including trade, investment, joint ventures, and

operational activities. Distribution and Fieldwork utilised a multi-channel approach to ensure representation across industries, geographies, and company types. Distribution channels included AustCham China's South China and West China chapters, the Australia China Business Council (ACBC), and Dynata, a third-party global panel provider, to reach member and non-member organisations. Additional

outreach targeted industry associations and chambers of commerce in Australia and China to include smaller enterprises and niche sectors, ensuring a broad respondent base.

The survey recorded 858 valid responses, the largest sample in the report's history. Respondents Overview categorised participants into two groups based on ownership: companies with 51 percent or greater ownership by Chinese entities were classified as Chinese respondents (454 participants), and those with less than 51 percent Chinese ownership, including firms incorporated in Australia or other jurisdictions, were classified as foreign respondents (404 participants). This ownership threshold differentiates Chinese and foreign business perspectives. Responses from companies with operations beyond the Australia-China corridor were limited to activities within this bilateral context to maintain data focus. To ensure clarity, respondents were required to hold senior roles (e.g., C-suite, director, or equivalent) with direct knowledge of their company's Australia-China operations.

The Survey Design and Logic included over 100 questions, combining multiple-choice and open-ended formats, tailored to respondents' company type, ownership structure, and operational footprint in the Australia-China market. Questions were optional, resulting in variable response counts. The report specifies the number of respondents per question, including only those with sufficient responses or valid analysis.

For survey questions that permitted multiple responses, percentages

were calculated based on the number of respondents who selected each individual option, divided by the total number of valid respondents to the question. As respondents were able to select more than one option, the sum of percentages across all options may exceed 100%.

Select questions were directed to foreign respondents to address their specific experiences, adjusting the respondent base. The survey was available in English and Simplified Chinese to accommodate respondents' preferences, with translations verified for accuracy. Industry Representation covered sectors including education and training, health and life sciences, consumer goods, agribusiness, professional services, clean energy, advanced manufacturing, digital technology, renewable energy, and biopharma, ensuring coverage of key and emerging industries.

Data Handling and Analysis involved anonymising responses to protect confidentiality and cleaning data to remove duplicates and incomplete entries. Quantitative data was analysed using descriptive statistics, and qualitative responses were coded and thematically analysed. Analysis was conducted with statistical software, with results cross-verified for accuracy.

All percentages are calculated based on two decimal places and then rounded to whole numbers for presentation. To ensure the total equals 100 percent, adjustments are made using the "Largest Remainder" method, which prioritises accuracy by distributing rounding differences to values with the largest decimal remainders. When

further adjustment is necessary, the smallest percentage is modified to minimise impact on overall interpretation.

The role of the Australia-China Relations Institute at the University of Technology Sydney (UTS:ACRI) was as an independent partner for data analysis and report contribution. UTS:ACRI's role was limited to post-collection analysis, excluding survey design, distribution, or data collection, to ensure objectivity.

Limitations include potential response bias in opt-in surveys, with possible over- or underrepresentation of sectors or regions due to engagement levels. Multiple distribution channels and third-party panels mitigated this risk.

Self-reported data and variable response counts from adaptive question logic may affect comparability. Incomplete or ambiguous responses were excluded during data cleaning to maintain integrity.

The *2025 Doing Business in China* survey, led by AustCham China, provides a systematic and representative analysis of the Australia-China bilateral corridor. Its large dataset, structured methodology, and industry coverage make it a key resource for understanding the dynamics, opportunities, and challenges faced by Chinese and foreign businesses in this economic relationship.

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