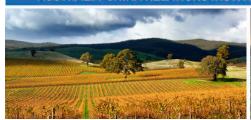
ACRIFACTS



AUSTRALIA-CHINA RELATIONS INSTITUTE 澳大利亚-中国关系研究院

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China and Australia's Agricultural Sector

- 1. Australia's agricultural exports to China reached \$8.5 billion in 2014-15.1 This compared with:
 - \$5.1 billion to the US
 - \$3.9 billion to Japan
 - \$3.3 billion to Indonesia
- 2. A Chinese government-owned company wanting to invest in Australia's agricultural sector must obtain Foreign Investment Review Board (FIRB) approval, irrespective of the value of the proposed purchase.2
- A Chinese privately-owned company wanting to buy Australian agricultural land must obtain FIRB approval if the value of the purchase is \$15 million or more.³ This threshold is cumulative.⁴ It compares with a non-cumulative threshold of \$1.09 billion threshold for investors from the US. New Zealand and Chile, and a non-cumulative \$50 million threshold for those from Singapore and Thailand.
- 4. A Chinese privately-owned company wanting to buy an Australian agribusiness must obtain FIRB approval if the value of the purchase is \$55 million or more.⁵ This compares with a threshold of \$1.09 billion threshold for investors from the US, New Zealand and Chile.

- 5. In 2013-14, the value of approved Chinese investment in the agriculture, forestry and fishing sector was \$32 million.⁶ This compares with:
 - \$602 million for Canada
 - \$600 million for Hong Kong, China
 - \$584 million for the US
- 6. Over the period 2009-10 to 2013-14, Chinese investment accounted for 2.9 percent of total approved foreign investment in the agriculture, forestry and fishing sector. This compares with:
 - 19.7 percent for Canada
 - 19.6 percent for the US 7.6 percent for the UK8
- 7. In 2014, the food and agribusiness sector accounted for 1.5 percent of total Chinese investment in Australia. Since 2010 it has accounted for 2.9 percent.9
- 8. A 2015 poll of more than 1500 Australians¹⁰ on preferences toward foreign investment in agriculture revealed that the public:
 - prefer <u>bigger</u> dollar value investments to smaller ones
 - are indifferent to whether the foreign company investing is government or privately-owned
 - prefer investment from the UK than China, but the difference is small

¹ Source - Department of Agriculture and Water Resources, Agricultural commodities: December quarter 2015.

² Source - Foreign Investment Review Board (FIRB). http://firb.tspace.gov.au/files/2015/09/Australias_Foreign_Investment_Policy_D ecember_2015_v2.pdf

This rule was introduced in March, 2015. Source - FIRB

^{4 &}quot;Cumulative" means that if a given Chinese company already owns agricultural land worth \$15 million, any further purchases will require FIRB

This rule was introduced in December, 2015. Source - FIRB

⁶ Source - FIRB Annual Report 2013-14.

⁷ Source - FIRB Annual Report, various years. ⁸ Hong Kong, China accounts for 4.9 percent.

Source - KPMG and Sydney University, http://demystifyingchina.com.au/. This database records Chinese investment deals worth more than \$5 million. Source - Laurenceson, Burke and Wei (2015). http://press.anu.edu.au/wpcontent/uploads/2015/12/analysis03.pdf