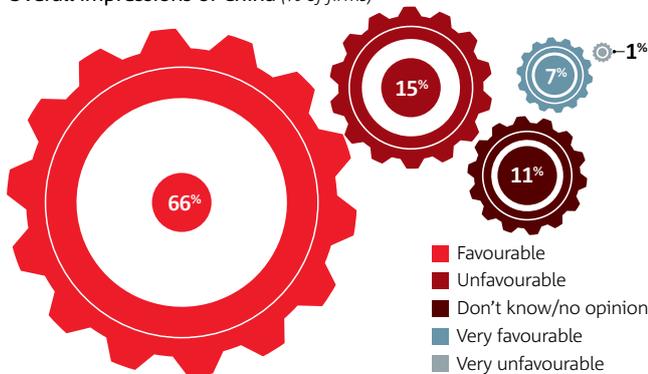


Key bilateral insights from the inaugural Australia-China Business Engagement Index

1. Overall bilateral impressions are positive, but for Australian businesses there are some concerns about doing business in China

Overall impressions of China (% of firms)



2. Chinese businesses opinion is more positive towards Australia than many other countries, for overall bilateral impressions and importance to China as an economic partner

Overall impression (favourable %)

Rank	Country	Percentage
1st	Australia	97%
2.	Canada	92%
3.	Singapore	87%
4.	UK	85%
5.	New Zealand	83%
6.	US	83%

Economic importance (important %)

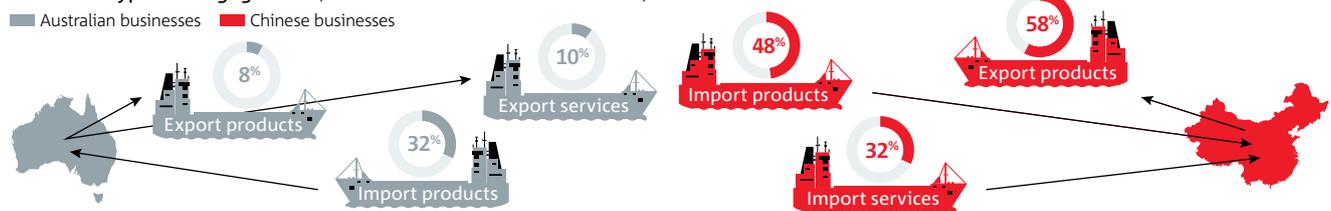
Rank	Country	Percentage
1.	US	89%
2nd	Australia	83%
3.	UK	78%
4.	Korea	77%
5.	Russia	75%
6.	Canada	71%

3. Business engagement is significant for both countries, but stronger for China

Percentages of businesses trading

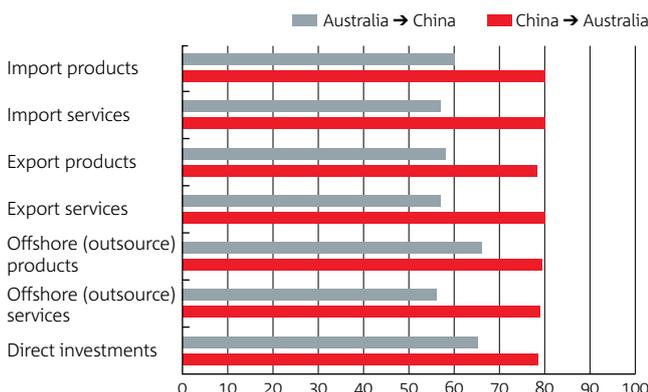


Levels and types of engagement (Australia → China and China → Australia)



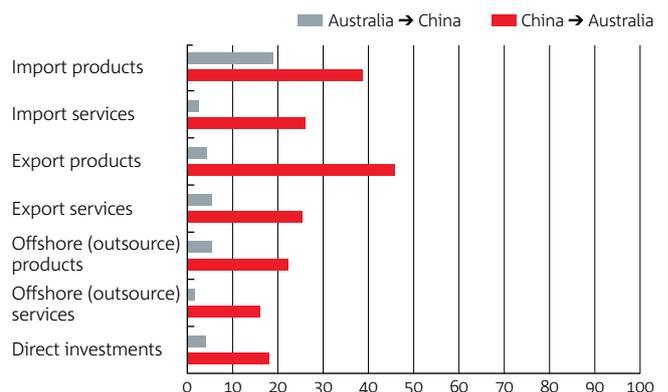
4. Business engagement intensity varies by country and industry

Engagement Intensity (1% = extremely low and 100% = extremely high)
 Measures the strength of the relationship where a relationship exists



Business Engagement Index (%)

Derived from the type of engagement and the intensity of engagement



Businesses' plans to increase involvement in the next 12 months Overall (net balance)



5. The impact of the China-Australia Free Trade Agreement is viewed more favourably by Chinese business

Extent that the Free Trade Agreement (FTA) has impacted your decision to focus on:

China (% of Australian firms)

Australia (% of Chinese firms)

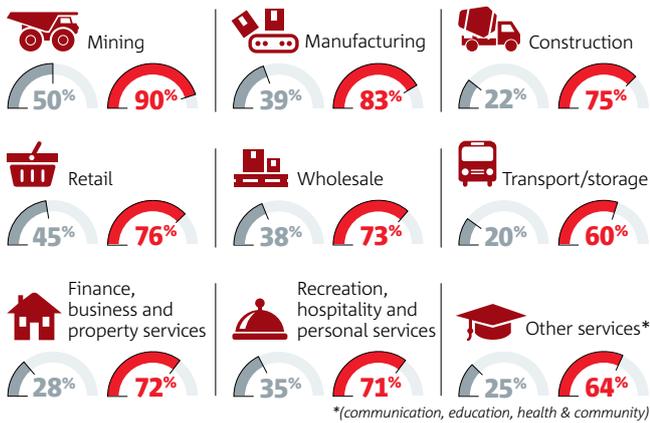
■ No effect ■ Some effect ■ A significant effect ■ Don't know



Extent the FTA has impacted your decision to focus on

China/Australia (by industry)

■ Australia → China ■ China → Australia

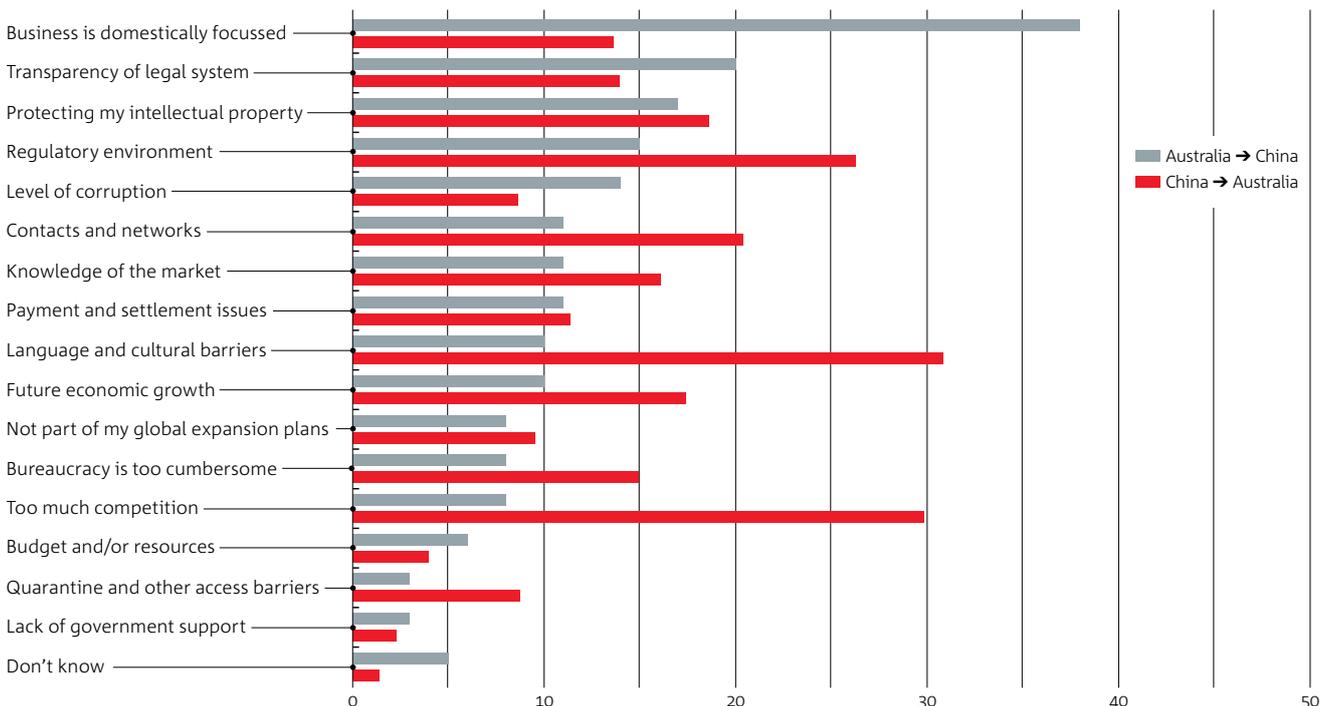


Business perceptions as a location for business investment

■ Australia → China ■ China → Australia



6. Biggest inhibitor to further business engagement (for businesses already engaged, % of total sample)



The Australia-China relationship

The relationship between the Australian and Chinese economies has intensified over the last decade, as trade and investment links have grown. China overtook Japan in 2009 to become Australia's largest trading partner – a position Japan had held since 1966.

In 2014, bilateral trade totalled over \$152 billion – more than double the level of Japan (which remains Australia's second largest partner). While the greatest share of Australian trade with China consists of commodity exports, exports of services are also growing – China is now Australia's largest export market for services, a sector that can benefit from the transition underway in China's economy.

Similarly, investment links have also grown over the last 10 years. In 2014, China was responsible for the second largest investment flows into Australia (behind the US) – at around \$13 billion – although China's overall stock of investment in Australia continues to lag more established economies such as the US, the UK and Japan.

Meanwhile, Australians invested almost \$19 billion into China in 2014, with the country now accounting for around 3% of Australia's total foreign investment from almost nothing a decade ago (source: Australian Bureau of Statistics).

Key bilateral insights from the inaugural Australia-China Business Engagement Index

In late 2014, NAB released its first Australia-Asia Business Engagement Index (the Index), a unique measure of the size and intensity of business relationships of Australian firms trading with Asia. Australia's engagement was clearly strongest with China across all sizes of business.

NAB has updated the Index, this time focusing specifically on China and the level of engagement of Australian business with China.

To better understand the bilateral relationship, NAB has partnered with the Australia-China Relations Institute (ACRI) at the University of Technology Sydney, which polled Chinese business leaders on their attitudes towards Australia and the details of the engagement their businesses have with Australia.



Overall bilateral impressions are positive, but for Australia there are some concerns about doing business in China

- Australian business, regardless of size, has a clear understanding of China's importance as an economic partner and its role in the Asia-Pacific region in general. But Australia is also taken very seriously as an economic partner by China, ranking second only to the US, and is also considered an important player in the Asia-Pacific region.

- Chinese business has an overwhelmingly positive impression of Australia overall and these high opinions extend to the business realm. Chinese opinion was more positive towards Australia than many other countries, including the US, UK, Korea and New Zealand. Australian businesses also have a positive overall impression of China; however, there are some important concerns when it comes to doing business with China.
- By industry, in Australia, wholesalers were the most positive. Fewer businesses in construction, hospitality, personal and other services had a positive impression. In China, all industry sectors had a positive impression of Australia with mining leading the way.
- 1 in 4 Australian firms are unsure about doing business with China.
- In contrast, more than 94% of Chinese businesses were favourable about doing business with Australia. Some of this difference may reflect a general lack of awareness in Australia about China. The 2014 Lowy Poll found that 64% of Australians "didn't know/no view" of China's President, Xi Jinping, compared with 1% who said the same about US President, Barack Obama.



Business engagement is significant for both countries, but stronger for China

- Around 1 in 2 Australian firms report some type of business engagement with China, dominated by product imports (nearly 1 in 3 of all firms). Engagement intensity is lower across all other types but importantly, exports of services are the next largest form of engagement (1 in 10).
- In comparison, around 9 out of 10 Chinese firms report some type of business engagement with Australia, led by exporting products (more than 1 in 2). This was closely followed by importing products (nearly 1 in 2) and importing services (nearly 1 in 3).
- When Australian firms engage with China, the intensity of their engagement is reasonably strong, but it varies considerably by industry. For example, in the mining sector engagement is very strong for product exports (reflecting the dominant role of commodity exports in Australia's trade mix with China), whereas for retailers and wholesalers engagement is dominated by product imports. Services exports are highest among finance, business, property and recreation, hospitality and personal services firms.
- Chinese firms report the intensity of their engagement with Australia to be strong across all engagement types and industries. Combining the type and intensity of engagement produces an overall engagement index. This reveals that Australian firms engage with China overwhelmingly through product imports. The next highest level of engagement is via services exports. The engagement of Chinese firms is more diverse, led by product exports, but also prominent are product imports, and services imports and exports.



Bilateral engagement is expected to increase, particularly from a Chinese business perspective

- Australian firms expect to increase their engagement with China in the next 12 months, led by product imports and exports of services and products. Again intentions vary by business size and industry. For small firms, future engagement is dominated by plans to further increase product imports whereas large firms signalled an intention to increase engagement across a broader range of activities.
- By industry, wholesalers, manufacturers and retailers plan to increase engagement through product imports, while mining firms plan to cut back product imports as the mining investment boom winds down. Instead, more mining and manufacturing firms plan to increase product exports to China. More manufacturing firms also intend to grow their engagement by 'offshoring' products.
- In China, the intention to increase engagement is much stronger for all engagement types. The nature of this intention is very much two-way. For example, Chinese manufacturing firms have strong plans to increase both product exports and imports.



The impact of the Free Trade Agreement is viewed more favourably by Chinese business

- The China-Australia Free Trade Agreement (FTA) has had only a modest positive impact on the engagement intentions of Australian business. A different picture emerges by industry, with the services sector most positively impacted.
- A more positive picture emerges for Chinese business. Just over 3 in 4 Chinese firms said that the FTA had at least some impact on their plans to increase their focus on Australia.
- Where the FTA played a role in the decision of Australian firms to increase engagement, the main benefits were seen from lower tariffs and reduced business costs and greater government support for business engagement.
- There are some differences by business size in regards to the main impacts of the FTA. The majority of medium and small firms believe that the biggest impact will come from lower cost of trade, but the majority of large firms identified government support for greater business engagement as the key driver of their decision.
- From the perspective of Chinese business, the FTA demonstrates that the Chinese government is giving engagement with Australia a big tick of approval, and this is even more important than lower tariffs and a relaxation of investment barriers.



Chinese business views Australia more favourably as a location for business investment

- Chinese businesses rate Australia highly as a location for business investment.
- Most Australian businesses recognise that China represents good opportunities for business growth. However, Australian businesses are more hesitant about China as a location for business investment, and have some concerns about legal protection and rules and regulations.



A domestic focus is a bigger barrier to increased engagement for Australian firms

- In Australia, the biggest impediment to higher engagement with China is having a domestic focus. Other key impediments for engaged firms include the lack of transparency of the Chinese legal system and protection of their intellectual property (IP). The China-Australia FTA is not a game-changer for these impediments.
- More small firms saw the protection of their IP and inadequate resources to enter the market as significant barriers. Large firms were more concerned about the regulatory environment, bureaucracy and payment/settlement issues, while medium sized firms saw corruption as a bigger inhibitor.
- For firms with no engagement, the biggest impediment outside of having a purely domestic focus was their lack of knowledge of the Chinese market.
- More small firms with no engagement also identified their limited knowledge of the Chinese market, corruption and competition as important factors, while more large firms said the regulatory environment was too complex.
- In contrast, for engaged Chinese firms having a domestic focus ranks much lower as a barrier to increased engagement. Instead they nominate concerns about institutional, language and cultural barriers, too much competition, and the complexity of the regulatory environment (including foreign investment laws).
- For Chinese firms with no engagement, the biggest impediment outside of having a domestic focus was concerns around institutional, language and cultural barriers and limited knowledge of the Australian market.



Manufacturing has the greatest opportunities for further engagement for both countries

- In terms of engagement opportunities for Australian firms, manufacturing was identified as having the best prospects, followed by wholesale, building & construction, agriculture and forestry & fishing.
- In China, manufacturing was also identified as the number one prospect, followed by wholesale and retail trade.
- Importantly, both Australian and Chinese manufacturing firms say that increased engagement will occur for both product imports and exports.

China-Australia Business Engagement Index

By James Laurenceson and Elena Collinson

How does Chinese business view Australia?

Chinese business leaders have an overwhelmingly positive overall impression of Australia, with high opinion extending to the business realm.

More than 9 in 10 surveyed Chinese business leaders rate Australia “very favourable” or “favourable” in terms of their overall impression of the country.

When asked about Australia as a place to conduct business, just over 9 in 10 Chinese business leaders indicate their impressions of the country are “very favourable” or “favourable”. Australia also ranks highest when compared to countries like the US, the UK, Korea and New Zealand.

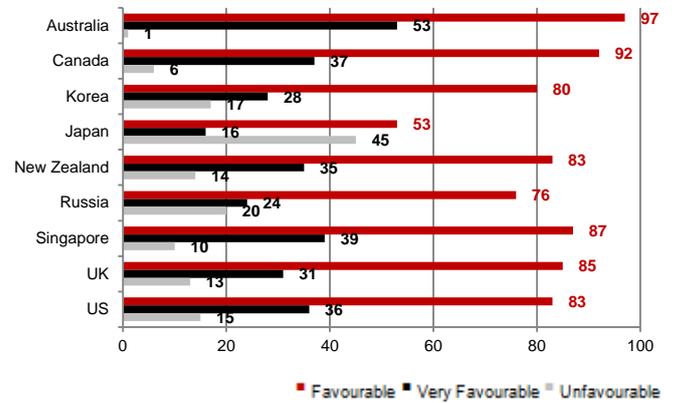
Less than three percent of Chinese business leaders reported that they did not know or had no opinion in relation to doing business with Australia.

Chinese business leaders view Australia as a serious economic partner and as a key player in the Asia-Pacific business economy and in the region in general.

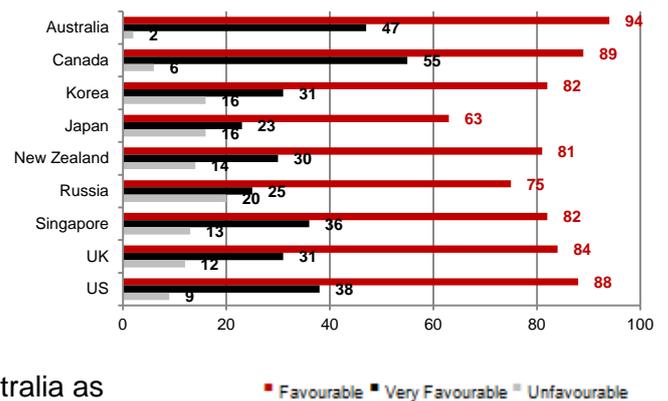
Around 8 in 10 Chinese business leaders rate Australia as an “extremely important” or “important” economic partner for China. Almost 1 in 2 firms view Australia as “extremely important”. Australia ranks second only to the US in economic importance for Chinese business.

More than 8 in 10 Chinese business leaders view Australia’s role in the Asia-Pacific business economy as “extremely important” and “important”. Over 1 in 3 firms view Australia’s role in the region’s business economy as “extremely important”.

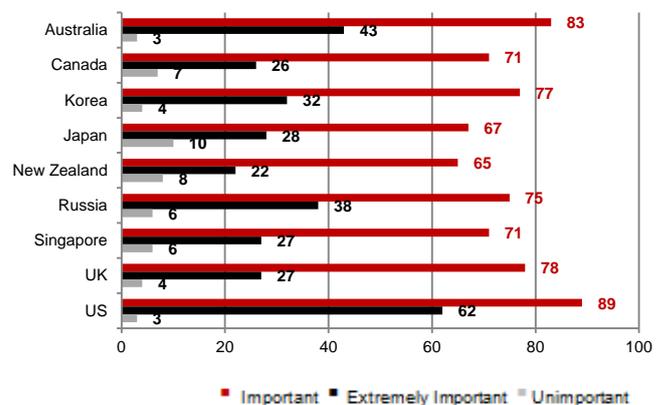
Overall impressions
(% of firms)



Overall impression of conducting business
(% of firms)

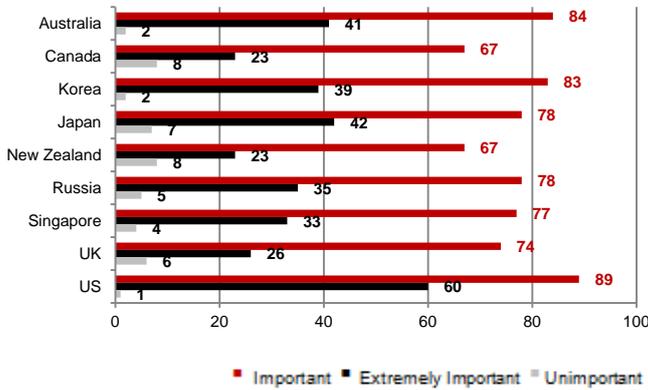


Importance as economic partners
(% of firms)

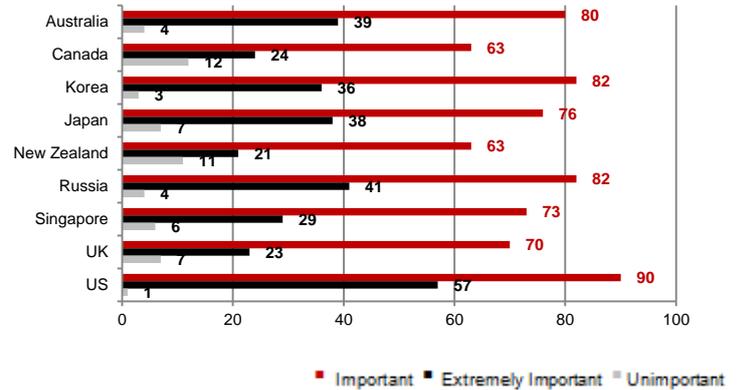


The majority of business leaders (80%) also consider Australia’s overall role in the Asia-Pacific as important.

Importance of role played in the Asia-Pacific business economy
(% of firms)



Importance of role played in the Asia-Pacific region
(% of firms)



How engaged is Chinese business with Australia?

Chinese businesses are most engaged with regards to product exports across the overwhelming majority of industries.

Around 9 in 10 surveyed Chinese firms report some type of business engagement with Australia.

Chinese firms report the intensity of their engagement with Australia to be strong across all engagement types and industries.

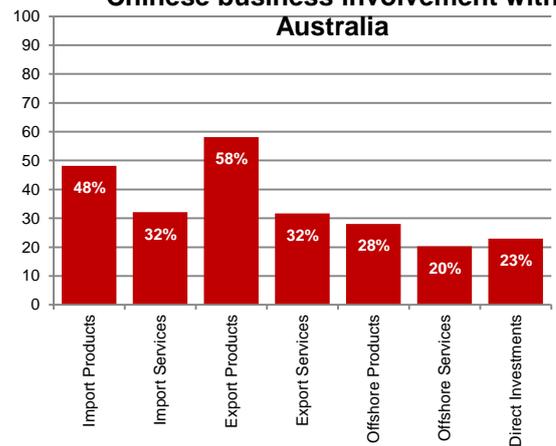
Product exports dominated, with 58% of firms engaging in this area, closely followed by product imports (48%), then service imports (32%) and service exports (32%). Chinese firms were least engaged with Australia via offshoring services.

By industry, most firms were involved in the Manufacturing sector (31.5%).

On average, when Chinese firms engage with Australia, the intensity of engagement is quite strong.

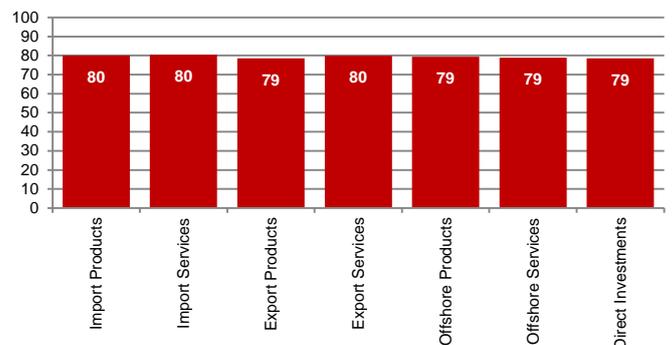
When asked to describe to what extent their business is engaged with Australia (from “extremely low” to “extremely high” on a scale of 1 to 100), most are quite strongly engaged (80% on average) and intensity does not vary widely by activity.

Chinese business involvement with Australia



Chinese business engagement intensity with Australia

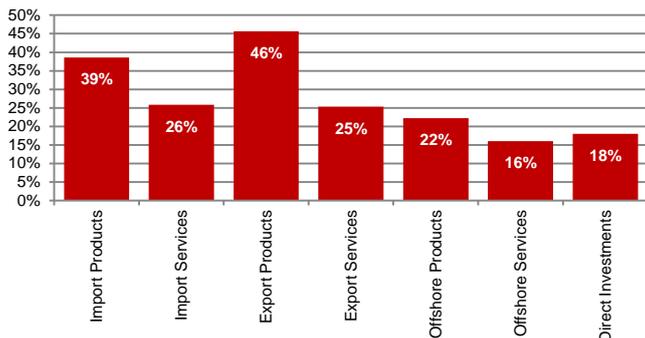
(1 = "extremely" low and 100 = "extremely" high)



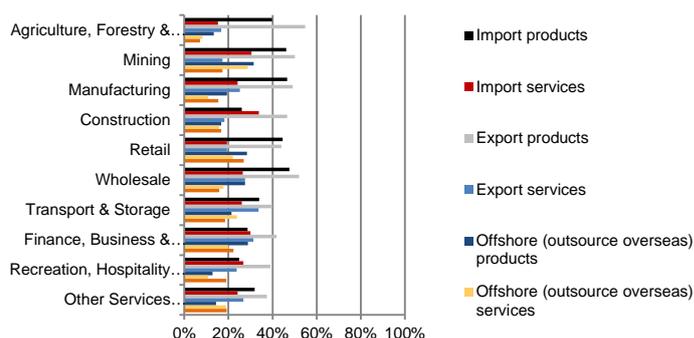
Business engagement intensity remains consistent across industries.

Most industries reported robust engagement with Australia across all activities with scores averaging 80%. Agriculture, Forestry & Fishing firms, however, diverged from this trend, reporting slightly less intensity of engagement (between 55% to 65%) across service exports, offshoring products and services and direct investments.

China-Australia business engagement index*



China-Australia business engagement index: Industry*



*Engagement index derived by combining type and intensity of engagement.

*Engagement index derived by combining type and intensity of engagement

How is business engagement expected to change in the future?

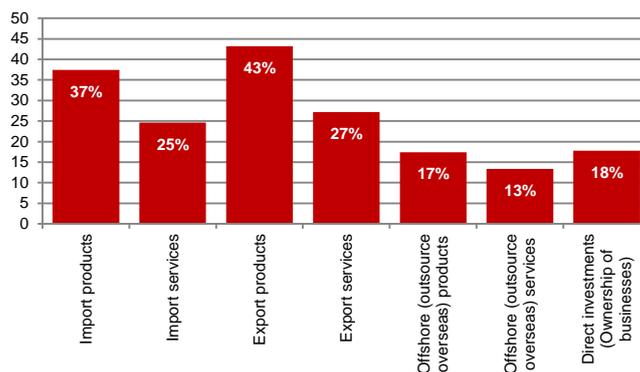
Engagement to increase in most areas led by product exports and product imports, but intentions somewhat vary by industry.

Future engagement with Australia is dominated by increased product exports from China with 1 in 2 firms nominating this area. Increased product imports closely follows (45%) then service exports (36%) and service imports (34%).

Agriculture, Forestry & Fishing, Manufacturing and Wholesale signalled the strongest intention to increase both product exports and imports. Strong plans to increase product imports are reported by the Mining industry while plans to increase product exports are the reported focus of Construction and Retail.

Plans to decrease engagement are low across all industries. Mining firms reported the strongest intention to start decreasing engagement across most activities while Transport & Storage firms indicated an intention to decrease involvement in service exports.

Plans to increase involvement with Australia in next 12 months: Overall (net balance)



To what extent has the China-Australia Free Trade Agreement (FTA) influenced Chinese business in terms of engagement intentions?

The FTA has already had substantial impact on the engagement intentions of Chinese business across all industry types.

Approximately 75% of firms stated the China-Australia FTA had “some effect” or “a significant effect” on their decision to increase business focus on Australia. Around 23% said it had “no effect” on their decision to increase engagement with Australia. Under 1% of businesses were unsure.

The majority of firms who indicated the FTA had an effect on their decision to increase their focus on Australia cited government support for greater business engagement as a key driver.

7 in 10 firms believed the Chinese and Australian governments will support greater engagement by business because of the FTA.

Over 6 in 10 firms identified lower tariffs reducing the cost of trade as the main impact of the FTA on their decision, and roughly the same proportion of firms pointed to the relaxation of investment barriers.

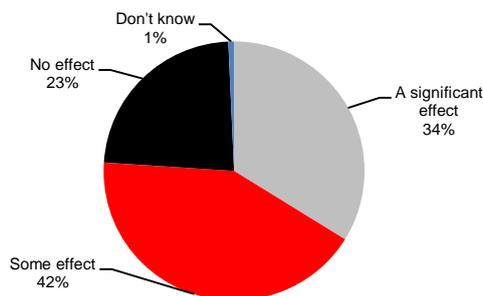
By industry, emphasis varied very slightly. Mining firms designated relaxed investment barriers as the key driver for increased engagement, Construction and Wholesale firms nominated lower tariffs.

How is Australia viewed as a location for Chinese business investment?

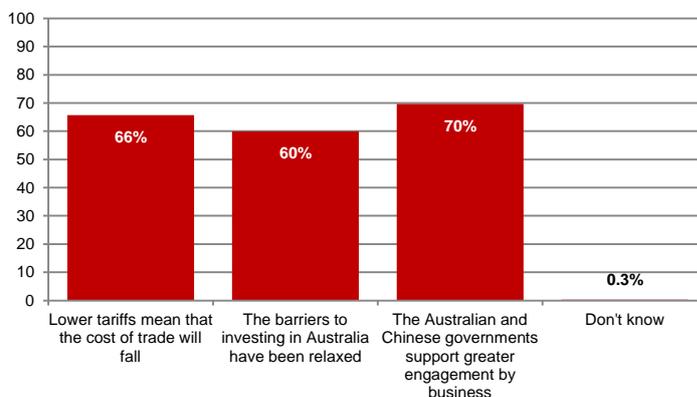
Overall, Australia is viewed favourably as a location for business investment (regardless of industry).

As a destination for investment, businesses uniformly rated Australia 8 out of 10 when asked to score the country across 5 key factors: opportunities for business to make a profit, an easily understood business culture, rules and regulations for starting a business, availability and interest of local business partners and the legal protection given to business.

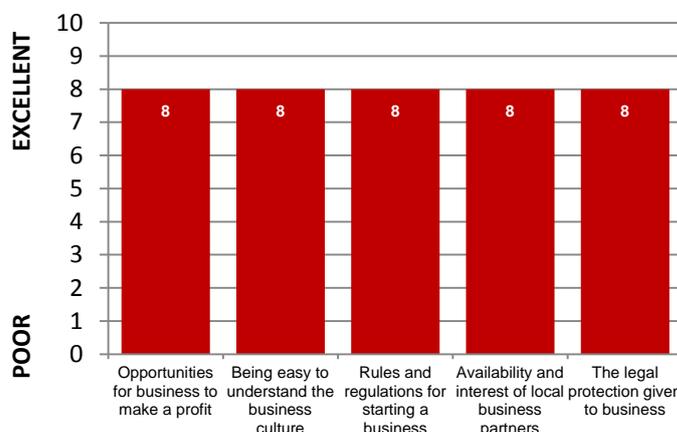
Extent the Free Trade Agreement (FTA) has impacted your decision to increase focus on Australia? (% of firms)



Main impact of the FTA on decision to focus on Australia in next 12m: Overall (% of firms)



Chinese business perceptions of Australia as a location for business investment



What are the key factors preventing Chinese business increasing engagement with Australia?

The biggest impediments to further engagement are concerns about institutional, language and cultural barriers and a belief there is already too much competition.

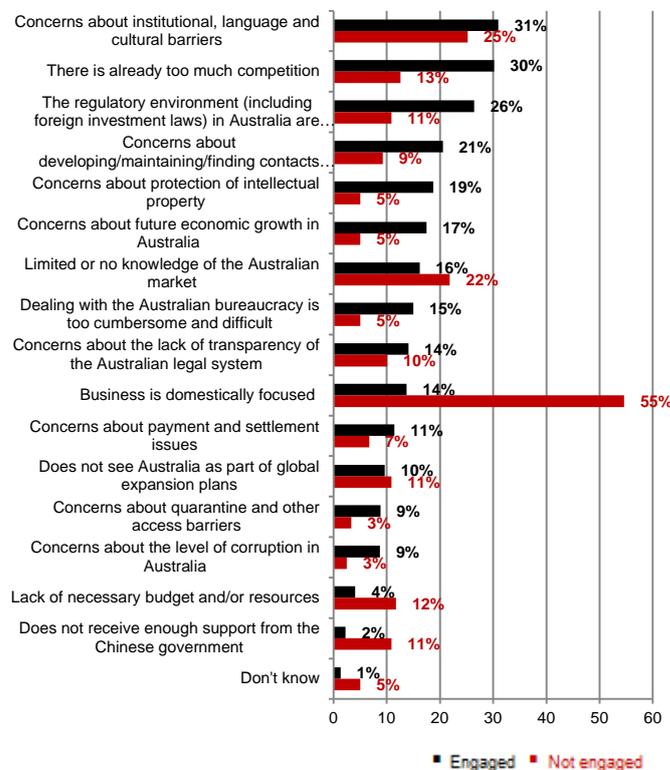
Almost 1 in 3 firms actively engaged with Australia nominated institutional, language and cultural barriers and concerns about competition as the most inhibiting factors to further engagement. Just over 1 in 4 firms identified the complexity of the regulatory environment (including foreign investment laws) as the biggest impediment.

Around 1 in 5 firms already engaged with Australia expressed concern about the development and maintenance of contacts and networks and about the protection of intellectual property.

For those firms with no engagement with Australia, the biggest impediment outside of having a purely domestic focus was concerns about institutional, language and cultural barriers (1 in 4).

Factors most inhibiting Chinese businesses from engaging (more) with Australia

(% of firms)



Where are the greatest opportunities for further engagement by China with Australia?

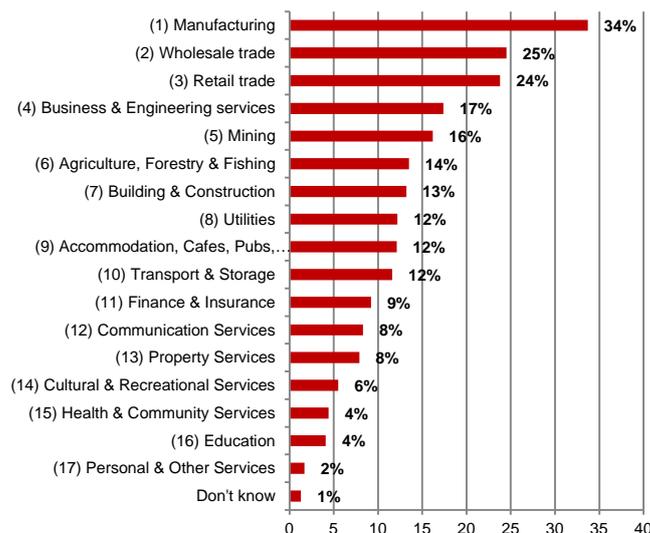
Overall, by industry Manufacturing was identified as the best prospect, followed by Wholesale Trade, Retail Trade, and Business & Engineering Services.

Manufacturing, Wholesale Trade and Retail Trade firms all assert increased engagement will be with respect to both product imports and exports.

Only 1% of firms said they “did not know”.

Areas that provide the greatest opportunities for Chinese business in Australia

(% of firms)



Contacts

James Laurenceson, Deputy Director, ACRI +61 2 9514 8956
 Elena Collinson, Senior Project and Research Officer, ACRI +61 2 9514 8905

Australia-China Business Engagement

by NAB Group Economics



The NAB Australia-China Business Engagement Survey provides a unique insight into Australia's business interactions with China. The survey identifies Australian firms' level of engagement and their perceptions of conducting business with China. It also explores opportunities and barriers to further engagement.

Business engagement is measured by the NAB Australia-China Business Engagement Index (NACBEI). Traditional measures use the volume or value of trade, which weights engagement heavily toward commodity exporters and larger firms. NACBEI measures all areas in which Australian businesses are engaged (imports, exports, off-shoring of products and services and direct investment) and the intensity of this engagement, regardless of business size.

Australian business clearly understands the importance of China as an economic and business partner with engagement across all sectors, albeit dominated by product imports. With the Australian economy rebalancing post the mining investment boom, it is encouraging to see exports of services as the next most important type of engagement.

Australian business sees opportunities for further engagement, but there are still significant barriers holding back trade and investment, both for firms not currently engaged with China but also for those engaged.

Key insights:

- Australian business has a clear understanding of China's importance as an economic partner and its role in the Asia-Pacific region in general.
- While Australian business has a positive overall impression of China, there are however some important concerns when it comes to doing business with China.
- Moreover, a relatively large number of firms (1 in 4) are unsure about doing business with China.
- Around 1 in 2 Australian firms report some type of business engagement with China, dominated by product imports (nearly 1 in 3 of all firms). Engagement intensity is lower across all other activities but importantly, exports of services is the next largest form of engagement (1 in 10).
- When Australian firms engage with China, the intensity of their engagement is reasonably strong, but it varies considerably by industry.
- Australian firms expect to increase their engagement with China in the next 12 months, led by product imports and exports of services and products. Again intentions vary by business size and industry.
- The China-Australia FTA has had only a modest positive impact on the engagement intentions of Australian business. A different picture emerges by industry, with services sector most positively impacted.
- Where the FTA played a role in the decision of Australian firms to increase engagement, the main benefits were seen from lower tariffs and reduced business costs and greater Government support for business engagement.
- Overall, China is not viewed very favourably as a location for business investment (regardless of size & industry).
- Legal protection given to business and rules and regulations for starting a business are the greatest concerns.
- The biggest impediment to higher engagement with China is having a domestic focus. Other key impediments for engaged firms include the lack of transparency of the Chinese legal system protection of their IP.
- For firms with no engagement, the biggest impediment outside of having a purely domestic focus was their lack of knowledge of the Chinese market.
- In terms of engagement opportunities for Australian firms, Manufacturing was seen as identified having the best prospects, followed by Wholesale, Building & Construction and Agriculture, Forestry & Fishing.



CONTACTS:

Alan Oster, Chief Economist
(03) 8634-2937 0414 444 652

Dean Pearson, Head of Behavioural & Industry Economics
(03) 8634 3221 0457 517 342

Robert De lure, Senior Economist Behavioural & Industry
(03) 8634-4611 0477 723 769

Brien McDonald, Senior Economist Behavioural & Industry
(03) 8634-3837 0455 052 520

Summary:

How does Australian business view China?

Australian businesses have a positive overall impression of China, but there are some important concerns when it comes to doing business.

More than 7 in 10 Australian firms rate China as “very favourable” or “favourable” in terms of their overall impression of the country. However, when asked about China as a place to conduct business the number of Australian firms that view China as “very favourable” or “favourable” falls to just over 1 in 2 firms.

Importantly, a relatively large number of firms (1 in 4) simply did not know or had no opinion, in regards to China as a place to conduct business - this presents a clear opportunity to further educate Australian business about China as a place to do business.

There is a clear understanding of China’s importance as an economic partner for Australia and the Asia-Pacific region in general.

Nearly all surveyed firms rated China “important”, “very important” or “extremely important” as an economic partner for Australia. This is particularly apparent among large business and the mining sector. Around 1 in 3 Australian firms also view China’s role in the Asia-Pacific region as “extremely important”.

How engaged is Australian business with China?

Australian businesses are most engaged with regards to product imports across all sizes of business.

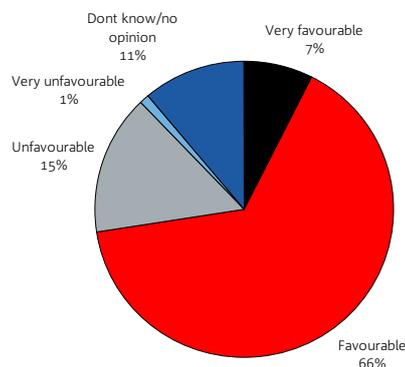
Around 1 in 2 surveyed Australian firms report some type of business engagement with China, with engagement dominated by product imports (nearly 1 in 3 of all firms). The next biggest form of engagement was through exports of services, followed by product exports and direct investments. Australian firms were least engaged with China via offshoring (or outsourcing) services.

On average, when Australian firms engage with China, the intensity of engagement is reasonably strong.

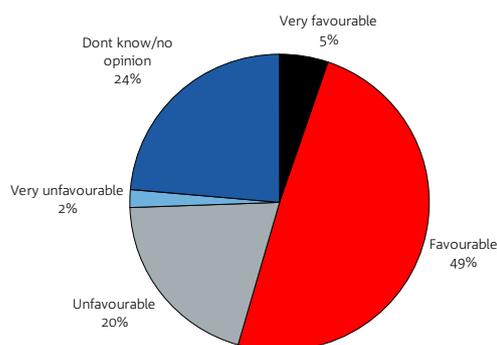
When asked to describe to what extent their business is engaged with China (from “extremely” low to “extremely” high), most are reasonably engaged and intensity does not vary widely by activity.

Large firms are more engaged across most types of activity, except for offshore products, where engagement was strongest for small firms.

Overall Impressions of China (% of firms)

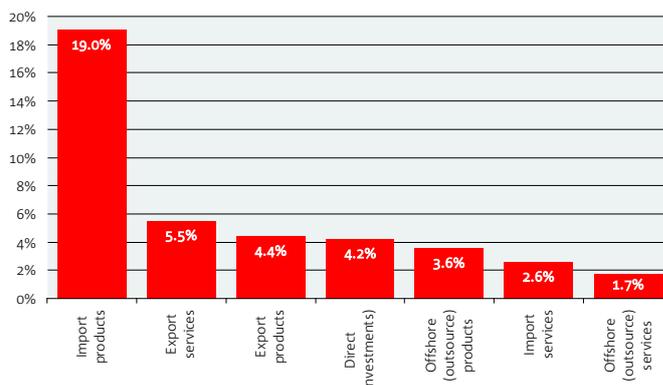


Overall Impressions of Doing Business with China (% of firms)



The NACBEI (which measures the type of engagement and its intensity) highlights China’s importance as a source of import products for Australian businesses.

NAB Australia-China Business Engagement Index (NACBEI)



Business engagement intensity varies notably by industry and business size.

Engagement intensity is much higher for products exports in Mining, but higher for import products in Wholesale, Manufacturing and Retail.

Engagement by Finance, Business & Property Services firms and Recreation, Hospitality & Services firms was led by services exports. Export of services was also the highest level of engagement for Transport/Storage firms.

Engagement is strongest for product imports across all sizes of business. But, large firms are more engaged across most types of activity, except offshore products. Large firms are also more engaged in direct investments, export & imports of services and product exports.

How is business engagement expected to change in the future?

Engagement to increase in most areas led by product imports and exports of services and products, but intentions vary by business size and industry.

For small firms, future engagement is dominated by increased product imports from China. For all other activities, future intentions were positive, but much less so. For medium sized firms, engagement intentions were strongest for product imports and services exports but intend to cut back on their outsourcing of services. Service exports lead in regards to future engagement plans for large firms, followed by product exports.

By industry, it is notable that mining firms intend to cut back product imports as the mining investment boom winds down. That said, Miners and Manufacturers have the strongest intention to increase product exports.

To what extent has the China-Australia Free Trade Agreement (FTA) influenced Australian business in terms of engagement intentions?

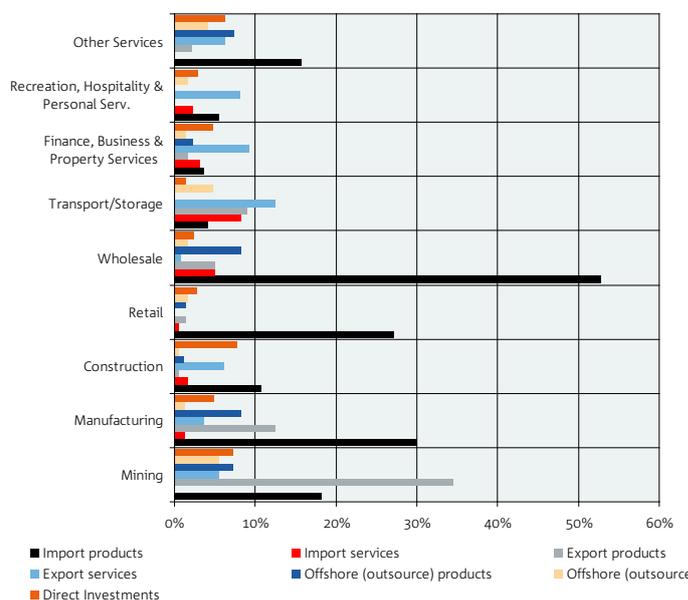
At this stage, the FTA has had only a modest positive impact on the engagement intentions of Australian business regardless of size.

Just over 1 in 2 firms indicate that that the FTA had “no effect” on their decision to increase their focus on China. Around 27% said it had “some” effect, while only 8% said it had a “significant” effect. 1 in 10 business are unsure.

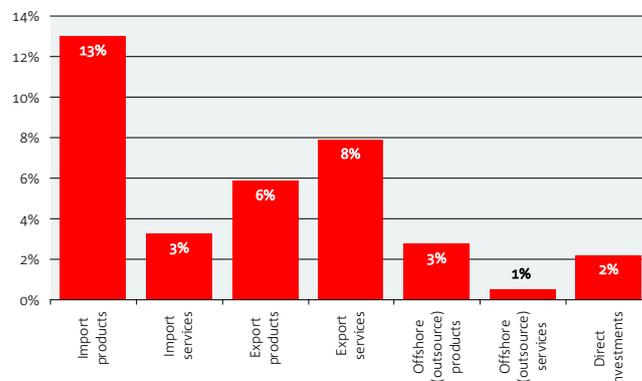
But, a different picture emerges by industry, with the services sector most influenced by the FTA.

Around 1 in 10 services firms indicated that the FTA played a “significant” role, led by Recreation, Hospitality & Personal Services, Transport/Storage, and Finance, Business & Property Services firms.

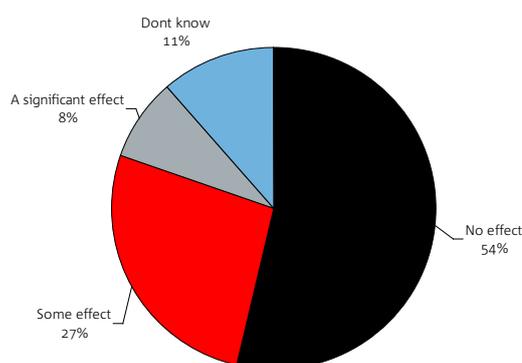
Australia-China Engagement Index: Industry (proportion engaged by type and industry)



Plans to Increase Involvement with China in Next 12 Months: Overall (net balance)



Extent the Free Trade Agreement (FTA) has Impacted Your Decision to Focus on China (% of firms)



The majority of firms who indicated the FTA had an effect on their decision to increase their focus on China cited lower tariffs as a key driver.

Almost 2 in 3 firms identified lower tariffs reducing the cost of trade.

More than 1 in 3 believed governments will support greater engagement by business post the FTA, and 1 in 5 pointed to the relaxation of investment barriers.

By business size, it was notable that 1 in 2 large firms identified government support for greater business engagement as the key driver of their decision.

By industry, government support was the only factor driving Mining to increase their focus on China in the next year.

How is China viewed as a location for Australian business investment?

Overall, China is not viewed particularly favourably as a location for business investment (regardless of business size and industry), with concerns regarding legal protection given to business a key detractor.

As a destination for investment, when ask to score China across 5 key factors, business rated “opportunities to make a profit” most highly (6 out of 10), followed by “availability and interest of local business partners” (5.1), “rules and regulations for starting a business” (3.5) and “the legal protection given to business”.

What are the key factors preventing Australian business increasing engagement with China?

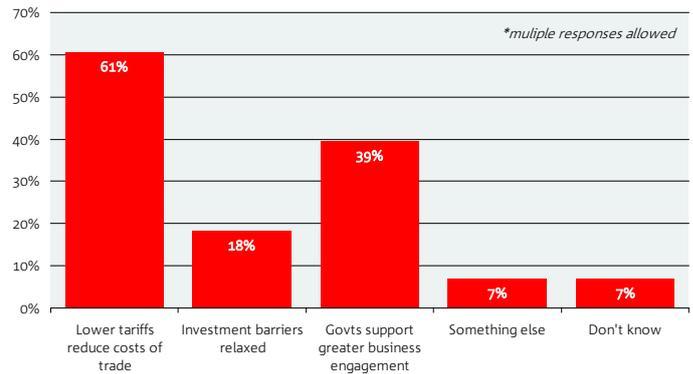
Not surprisingly the biggest impediment to further engagement is having a domestic business focus, but there are some other important concerns.

More than 1 in 3 firms actively engaged with China identified their domestic focus as the biggest impediment compared with nearly 8 in 10 firms with no engagement.

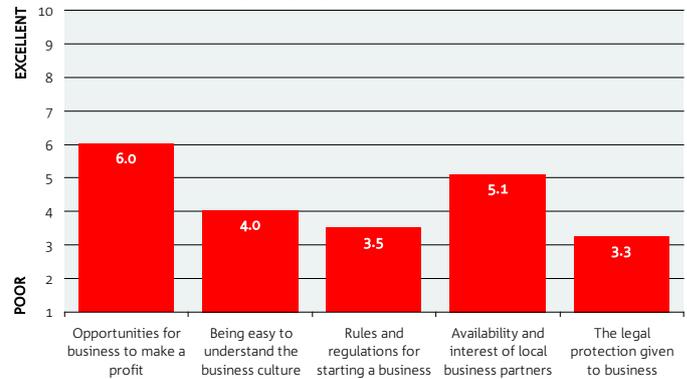
Around 1 in 5 firms already engaged with China expressed concern over the lack of transparency of the Chinese legal system along with concerns about protecting intellectual property.

Importantly, for those firms with no engagement with China, the biggest impediment outside of having a purely domestic focus was their lack of knowledge of the Chinese market (just over 1 in 6).

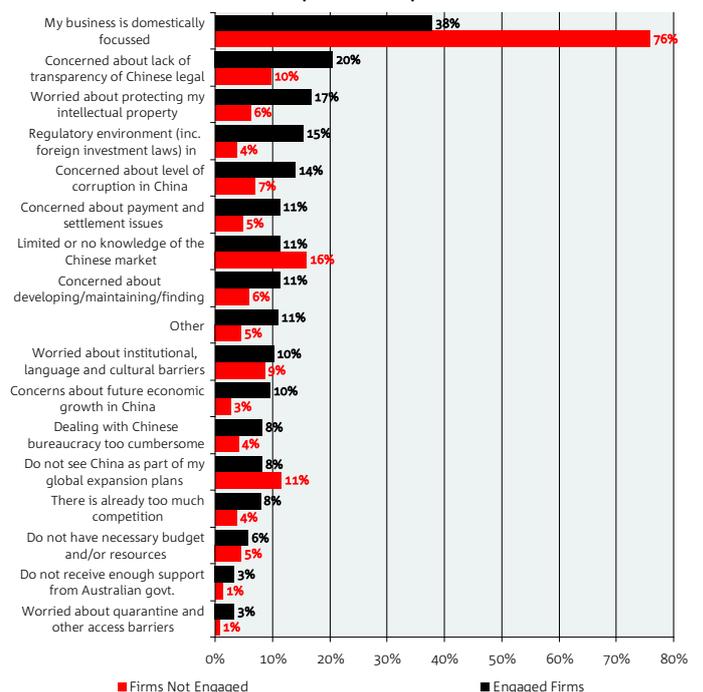
Main Impact of FTA on Decision to Increase Focus on China in Next 12m: Overall (% of firms*)



Australian Business Perceptions of China as a Location for Business Investment



Factors Most Inhibiting (or impediments to) Your Business from Engaging More (or with) China (% of firms)



Where are the greatest opportunities for further engagement with China?

Overall, by industry Manufacturing was identified as the best prospect, followed by Wholesale Trade, Building & Construction, Agriculture, Forestry & Fishing.

Around 1 in 10 Australian businesses simply “did not know”, while almost 1 in 5 indicated they did not see any opportunities.

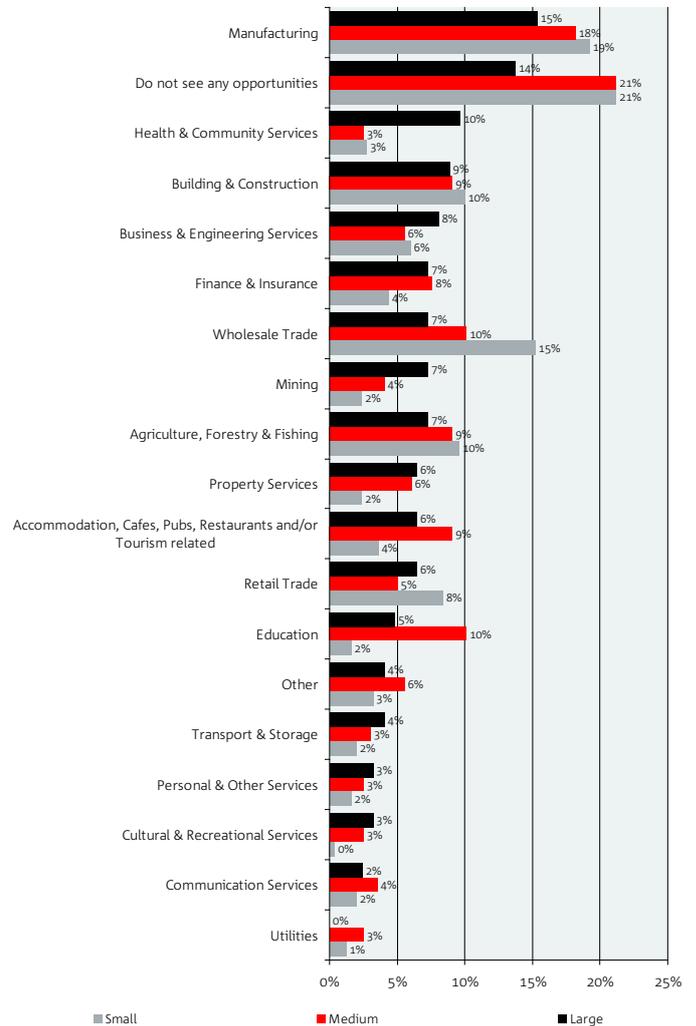
More specifically, Australian firms identified manufacturing/purchasing products, timber, grain and other agribusiness products, cheaper product and tourism, as the best prospects.

Small business saw the best opportunities arising from manufacturing/purchasing products and cheaper product.

Medium sized firms identified timber, grain and other agribusiness products, manufacturing/purchasing products, tourism and training and education as the best prospects.

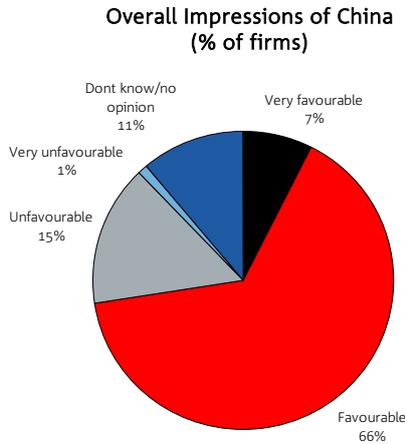
Large firms saw the best opportunities arising from IT, data and digital services.

Areas that Provide the Greatest Opportunities to Your Business/Industry in China: Business Size (% of firms)



Part 1: Australian Business and their Impressions of China

The overall impression of China by Australian businesses is mostly positive.

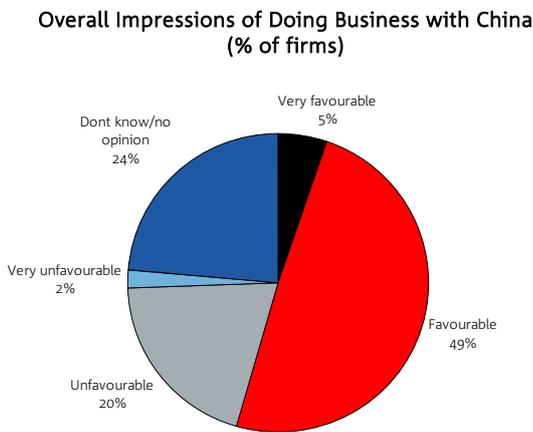


The overall impression of China by Australian business is mostly positive, with more than 7 in 10 surveyed firms (72%) rating it “very favourable” or “favourable”.

There was less divergence by business size. Around 78% of large firms (employing 200+ people) and 74% of mid-sized firms (employing 50-199 workers) had a positive impression of China, compared to 69% of small firms (employing less than 50 people).

There was more variance at the industry level. Positive impressions ranged from 79% in Retail and 77% in Manufacturing, to 53% for Other Services (Utilities, Telecoms, Health & Education).

...but somewhat less so when it comes to doing business.



Australian firms were somewhat less favourable when it came to their impressions of conducting business with China, with just over 1 in 2 firms (54%) rating their impressions of conducting business with China as “very favourable” or “favourable”.

Impressions of doing business with China were broadly similar across business size.

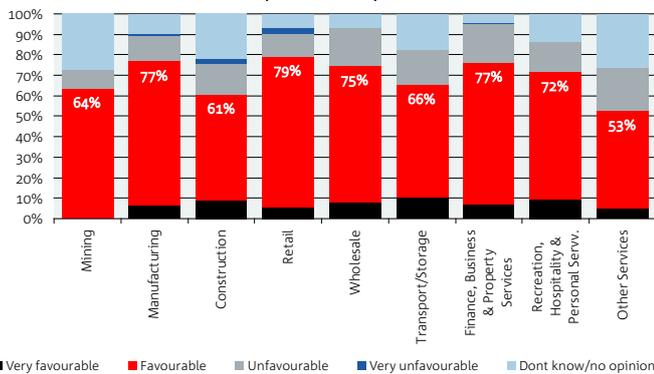
By industry, however, Wholesalers (72%) were the most positive, with notably fewer businesses in Construction (41%), Hospitality & Personal Services (43%) and Other Services (42%) having a positive impression.

Importantly, a relatively large number of firms (24%) simply did not know/had no opinion, which may present an opportunity to educate Australian businesses about China and the potential benefits of doing business there.

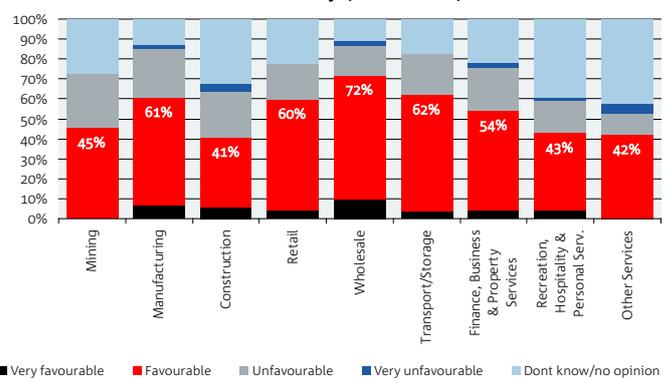
The overall impression of China was also mostly positive across all industries.

...although industry impressions of doing business with China where somewhat more varied.

Overall Impressions of China: By Industry (% of firms)



Overall Impressions of Doing Business with China: By Industry (% of firms)



There was strong consensus across Australian businesses by size and in all industries about the importance of China to Australia as an economic partner. Nearly all surveyed firms rated China “important”, “very important” or “extremely important”.

It was however notable that more large firms (52%) rated China “extremely important”, which likely also reflects greater relative exposure in dollar terms that very large firms typically have with China.

By industry sector, it was notable that around 55% of surveyed firms in the Mining industry also rated China “extremely important”, no doubt influenced by the important role played by China in underpinning the recent mining boom in Australia.*

Australian businesses also clearly recognise the important role that China plays in the Asia-Pacific region.

Almost all firms believe that China’s role in the region is “important”, “very important” or “extremely important”, undoubtedly reflecting China’s growing economic status and political influence, both globally and in the region.

More large firms (44%) saw the role of China in the Asia-Pacific region as “extremely important”, compared to around 28% of small firms.

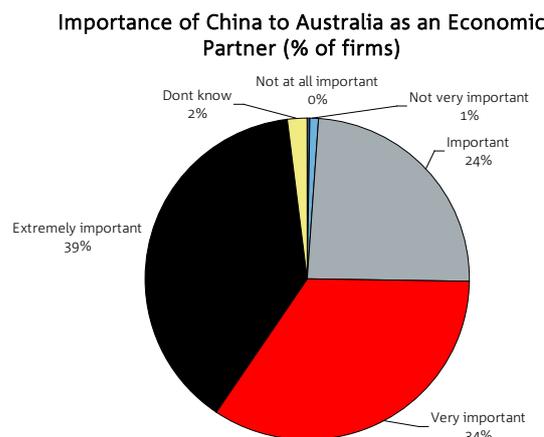
There was also broad consensus across most industry sectors about the role played by China in the region.*

Nearly all surveyed firms by all business sizes and industries believe that China plays an important role in the Asia-Pacific region in terms of the business economy, with around 1 in 3 typically rating China’s role as “extremely important”.

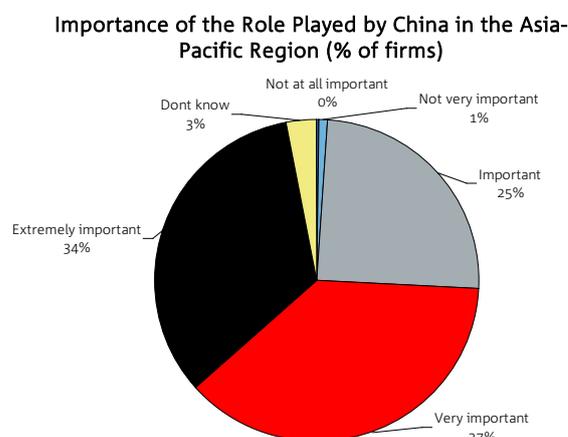
These results are not surprising given China’s status as by far the biggest economy in the Asia-Pacific region and the business, trade and other engagement opportunities that sustained rapid economic growth in China has generated for many Australian businesses.*

*See charts on the following page for more detail by business size and by industry.

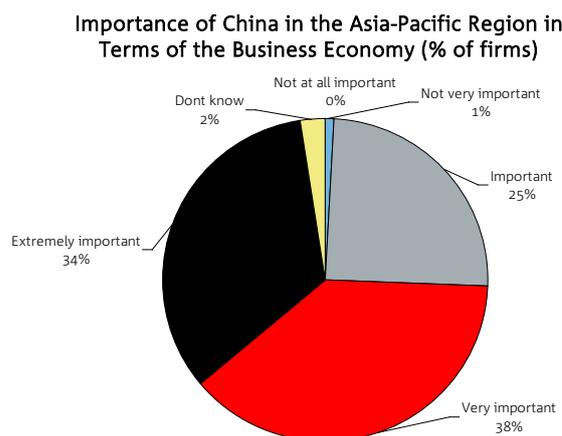
China is widely perceived by Australian businesses as an important economic partner for Australia.



China is also seen as playing a very important role in the Asia-Pacific region...

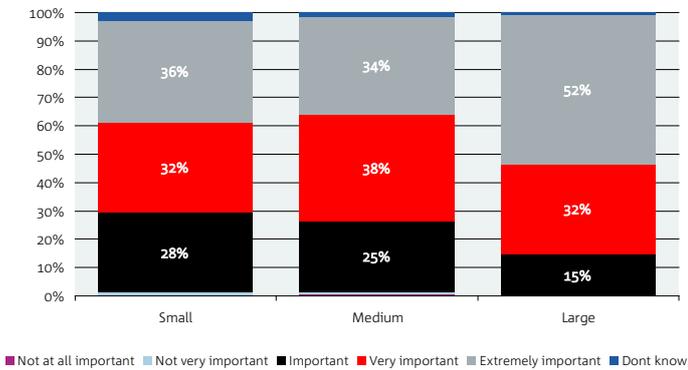


...and in the regional business economy.

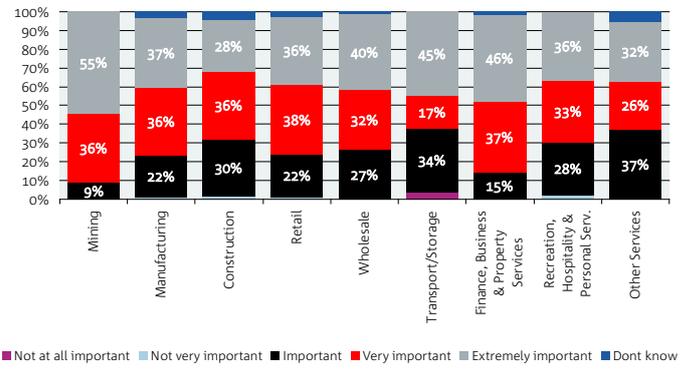


Almost every surveyed Australian business - from small to medium and large and in all industries - recognises the important role that China plays as an economic partner for Australia.

Importance of China to Australia as an Economic Partner: By Business Size (% of firms)

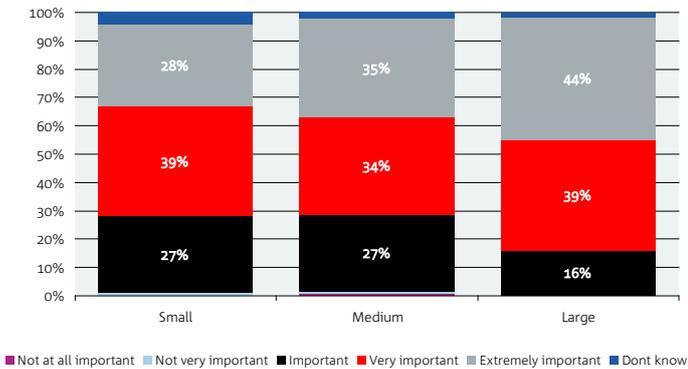


Importance of China to Australia as an Economic Partner: By Industry (% of firms)

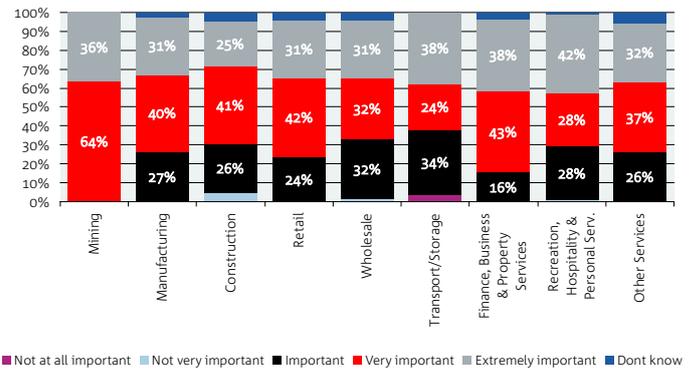


The rise of China as an economic and political superpower and its critical and growing role in the Asia-Pacific region is clearly recognised by Australian businesses.

Importance of the Role Played by China in the Asia-Pacific Region: By Business Size (% of firms)

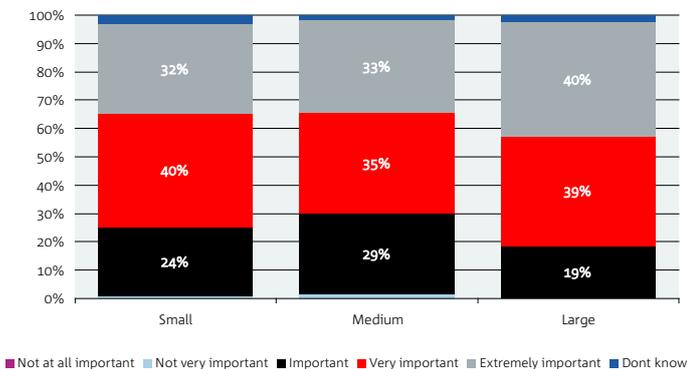


Importance of the Role Played by China in the Asia-Pacific Region: By Industry (% of firms)

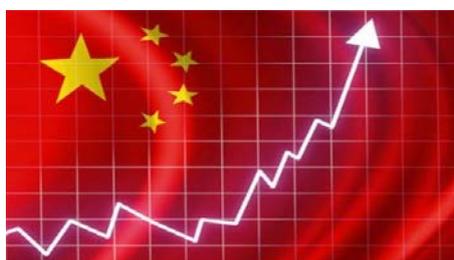
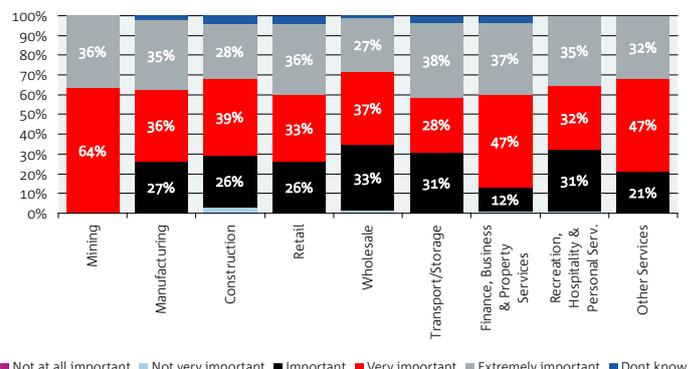


China's rapid and sustained economic growth has benefited the regional economy by generating business, trade and other engagement opportunities & contributing to growth, a fact recognised by almost all Australian firms...

Importance China in Asia-Pacific Region in Terms of Business Economy: By Business Size (% of firms)



Importance China in Asia-Pacific Region in Terms of Business Economy: By Industry (% of firms)



Part 2: Australia’s Business Engagement with China

Around 1 in 2 surveyed Australian firms had some type of business engagement with China.

On average, just over 1 in 2 surveyed Australian firms had some type of business engagement with China.

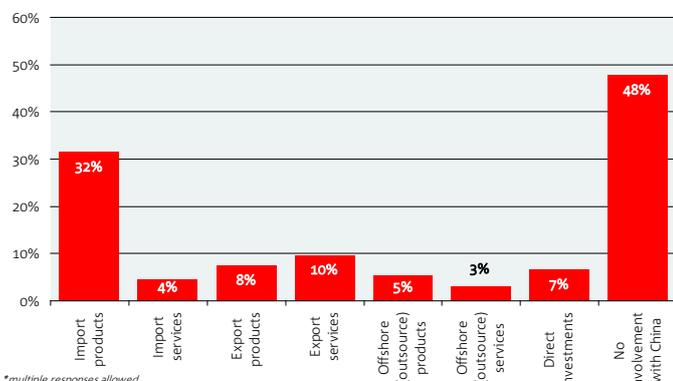
**Business Engagement with China: Overall
(% of firms*)**

Nearly 1 in 3 of all firms (32%) indicated an engagement with China through imported products - by far the biggest type of engagement.

The next biggest form of engagement was through exports of services, followed by product exports and direct investments.

Australian firms were least engaged with China via offshoring (or outsourcing) services.

There was however some notable variance in the overall level of engagement by type of firm and industry (see below).



*multiple responses allowed

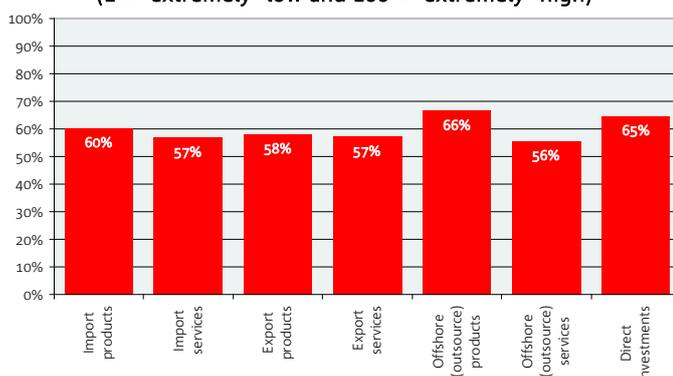
Australian firms engaged with China are “reasonably” engaged by all types of business activity.

The chart on the left measures the intensity of Australian firms’ business relationships with China. Put simply, out of 100 how strong is the engagement with China in terms of each activity.

The actual intensity score is calculated based on the weighted responses of surveyed Australian firms when asked to describe to what extent their business is engaged with China, ranging from “extremely” low to “extremely” high.

Intensity does not vary widely by activity. On average, when Australian firms engage with China they are “reasonably” engaged.

**Engagement Intensity
(1 = “extremely” low and 100 = “extremely” high)**



The NACBEI (which measures the type of engagement and its intensity) highlights China’s importance as a source of import products for Australian businesses.

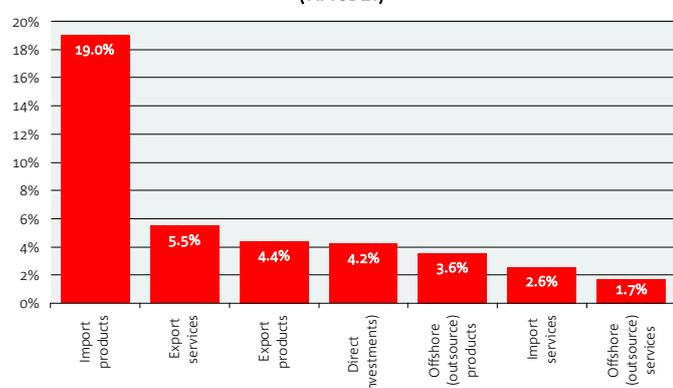
Based on the responses obtained in the charts above, the **NAB Australia-China Business Engagement Index (NACBEI)** was derived – i.e. engagement times intensity. And, in doing so a clearer picture starts to emerge of Australia’s current relationship with China.

The NACBEI differs from other measures of trade by capturing engagement at the business level rather than at the output level. Traditional measures of engagement using the volume or value of trade typically weight engagement heavily toward commodity exports and larger firms. The NACBEI provides a true level of engagement for each firm regardless of size or sales.

Engagement is captured by business size and by industry. It also measures all areas in which Australian business is engaged (i.e. imports, exports, off-shoring of products and services and direct investments).

The NACBEI clearly shows the importance of China as a source of product imports for Australian firms. Interestingly, the export of services is the next highest level of engagement followed by product exports and direct investments. The index is weakest for offshore services and services imports.

NAB Australia-China Business Engagement Index (NACBEI)



Australian Business Engagement Intensity with China is strongest for product imports across all sizes of business.

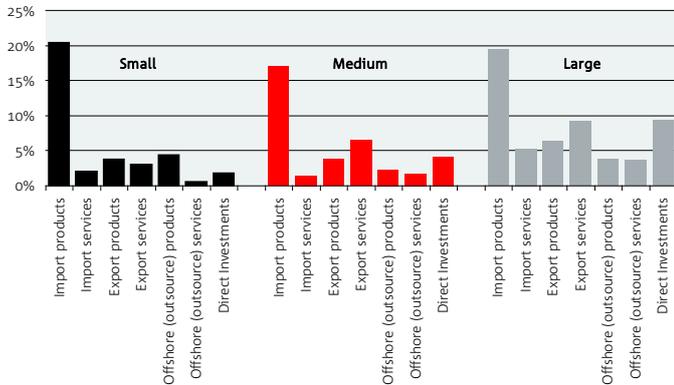
Australian business engagement with China is strongest for product imports across all sizes of business.

Large firms are more engaged across most types of activity, except for offshore products, where engagement was strongest for small firms.

Higher levels of engagement among large firms were also more notable for direct investments, export and imports of services and product exports.

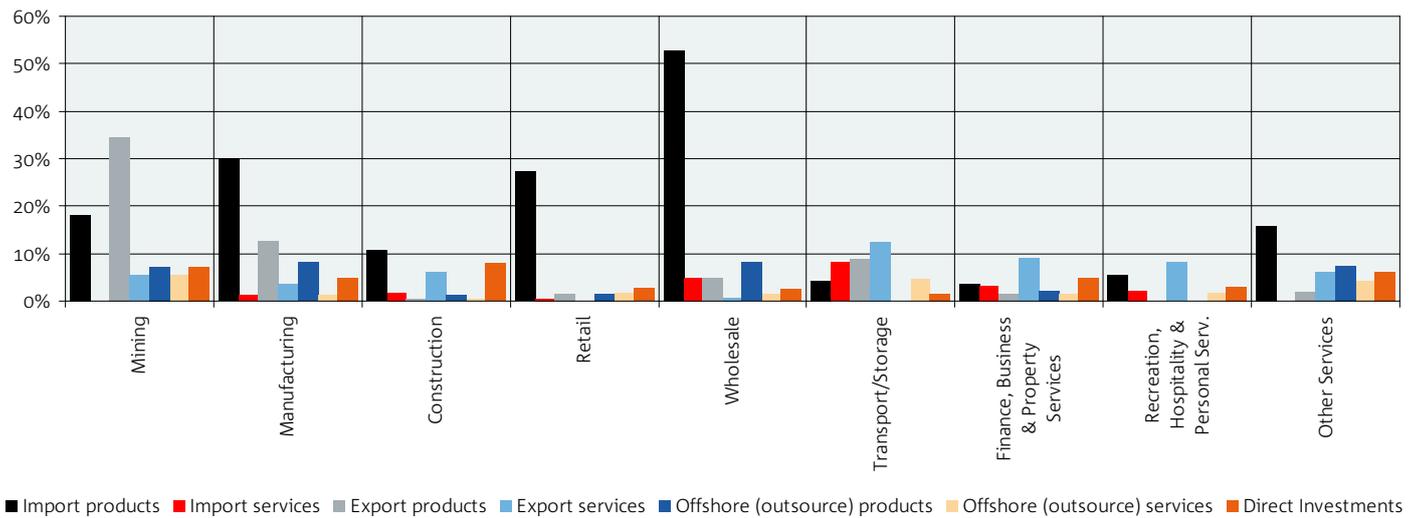
Aside from import products, the next biggest form of engagement for mid-sized firms was through services exports and product exports. For small firms, it was offshore products and export products.

Australia-China Engagement Index: Business Size
(proportion engaged by type and industry)



Business Engagement Intensity does however vary more by industry. For example, Business Engagement Intensity in Mining is much higher for products exports, but higher for import products in Wholesale, Manufacturing and Retail.

Australia-China Engagement Index: Industry
(proportion engaged by type and industry)



Business engagement intensity varies widely by industry.

In the Mining sector, engagement was by far the highest (by some margin) for product exports, which reflects the dominant role of commodity exports (such as iron, coal and natural gas) in Australia’s export mix to China. Mining sector engagement with China is also relatively high for product imports, while direct investment engagement is among the highest of all industries (along with Construction).

Engagement with China by Australian Wholesale and Retail firms is largely dominated by product imports. Manufacturing engagement is also dominated by product imports, but product and services exports are also important.

Engagement with China by Finance, Business & Property Services firms and Recreation, Hospitality & Services firms was led by services exports, no doubt reflecting the growing importance of the Australian tourism and education sector to China. Export of services was also the highest level of engagement for Transport/Storage firms.



Australian companies were also asked whether they planned to increase or decrease their engagement with China in the next 12 months.

In net terms, overall engagement with China was expected to increase in most areas of trade, led by product imports, exports of services and product exports.

In contrast, average engagement via offshore services and to a lesser extent direct investments, was expected to be broadly unchanged.

Engagement plans were more varied by business size.

For small firms, future engagement is dominated by plans to further increase product imports from China by a net balance of 20% of firms. For all other activities, future intentions were also positive, but much less so.

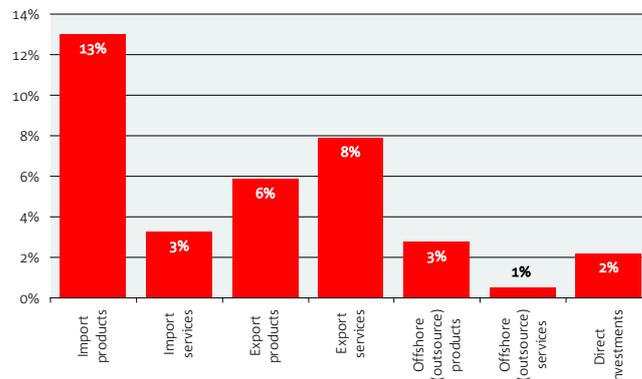
Engagement intentions for mid-sized firms were more varied. Once again, engagement plans were strongest for product imports (13%), but exports of services (11%) also feature prominently in future expansion plans. Interestingly, medium-sized firms plan to cut back their outsourcing of services to China.

Large firms signalled a broad based increase in engagement plans across most activities (except outsourcing of services, where intentions are broadly unchanged).

Importantly, service exports (13%) lead in regards to future engagement plans for big firms, followed by product exports (10%). The expectations of growing engagement opportunities for service exports may in part reflect opportunities arising from lower trade barriers, post the China-Australia Free Trade Agreement (FTA).

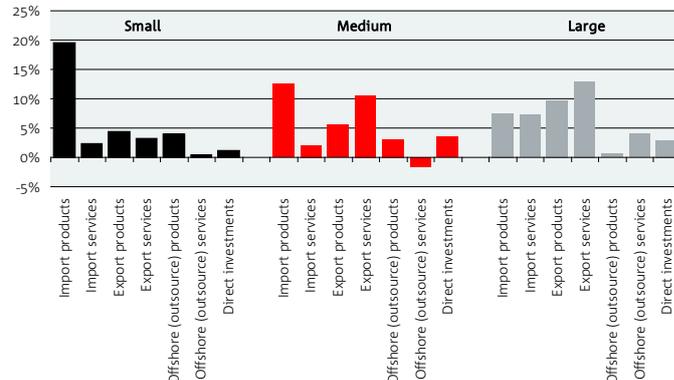
Engagement is expected to increase in most areas led by product imports and exports of services and products.

Plans to Increase Involvement with China in Next 12 Months: Overall (net balance)

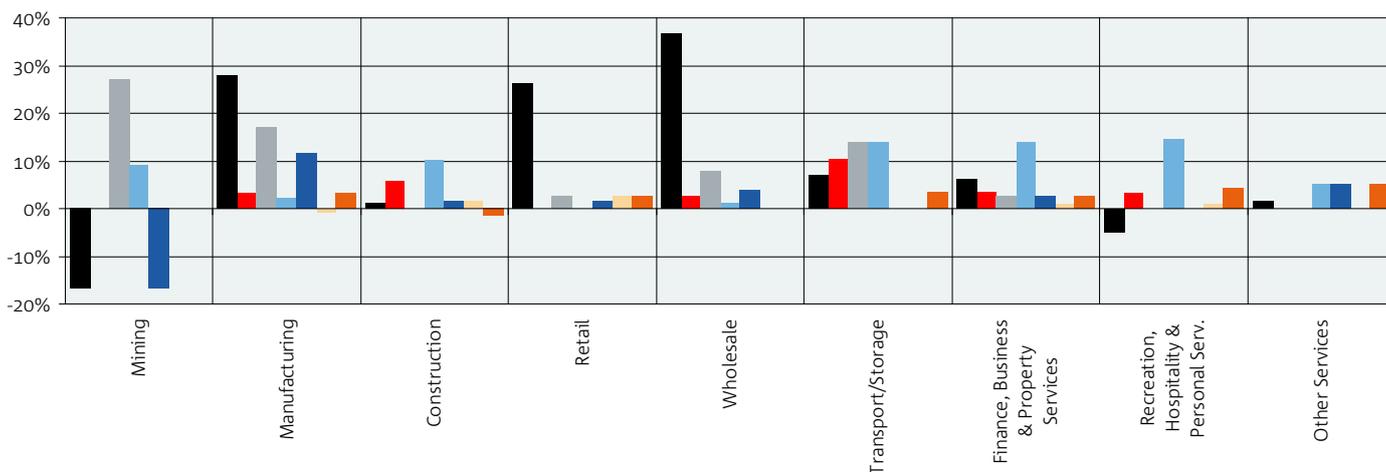


Small & medium sized firms plan to increase product imports most; large firms services & product exports.

Plans to Increase/Decrease Involvement with China in Next 12 Months: Business Size (net balance)



Plans to Increase/Decrease Involvement with China in Next 12 Months: Industry (net balance)



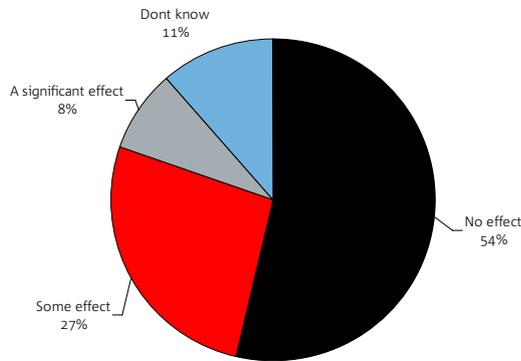
■ Import products ■ Import services ■ Export products ■ Export services ■ Offshore (outsourced) products ■ Offshore (outsourced) services ■ Direct investments

By industry, more Australian firms operating in the Wholesale (net 37%), Manufacturing (28%) and Retail (26%) industries are planning to increase their engagement with China through import products, while Mining firms intend to cut back product imports as the mining investment boom winds down. Instead, more Mining (27%) and Manufacturing (17%) firms are planning to increase their product exports to China, while notably more Manufacturing firms are also intending to grow their engagement with China through offshoring products.

Part 3: Opportunities & Challenges for Australian Business

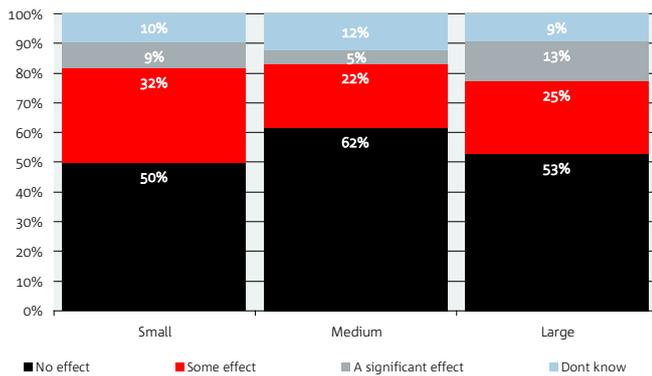
The impact of the FTA on Australian firms' decision to increase their focus on China has been somewhat modest

Extent the Free Trade Agreement (FTA) has Impacted Your Decision to Focus on China (% of firms)



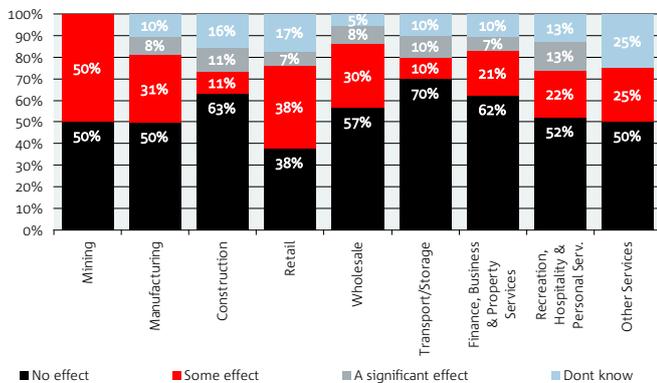
... irrespective of business size

Extent the FTA has Impacted Your Decision to Focus on China: By Business Size (% of firms)



Biggest positive impact of FTA in Mining & Retail.

Extent the FTA has Impacted Your Decision to Focus on China: By Industry (% of firms)



The China-Australia Free Trade Agreement (FTA) offers significant benefits to businesses in both countries, especially agribusinesses and services in Australia.

Survey respondents who planned to increase their engagement with China over the next 12 months were asked to what extent the FTA had impact on their decision to increase their focus on China.

Interestingly, the survey results suggest the impact was modest, with just over 1 in 2 firms (54%) indicating that the FTA had “no effect” on their decision to increase their focus on China. In contrast, around 27% of firms said the FTA it had “some” effect, while only 8% said it had a “significant effect.”

Around 1 in 10 firms did not know which suggests that more needs to be done to explain potential benefits of the FTA for Australia and/or address additional barriers preventing these opportunities from being realised.

A broadly similar picture emerges by business size.

The majority of firms irrespective of size indicated that the FTA has had “no effect” on their future engagement plans with China, led by medium-size firms (62%).

The overall impact of the FTA on future engagement plans with China appears to be greatest for small firms, where 41% said that it played “some” (32%) or a “significant” (9%) role in their plans to engage more with China over the next 12 months.

It was also notable that 13% of large firms said the FTA had a “significant” effect on their engagement plans over the next year, compared to just 5% of mid-sized firms.

A different picture emerges by industry.

In particular, the percentage of firms that indicated that the FTA had no impact on their decision to engage more with China ranged from just 38% in the Retail industry to 70% in the Transport/Storage industry.

Interestingly, most services related industries said that the FTA had a “significant” impact on their engagement plans with China.

Around 1 in 10 services firms indicated that the FTA played a “significant” role, led by Recreation, Hospitality & Personal Services (13%), Transport/Storage (10%), Finance, Business & Property Services (7%) firms.



Firms who indicated the FTA had an effect on their decision to increase their focus on China in the next 12 months were also asked what they believed would be the main outcomes from the FTA that influenced their decision.

Almost 2 in 3 of all firms (61%) said that lower tariffs associated with the FTA will lower the cost of trading with China.

Interestingly, around 39% think that the Australian and Chinese governments will support greater engagement by business post the FTA, while 18% believe the barriers to investing in China have been relaxed.

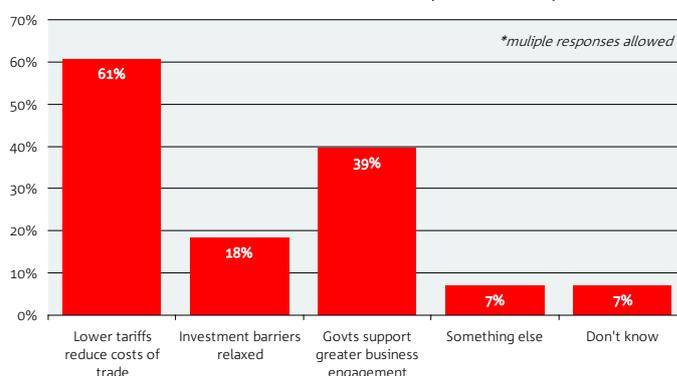
There were some notable differences when it came to the main impacts of the FTA on Australian firms' decisions to engage more with China by business size.

The majority of medium (88%) and small (67%) firms said they believe the biggest impact from the FTA will come from lower costs of trade. Around 41% medium-sized firms and 33% of small firms also believe that governments will support greater engagement by business post the FTA.

In contrast, the majority large firms (50%) identified government support for greater business engagement as the key driver of their decision. Around 30% of large firms also highlighted the relaxation of trade barriers to investing in China, with only 25% recognising the reduced costs of doing business.

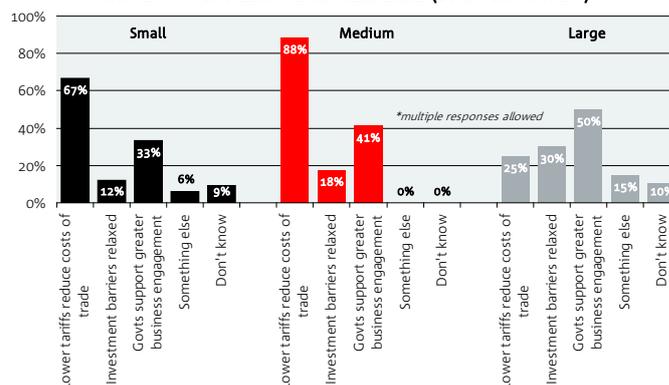
Majority of Australian firms believe the main benefit of the FTA will come from lower costs of trading with China.

Main Impact of FTA on Decision to Increase Focus on China in Next 12m: Overall (% of firms*)

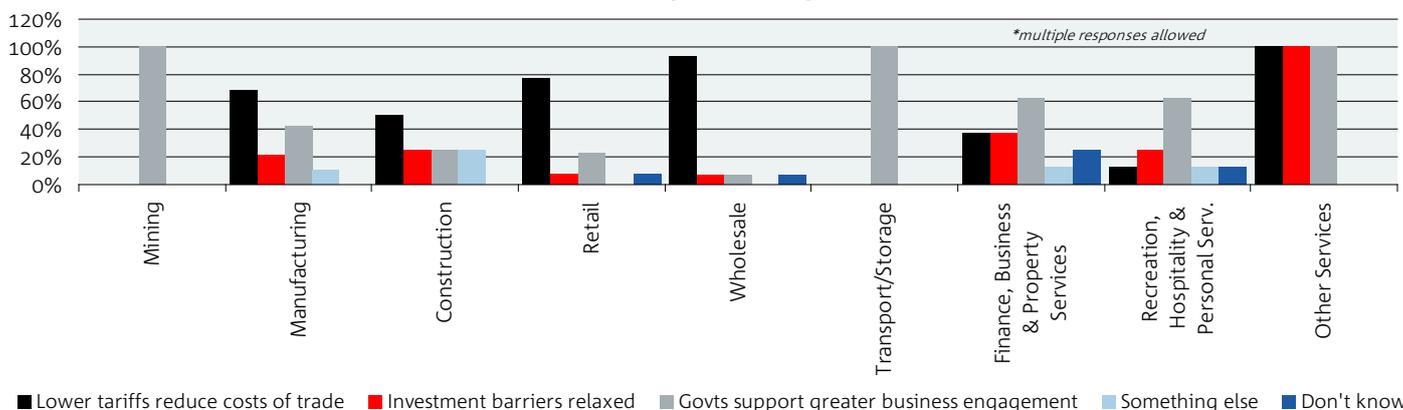


But, government support for greater business engagement identified as biggest benefit by large firms.

Main Impact of FTA on Decision to Increase Focus on China in Next 12m: Business Size (% of all firms*)



Main Impact of the FTA on Your Decision to Increase Focus on China in Next 12 months: By Industry (% of all firms*)



By industry, government support for greater business engagement post the FTA was the only factor driving Mining to increase their focus on China in the next year. Reduced trade costs were the main motivation in Wholesale (93%), Retail (77%), Manufacturing (68%) and Construction (50%).

Also notable was the higher number of firms in Finance, Business and Property Services (38%) that cited the relaxation of investment barriers as a key driver. This factor was also flagged as important for firms operating in Recreation, Business & Property Services (25%), Construction (25%) and Manufacturing (21%).

In terms of business investment, China rated highest for profit opportunities; lowest for legal protection for firms.

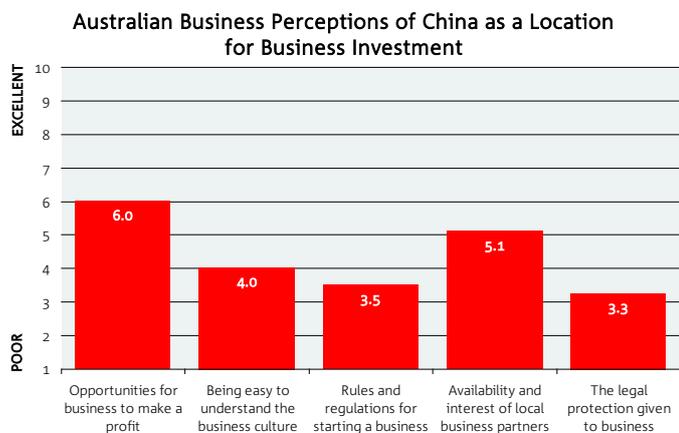
Australian businesses have some key concerns about doing business with China. All firms were asked to rate China as a location for business investment based on a scale of 1 (poor) to 10 (excellent) on 5 key factors:

1. opportunities to make a profit
2. understanding the business culture
3. rules and regulations for starting a business
4. availability and interest of local business partners
5. legal protection given to business

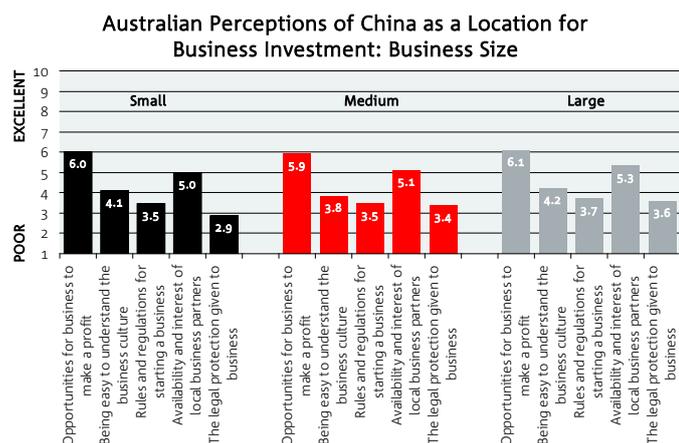
For all firms, opportunities to make a profit rated highest, scoring 6 out of 10 points.

Availability and interest of local business partners was second, with a score of 5.1 out of 10.

It was clear that rules and regulations for starting a business (3.5 out of 10) and the legal protection given to business (3.2 out of 10) were seen as key detractors to business investment in China from Australian firms.



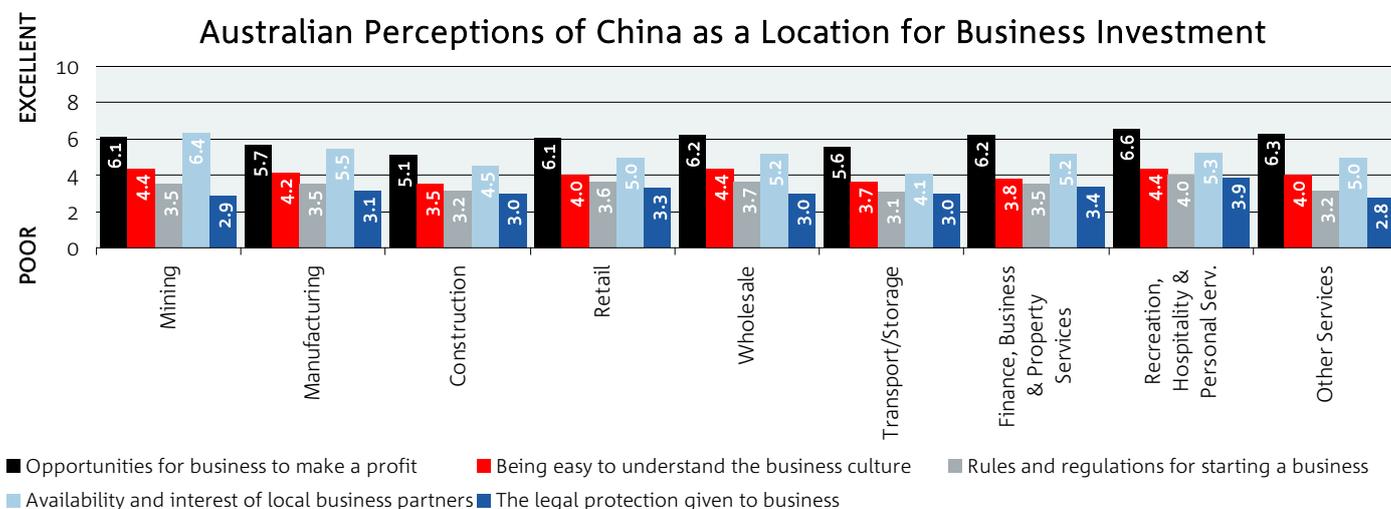
With perceptions broadly similar across all business sizes



Perceptions of China as a location for business investment were broadly similar across all sizes of business. All firms irrespective of size scored opportunities to make a profit highest and legal protection given to business lowest.

At the margin, it was notable that small firms scored the legal protection given to business somewhat lower than medium and large sized business.

...and in all industries, except Mining where availability and interest of local business partners most attractive



Australian business perceptions of China as a location for business investment were broadly similar across all industries. On average, most industries scored China the highest for opportunities to make a profit and lowest for the legal protection given to business. Mining was the exception, with firms in this sector rating China highest in terms of the availability and interest of local business partners.

Firms engaged with China cited their domestic business focus, the legal system, protection of IP, the regulatory environment and corruption as biggest impediments to further engagement with China. For firms not engaged with China, cited their domestic business focus and limited knowledge of Chinese markets as the biggest impediments.

All surveyed firms were asked to identify the factors that inhibit their businesses from engaging more with China. The responses were split by firms that are currently engaged with China and those that have no engagement with China.

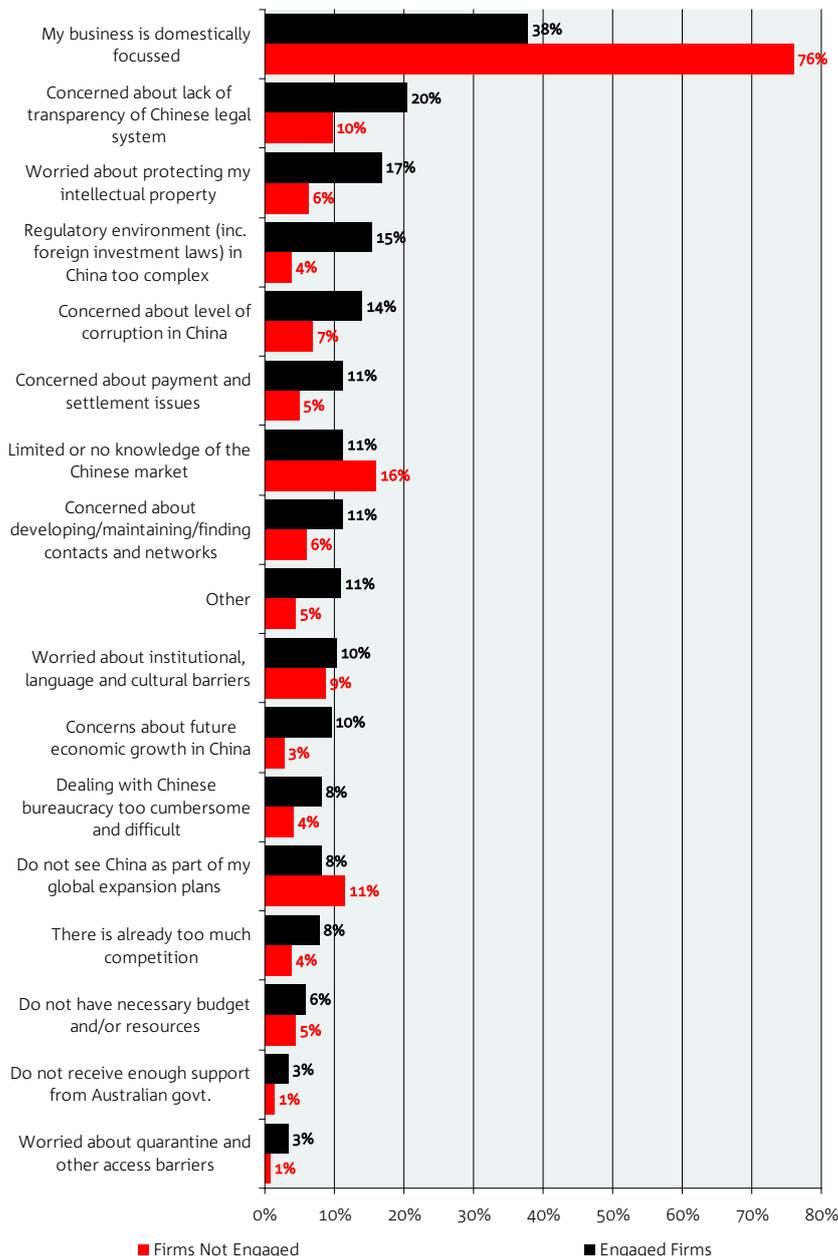
Firms that were actively engaged with China and those that were not both said the biggest impediment was that their business was domestically focussed - although this was a much bigger inhibitor for firms with no engagement with China (76%) than for those already engaged (38%).

For firms with no engagement with China, other key impediments included limited or no knowledge of the Chinese market (16%), not seeing China as part of their global expansion plans (11%), concern about the lack of transparency of the Chinese legal system (10%) and worries about institutional, language and cultural barriers (9%).

Around 1 in 5 (20%) firms engaged with China also expressed concern over the lack of transparency of the Chinese legal system, while 17% were worried about protecting their intellectual property.

The complexity of the regulatory environment in China (15%), corruption (14%), contacts and networks (11%), limited knowledge of the Chinese market (11%), payment and settlement issues (11%), institutional, language and cultural barriers (10%) and concerns about future economic growth in China (10%) were also seen as key inhibitors for business engagement.

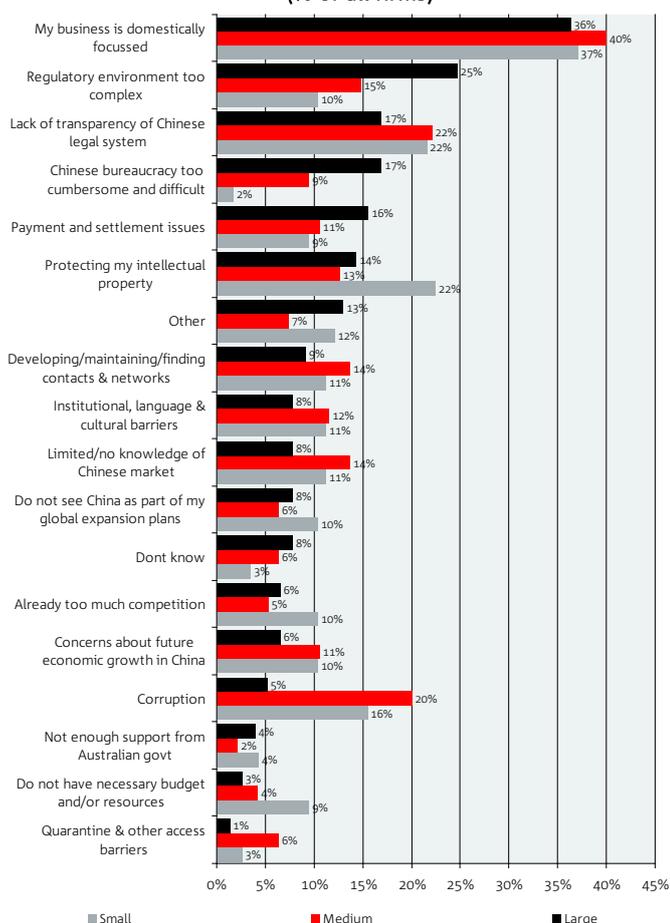
Factors Most Inhibiting (or impediments to) Your Business from Engaging More (or with) China (% of firms)



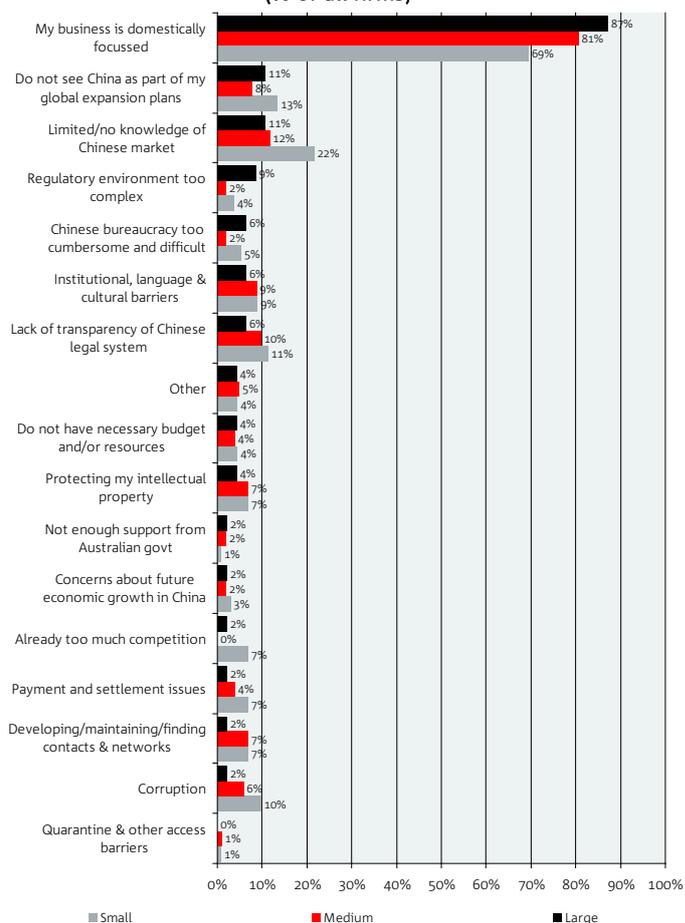
All engaged firms by size cited their domestic focus as the main factor inhibiting more engagement with China. More small firms saw protection of IP and inadequate resources to enter the market as significant barriers. Large firms were put off by the regulatory environment, bureaucracy and payment/settlement issues. Medium-size firms saw corruption as a bigger inhibitor.

Firms with no engagement with China overwhelmingly cited their domestic focus as the main reason why they were not engaged with China across all business sizes. Notably more small firms also identified limited knowledge of the Chinese market, corruption and competition as important factors, while large firms said the regulatory environment was too complex.

Factors Most Inhibiting Your Business from Engaging More With China by Business Size: Engaged Firms (% of all firms)



Main Impediments to Your Business Engaging with China by Business Size: Firms Not Engaged (% of all firms)



All engaged firms by business size cited their domestic focus as the main factor inhibiting their business from engaging more with China

Significantly more small firms engaged with China (22%) saw the protection of their intellectual property and not having adequate funds or resources (9%) to enter the market as significant barriers. Notably more large firms already engaged with China were put off by the complexity of the regulatory environment (25%), bureaucracy (17%) and payment and settlement issues (16%), while medium size firms said that corruption (20%) was a bigger inhibitor.

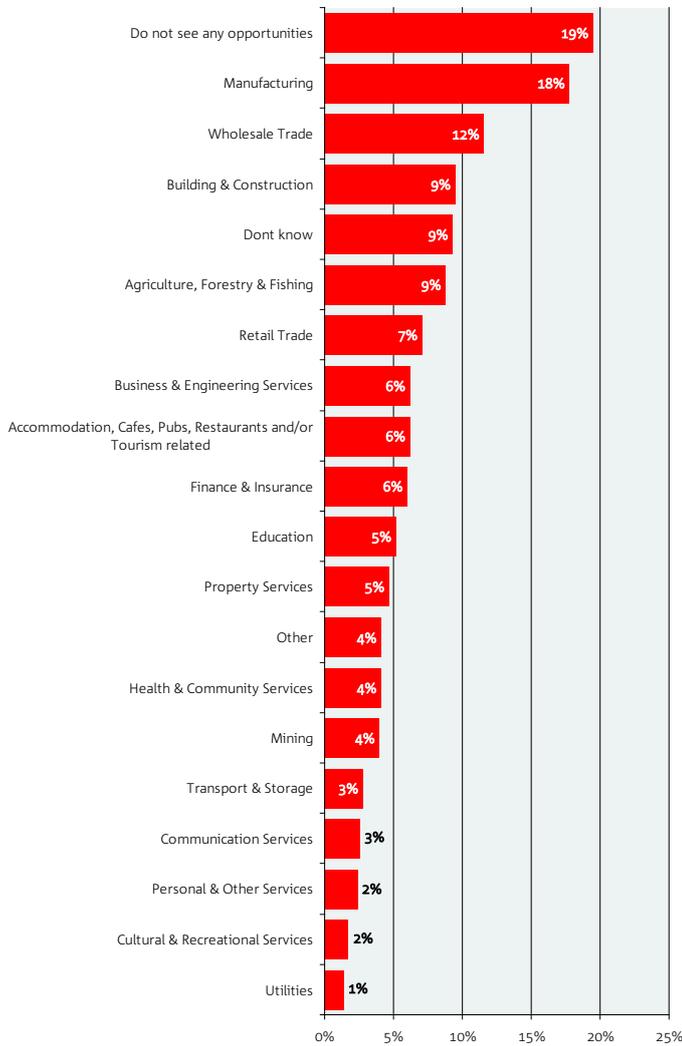
All firms irrespective of size that were not engaged with China overwhelmingly cited the domestic focus of their business as the main reason why they were not engaged. Notably more small firms also said they were impeded by limited or no knowledge of the Chinese market (22%), corruption (10%) and competition (7%), while large firms said that the regulatory environment was too complex (9%).

There were also some big differences in what inhibited engaged firms from engaging more by industry. For example, Manufacturing firms (31%) were notably more worried about protecting their intellectual property, while Mining firms were more inhibited by corruption, concerns about future growth in China and payment and settlement issues. A lot more retailers (51%) were focussed solely on domestic business.

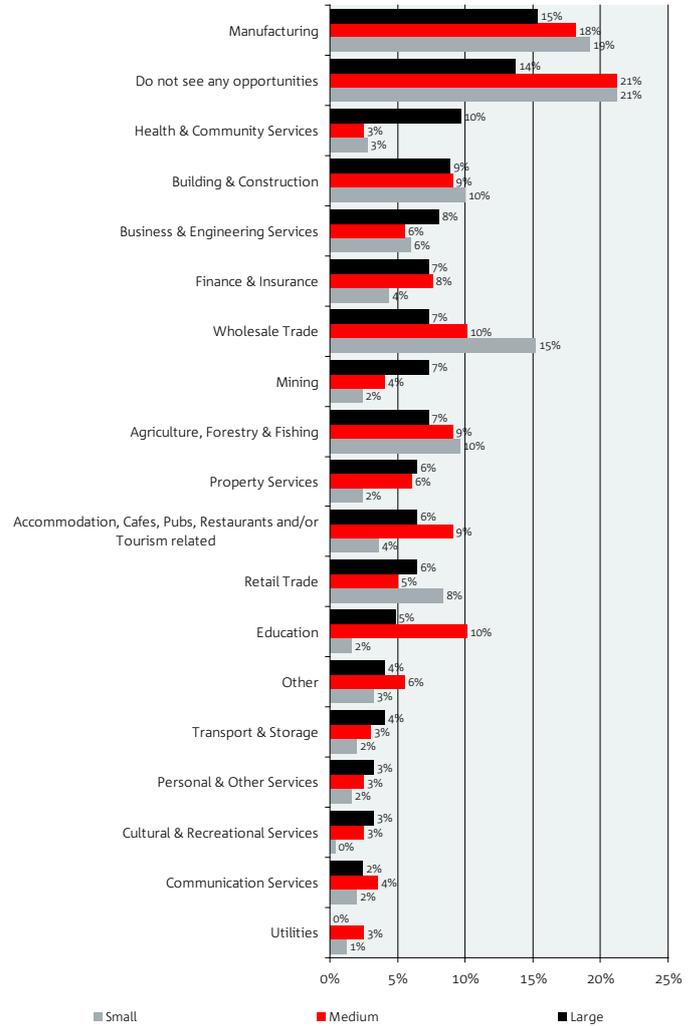
For firms in industries with no engagement in China, around 1 in 2 Mining firms identified dealing with the Chinese bureaucracy as a major impediment to engaging more, while 8% in Manufacturing indicated they were worried about quarantine and other access barriers. Other Services firms were more worried about the regulatory environment (including foreign investment laws) in China being too complex.

Australian firms (particularly small and medium-sized) identified Manufacturing as the best opportunity for their business or industry in China, followed by Wholesale Trade, Building & Construction and Agriculture, Forestry & Fishing. Almost 1 in 5 Australian firms indicated they did not see any opportunities.

Areas that Provide the Greatest Opportunities to Your Business/Industry in China (% of all firms)



Areas that Provide the Greatest Opportunities to Your Business/Industry in China: Business Size (% of firms)



Australian firms were asked if they were to consider increasing their business with China, which areas did they believe provided the greatest opportunity for their business or industry.

Overall, Manufacturing (18%) was identified as the best prospect, followed by Wholesale Trade (12%), Building & Construction (9%), Agriculture, Forestry & Fishing (9%), Retail Trade (7%), Business & Engineering Services (6%), Hospitality & Tourism-related (6%) and Finance & Insurance (6%). Around 9% of firms simply did not know, while almost 1 in 5 (19%) indicated they did not see any opportunities.

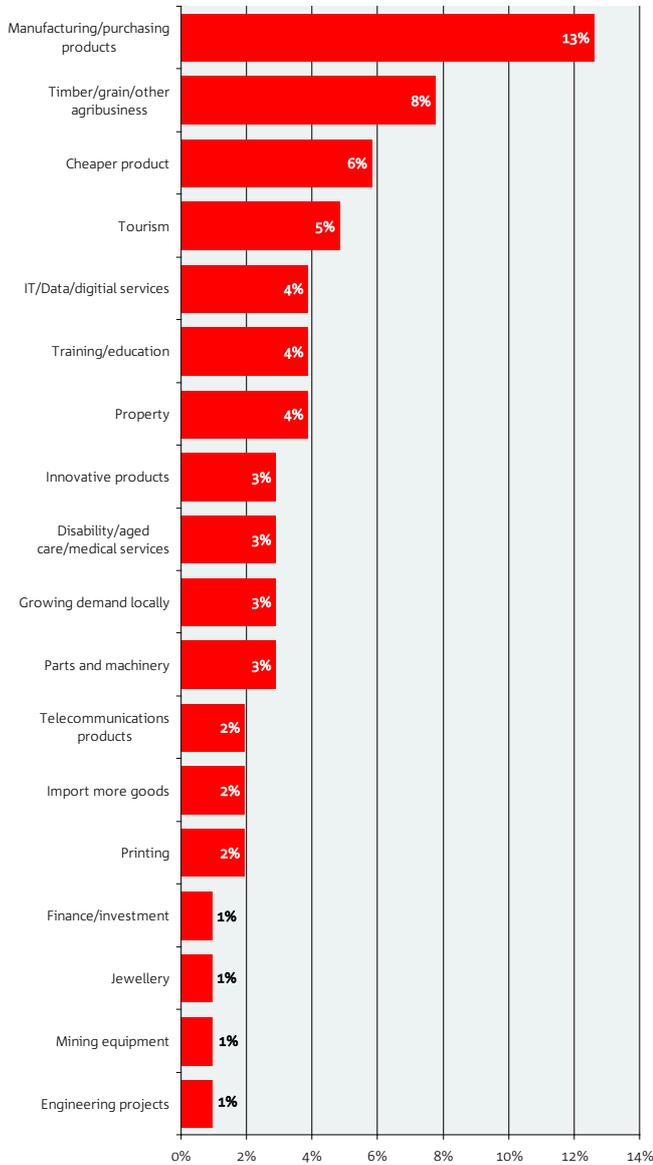
Manufacturing was also identified as the best opportunity across all sizes of business, particularly small and medium-sized. Among some other notable differences, more large firms (10%) identified opportunities in Health & Community Services, more medium-sized firms (10%) saw opportunities in Education and more small firms (15%) in Wholesale.

Not surprisingly, an industry breakdown revealed a very strong bias towards each respondents own industry.

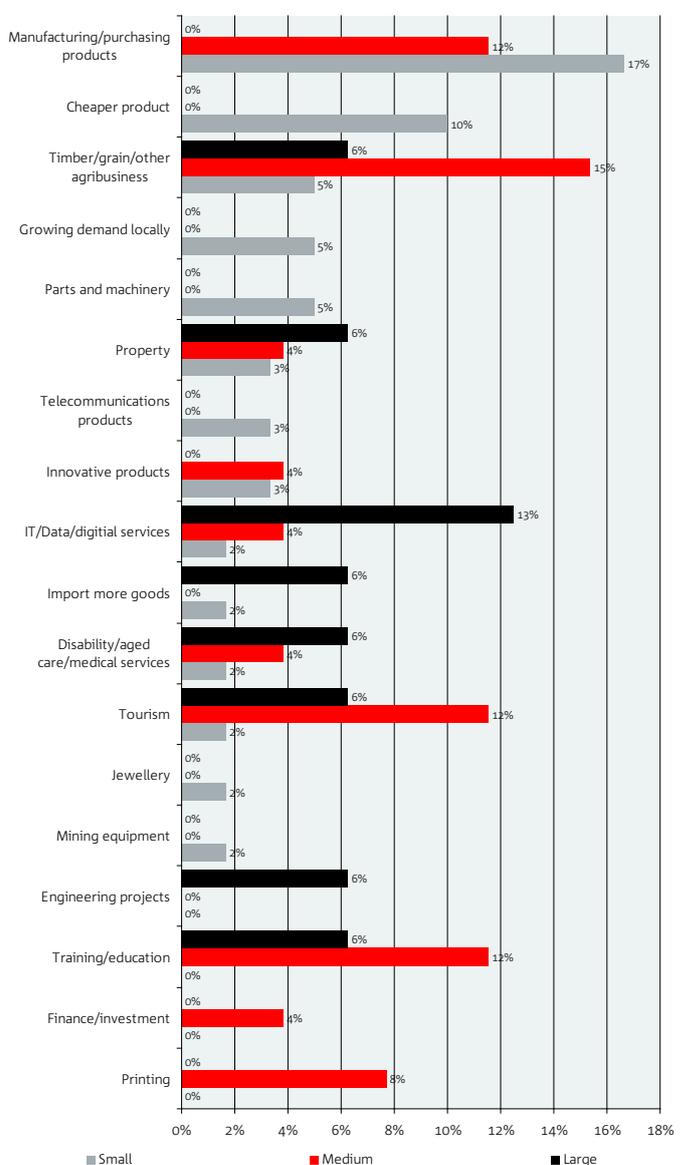


In terms of specific opportunities for increasing business with China, Australian firms on average identified manufacturing/purchasing products, timber, grain and other agribusiness products, cheaper product and tourism as the best prospects. Finance/investment, jewellery, mining equipment and engineering products rated lowest.

Specific Opportunities for Increasing Your Business with China (% of all firms)



Specific Opportunities for Increasing Your Business with China: Business Size (% of all firms)



In terms of specific opportunities for increasing their business with China, surveyed Australian firms on average identified manufacturing/purchasing products (13%), timber, grain and other agribusiness products (8%), cheaper product (6%) and tourism (5%) as the best prospects.

In terms of business size, small business saw the best opportunities arising from manufacturing/purchasing products (17%) and cheaper product (10%).

Medium sized firms identified the best opportunities in timber, grain and other agribusiness products (15%), manufacturing/purchasing products (12%), tourism (12%) and training and education (12%) as the best prospects.

Large firms saw the best opportunities arising from IT, data and digital services (13%).

Group Economics

Alan Oster
Group Chief Economist
+61 3 8634 2927

Jacqui Brand
Personal Assistant
+61 3 8634 2181

Australian Economics and Commodities

Riki Polygenis
Head of Australian Economics
+(61 3) 8697 9534

James Glenn
Senior Economist - Australia
+(61 3) 9208 8129

Vyanne Lai
Economist - Australia
+(61 3) 8634 0198

Phin Ziebell
Economist - Agribusiness
+(61 4) 75 940 662

Amy Li
Economist - Australia
+(61 3) 8634 1563

Industry & Behavioural Economics

Dean Pearson
Head of Industry & Behavioural Economics
+(61 3) 8634 2331

Robert De Iure
Senior Economist - Industry & Behavioural Economics
+(61 3) 8634 4611

Brien McDonald
Senior Economist - Industry & Behavioural Economics
+(61 3) 8634 3837

Karla Bulauan
Economist - Industry & Behavioural Economics
+(61 3) 8641 4028

International Economics

Tom Taylor
Head of Economics, International
+61 3 8634 1883

Tony Kelly
Senior Economist - International
+(61 3) 9208 5049

Gerard Burg
Senior Economist - Asia
+(61 3) 8634 2788

John Sharma
Economist - Sovereign Risk
+(61 3) 8634 4514

Global Markets Research

Peter Jolly
Global Head of Research
+61 2 9237 1406

Australia

Economics
Ivan Colhoun
Chief Economist, Markets
+61 2 9237 1836

David de Garis
Senior Economist
+61 3 8641 3045

Tapas Strickland
Economist
+61 2 9237 1980

FX Strategy
Ray Attrill
Global Co-Head of FX Strategy
+61 2 9237 1848

Emma Lawson
Senior Currency Strategist
+61 2 9237 8154

Interest Rate Strategy
Skye Masters
Head of Interest Rate Strategy
+61 2 9295 1196

Rodrigo Catril
Interest Rate Strategist
+61 2 9293 7109

Credit Research
Michael Bush
Head of Credit Research
+61 3 8641 0575

Simon Fletcher
Senior Credit Analyst - FI
+61 29237 1076

Andrew Jones
Credit Analyst - FI
+61 2 9237 1076

Distribution
Barbara Leong
Research Production Manager
+61 2 9237 8151

New Zealand
Stephen Toplis
Head of Research, NZ
+64 4 474 6905

Craig Ebert
Senior Economist
+64 4 474 6799

Doug Steel
Senior Economist
+64 4 474 6923

Kymerly Martin
Senior Market Strategist
+64 4 924 7654

Raiko Shareef
Currency Strategist
+64 4 924 7652

Yvonne Liew
Publications & Web Administrator
+64 4 474 9771

UK/Europe

Nick Parsons
Head of Research, UK/Europe, and Global Co-Head of FX Strategy
+44207710 2993

Gavin Friend
Senior Markets Strategist
+44 207 710 2155

Derek Allassani
Research Production Manager
+44 207 710 1532

Asia

Christy Tan
Head of Markets Strategy/Research, Asia
+852 2822 5350

Important Notice

This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 ("NAB"). Any advice contained in this document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this document, NAB recommends that you consider whether the advice is appropriate for your circumstances. NAB recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, before making any decision about a product including whether to acquire or to continue to hold it.

Please click [here](#) to view our disclaimer and terms of use.