Demystifying Chinese investment in Australia

March 2025

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About our reports

KPMG and The University of Sydney formed a strategic partnership to research and publish insights on Chinese corporate investments through mergers and acquisitions (M&As) and joint ventures (JVs). Our first report was launched in September 2011, and this is the 21st *Demystifying Chinese Investment in Australia* report in our series. This report examines Chinese investment in Australia for the calendar year 2024.

The catalyst for our report series was the lack of detailed factual information about the nature and distribution of China's outbound direct investment (ODI) in Australia. Without this information, there is misinformation and speculation. Our reports seek to debunk the myths associated with Chinese investment in this country.

Access previous Demystifying Chinese investment in Australia **reports**

Methodology

The dataset is compiled jointly by KPMG and The University of Sydney Business School and covers investments into Australia made by corporates (not individuals) with head offices based in the People's Republic of China (excluding Hong Kong SAR and Macao SAR) through M&As and JVs.

The data do not include greenfield investments, or portfolio investments such as the purchase of stocks and bonds, which do not result in foreign management, ownership or legal control. Our data do not include investments made by entities set up through private family offices or private entities in Hong Kong SAR, Macao SAR and other locations where corporates from People's Republic of China do not hold a majority shareholding. 'Real estate' referred to in this report does not include residential apartments and private home purchases.

Our database includes direct investments recognised in the calendar year in which parties enter into legally binding contracts and if necessary, receive mandatory Foreign Investment Review Board (FIRB) and Chinese Government investment approvals. In certain instances, final completion and financial settlement may occur in a later year.

For consistency, the geographic distribution is based on the location of the Australian head office of the target company and not on the physical location of the actual investment project. Completed deals that are valued below US$5 million are not included in our analysis, as such deals consistently lack detailed, reliable information.

Unless otherwise stated, the data referred to throughout this report is sourced from the KPMG/The University of Sydney database, and our previously published reports.[1] The University of Sydney and KPMG teams obtain raw data on China's outbound direct investment (ODI) from publicly available information, which is verified, analysed, and presented in a consistent and summarised fashion. Our sources include commercial databases, corporate information, and official Australian and Chinese sources, such as the Australian Bureau of Statistics, FIRB, and the Ministry of Commerce (MOFCOM) of the People's Republic of China.

Our data is regularly updated and continually revised when new information becomes available. In line with international practice, we traditionally record deals using USD as the base currency. However, since 2015, our reports have used AUD for detailed analysis.

Although our data may not encompass the full spectrum of transactions due to the complex nature and vast array of public data available, we believe that the KPMG/The University of Sydney dataset contains the most consistent, detailed and current information on Chinese ODI in Australia.

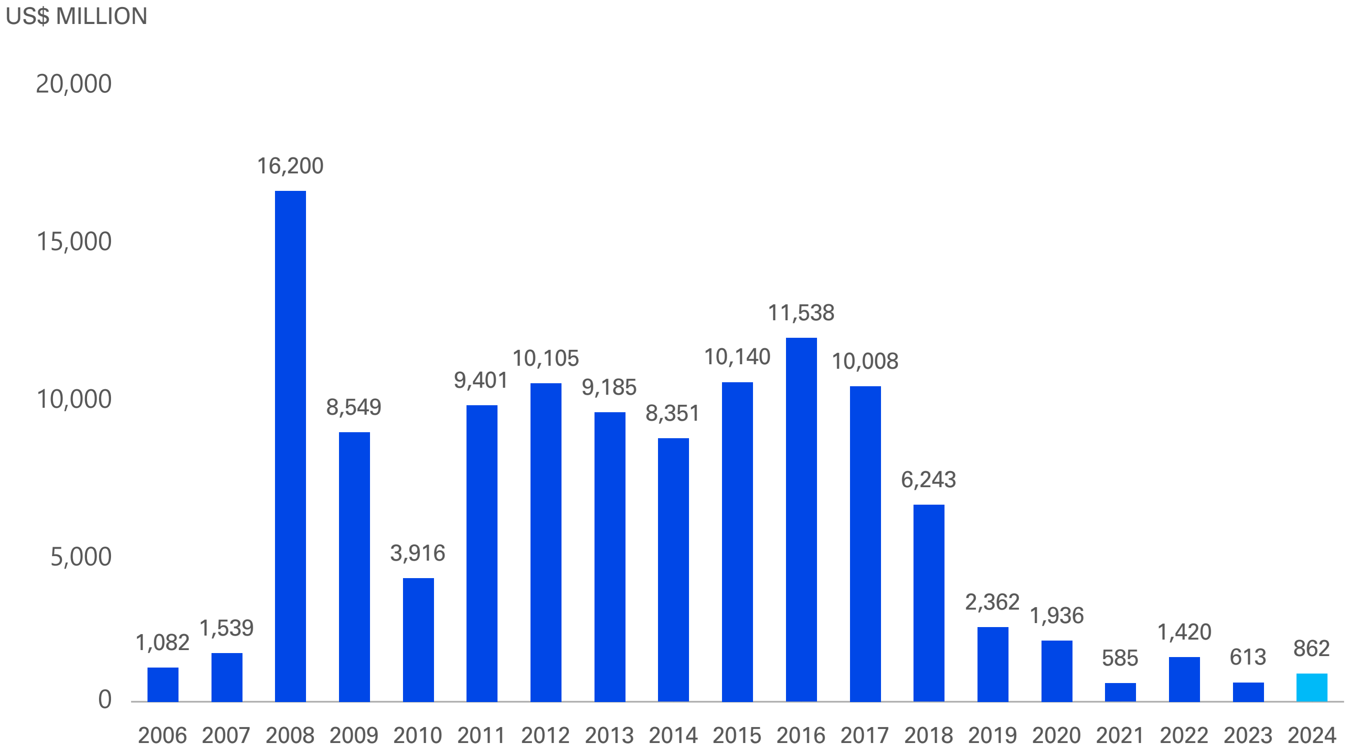
1 Includes Australia & China Future Partnership, September 2011; The Growing Tide: China ODI in Australia, November 2011; Demystifying Chinese Investment, August 2012; The Energy Imperative: Australia-China Opportunities, 25 September 2012; Demystifying Chinese Investment in Australia, March 2013; Demystifying Chinese Investment in Australian Agribusiness, October 2013; Demystifying Chinese Investment in Australia, March 2014; Demystifying SOE Investment, August 2014; Chinese Investors in Australia Survey, November 2014; Demystifying Chinese Investment in Australia, May 2015 Update; Demystifying Chinese Investment in Australia, April 2016; Demystifying Chinese Investment in Australia, May 2017; Demystifying Chinese Investment in Australian Healthcare, January 2018; Demystifying Chinese Investment in Australia, June 2018; Demystifying Chinese Investment in Australia, April 2019; Demystifying Chinese Investment in Australia, June 2020; Demystifying Chinese Investment in Australia, July 2021; Demystifying Chinese Investment in Australia, April 2022; Demystifying Chinese Investment in Australia, April 2023; Demystifying Chinese Investment in Australia, April 2024.

Chinese investment in Australia in 2024

In 2024, Chinese investment in Australia increased by 41 percent, from US$613 million in 2023 to US$862 million. In Australian dollar terms, the increase is 43 percent, from AU$917 million in 2023 to AU$1,312 million. Eleven completed transactions were recorded in 2024.

Despite the increase, 2024 had the third-lowest investment value and number of transactions since 2006, only higher than 2021 and 2023.

CHINESE ODI INTO AUSTRALIA BY VALUE 2006–2024



Source: KPMG/The University of Sydney database

Note: Prior years' annual figures are updated as new public information becomes available.

Selected major Chinese investments in Australia in 2024

TARGET NAME	ACQUIRER NAME	INDUSTRY	STATE	FINAL VALUE (AU$m)
Tietto Minerals Ltd	Zhaojin Mining Industry Company Limited	Mining (Gold)	WA	**733**
Leo Lithium's Goulamina Lithium Project in Mali (40% stake)	Ganfeng Lithium Group Co Ltd; GFL International Co., Ltd	Mining (Lithium)	WA	**195**
Beijing Jingneng Clean Energy (Australia) Holding Pty Ltd (40% stake)	Beijing Energy International Holding Co Ltd	Renewable Energy	NSW	**183**

Source: KPMG/The University of Sydney database

By industry

Chinese investment in mining saw a significant increase from AU$34 million in 2023 to AU$1,124 million in 2024. Mining accounted for 86 percent of the total investment value with nine deals. This included two investments in gold, two in lithium, two in mineral sands, two in graphite and one in rare earth. Seven of the nine investments were made by privately owned enterprises (POEs). The largest transaction was Zhaojin Mining Industry Company Limited's acquisition of Tietto Minerals, totalling AU$733 million. Although these investments were made to acquire an Australian business, the mining assets of seven deals are located overseas.

One renewable energy investment contributed 14 percent or AU$183 million. We also recorded one investment in the technology sector in the area of payment solutions, which accounted for less than 1 percent, or AU$5 million, of the overall value.

We did not record any completed transaction in commercial real estate or food and agribusiness in 2024 that complied with our methodology.

By state

WA received the largest share of Chinese investment with AU$1,097 million, accounting for 84 percent of total investment. This was followed by NSW with 14 percent, or AU$188 million, SA with 2 percent, or AU$21 million, and QLD with less than 1 percent, or AU$6 million.

By ownership

In 2024, investment from POEs is on par with 2023 with a total of AU$379 million, accounting for 29 percent of the total investment value in 2024, with eight out of the eleven completed transactions conducted by POEs. The investments were distributed across mining and technology sectors.[2]

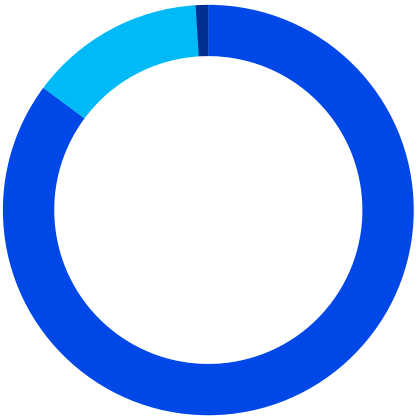
State-owned enterprise (SOE) investment increased from AU$539 million in 2023 to in AU$933 million in 2024. SOE investment represented 71 percent of the total investment value in 2024. There were two transactions in mining sector and one in renewable energy sector.

By deal size

In 2024, the average deal size was AU$119 million, 43 percent higher than the average deal size of AU$83 million in 2023. Three deals valued above AU$100 million were completed in 2024, including one transaction above AU$500 million.

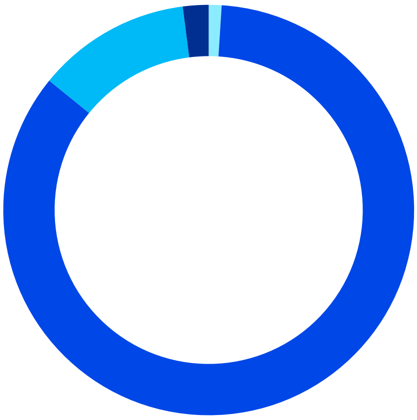
2 One transaction was done by an acquirer with mixed ownership. We treated this acquirer as a POE because it is not included in the Chinese official SOE register.

CHINESE INVESTMENT IN AUSTRALIA IN 2024
BY INDUSTRY (% OF TOTAL VALUE)



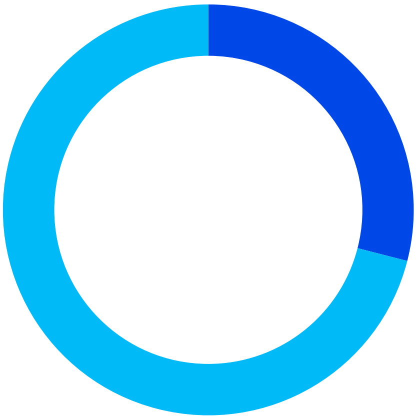
Technology	LESS THAN 1%
Renewable Energy	14%
Mining	86%

CHINESE INVESTMENT IN AUSTRALIA IN 2024
BY STATE (% OF TOTAL VALUE)



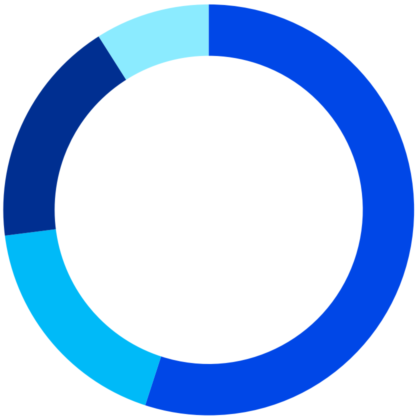
QLD	LESS THAN 1%
SA	2%
NSW	14%
WA	84%

CHINESE INVESTMENT IN AUSTRALIA IN 2024
BY OWNERSHIP (% OF TOTAL VALUE)



POE	29%
SOE	71%

CHINESE INVESTMENT IN AUSTRALIA IN 2024
BY DEAL SIZE (% OF TOTAL DEAL NUMBER)



AU$500m and above	9%
AU$200m–100m	18%
AU$100m–25m	18%
AU$25m–5m	55%

Source: KPMG/The University of Sydney database

Global context 2024

Global Foreign Direct Investment

According to recent data from UN Trade and Development (UNCTAD), global Foreign Direct Investment (FDI) in 2024 declined by 8 percent, excluding financial flows through European conduit economies.[3]

Regional FDI tells a diverging story. After adjusting for the conduit economies effect, UNCTAD notes a steep 45 percent decline in FDI flows into continental European economies (Germany, Poland, Italy, Spain, and France), contrasting with a 13 percent increase in North America.

The United States was the leading recipient of global FDI, registering a 10 percent increase in FDI mostly driven by large M&A deals. Large M&A acquisitions were also completed in Italy, Ireland, and Germany.

Developing economies presented a mixed picture, with overall FDI falling by 2 percent. Several major emerging economies - including Brazil, China, India, Indonesia, and Mexico - experienced declines in project numbers that far exceeded the global average. For example, FDI flows into China declined 29 percent in 2024.[3]

Chinese Global ODI

In contrast to the decline in inbound FDI, China's global ODI continued to grow. China's Ministry of Commerce reported a total ODI volume of US$144 billion in 2024, marking an increase of 10.5 percent, in line with growth in previous years.[4] Investment in the ASEAN region has grown relatively rapidly, increasing by 12.6 percent compared to the previous year, and is primarily directed toward countries such as Singapore, Indonesia, and Thailand. Chinese enterprises made non-financial direct investments totaling US$33.69 billion in countries participating in the 'Belt and Road' initiative, marking a 5.4 percent increase over the previous year.[5]

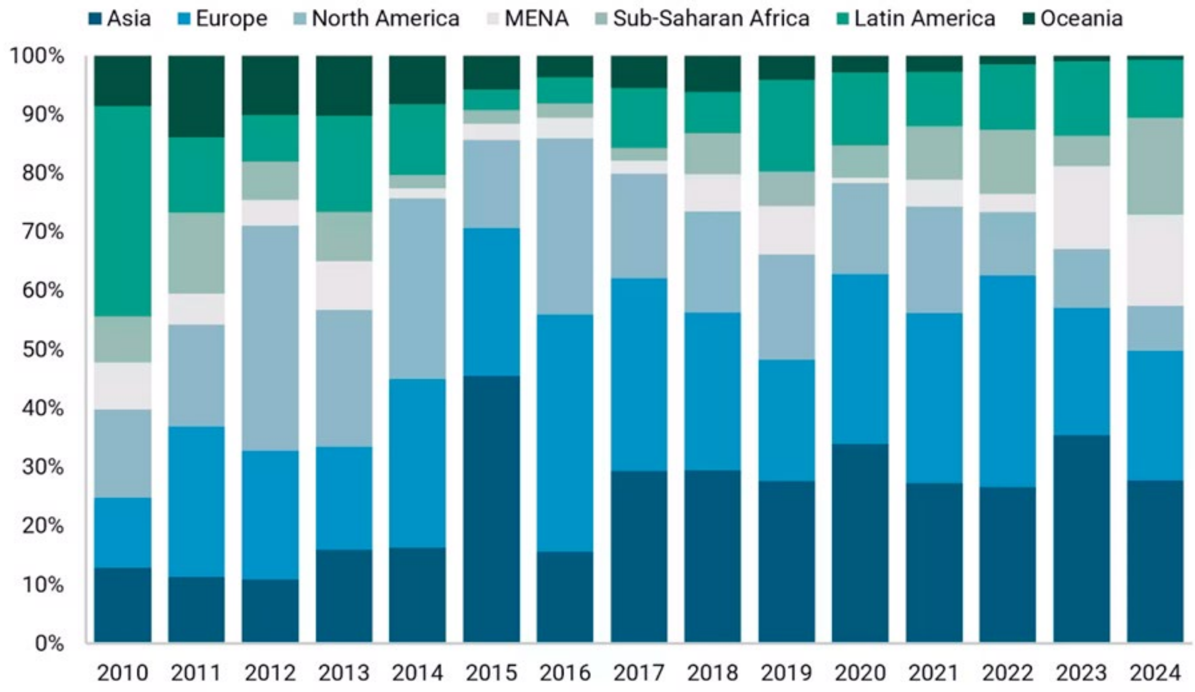
Besides China's Ministry of Commerce data, project-based data from the Rhodium Group shows that Sub-Saharan African countries experienced their highest growth in Chinese ODI in 2024, while Chinese ODI into North America continued to decline.

3 https://unctad.org/publication/global-investment-trends-monitor-no-48

4 http://english.scio.gov.cn/m/pressroom/2025-01/22/content_117678985.html

5 https://www.gov.cn/lianbo/fabu/202501/content_7001274.html

ANNOUNCED MAJOR CHINESE ODI TRANSACTIONS BY REGION



Source: Rhodium Group China Cross-Border Monitor. Note: Major transactions include transactions above $5 million only.

Since 2022, the Rhodium Group has identified three key new trends in Chinese ODI which continued in 2024:[6]

1. A marked shift from acquisitions to greenfield projects.[7]
2. A relocation of projects away from developed economies toward emerging Asian economies.
3. Deeper integration in host economies, as mature Chinese investors establish local manufacturing supply chains.

These developments reflect China's strategy to diversify its global supply chains, bringing Chinese manufacturing closer to markets in Europe and Southeast Asia.

According to Rhodium Group, three industry sectors accounted for more than three quarters (77 percent) of total Chinese ODI in 2024. Basic materials ranked in first position, ahead of energy investment. The automotive sector occupied third place down from first place in previous years, as investment in battery factories declined.[8]

6 https://rhg.com/news/the-next-generation-of-chinas-outbound-investment/

7 https://cbm.rhg.com/research-note/chinas-global-investment-2024

8 https://cbm.rhg.com/research-note/chinas-global-investment-2024

Summary

In 2024, Chinese investment in Australia saw modest growth, driven mainly by companies targeting mining assets such as gold, lithium, mineral sands, and graphite. Despite this rebound after a decline in 2023, overall Chinese ODI in Australia remains subdued, with direct investment stagnating at a low level since 2021. Much of the recorded growth, similar to that in 2022, reflects Chinese acquisitions of Australian companies with mining assets abroad rather than increased investment within Australia. Regulatory and economic uncertainties in both countries continue to influence investment decisions.

Meanwhile, Chinese companies are increasingly entering global markets through greenfield investments in sectors such as automotives, industrial machinery, renewable battery storage, and consumer brands. Greenfield investments are not included in our data, but we observed Chinese interest in greenfield investment in Australia.

Detailed US data on project-based Chinese ODI indicate that Chinese investment is concentrating on clean energy, manufacturing, IT and software services, mining, and retail-favouring technology-intensive industries in Europe and emerging markets in Southeast Asia. This trend is driven by market forces and aligns with China’s global economic strategy and risk mitigation.

Chinese multinational companies are diversifying supply chains and deepening integration into host economies that offer strategic advantages, such as advanced manufacturing and innovation in Europe or access to regional markets in Southeast Asia.

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