



A Promising Partner

How Chinese Elites View Australia

Executive Summary

From February 19–25, 2015, Zogby Research Services conducted an interactive survey of 1,010 Chinese business leaders for the Australia-China Relations Institute, University of Technology, Sydney. The objective was to measure the attitudes of these C-Suite executives toward Australia.

In almost every area measured—overall favorability, as a destination for tourism or education, as a business partner or location for overseas investment—Australia fares quite well.

- Australia has a 93% favorable rating, placing it right behind Germany and Canada, but ahead of the United States, Russia, and South Korea.
- If given the choice between visiting the United States or Australia, by a margin of two to one our Chinese respondents prefer Australia.
- While the Chinese see the U.S. educational system as having a better reputation and as better at preparing students for the 21st century world of work, Australia is rated better for cost and for providing students greater security and a better lifestyle.
- When compared with seven other countries (Canada, Germany, Russia, Singapore, New Zealand, United States, and South Korea), Australia ranks number one as the most attractive site for overseas investment opportunities.
- When compared with New Zealand, Singapore and Hong Kong, Australia is seen as the most important economic partner for China.
- And when compared with South Korea, Thailand, Indonesia and Malaysia, Australia is considered the most significant player in the Asia-Pacific region.

The only area where there are some mixed results is in our respondents' assessments of relations between Australia and China. For example, only six in 10 see Australia as a “close ally” or “friend” of China. In this area Australia scores behind Russia, Singapore, Germany, New Zealand, and Canada. But, eight in 10 believe that the Australian government is “welcoming of closer economic ties with China” and nine in 10 believe that their government seeks the same with Australia.

There are a few areas where there is a lack of information. For example, despite their positions as business leaders: only three-quarters of all Chinese respondents are aware of the 2014 China-Australia Free Trade Agreement; 44% think that Australia and China have a formal alliance agreement; and 39% think that Australia has such an agreement with Japan. Possibly as a result of this knowledge gap, 17% believe that the Australian government would support Japan in its dispute with China on the issue of the status of the Daioyu/Senkaku Islands—as opposed to the 35% who believe that Australian government would support China in this dispute and the 48% who believe that Australia is neutral on this issue.

I. Impressions of and Relations with Other Countries

Overall Impressions of Countries		
	Favorable (Very Favorable)	Unfavorable
Germany	98 (61)	1
Canada	96 (48)	2
Australia	93 (54)	6
Singapore	92 (53)	7
New Zealand	92 (47)	5
South Korea	84 (26)	14
United States	81 (35)	17
Russia	78 (22)	18

Note: Favorable is the aggregation of "very favorable" and "favorable" responses; unfavorable is the aggregation of "quite unfavorable" and "very unfavorable" responses. The percentages of those responding "very favorable" is in parentheses. Percentages may not add up to 100% because of rounding and/or because those responding "not familiar" or "not sure" are not included.

Chinese business leaders were asked about their overall impressions of a number of countries. Those countries receiving the most favorable ratings include Germany, Canada, Australia, Singapore, and New Zealand, with more than nine in 10 respondents expressing favorability toward these nations. At least half of all respondents give Germany (61%), Australia (54%), and New Zealand (53%) "very favorable" ratings.

While more than three-quarters of respondents view South Korea, the United States, and Russia favorably overall, far lower percentages view these countries very favorably (South Korea: 26%, United States: 35%, Russia: 22%).

Relations Between China and Other Countries				
	Close Ally	Friendly	Cordial But Not Close	Enemy of China
Russia	38	39	18	3
Singapore	22	51	22	4
Germany	17	55	25	1
New Zealand	18	52	26	1
Canada	18	49	28	4
Australia	17	42	32	7
South Korea	15	44	33	7
United States	10	20	34	35

Note: Percentages may not add up to 100% because of rounding and/or because those responding "not sure" are not included.

More than three-quarters of the Chinese business leaders surveyed (77%) perceive of Russia as either a close ally (38%) or friendly (39%) to China. The second tier of countries considered either allies or friendly to China includes Singapore (73%), Germany (72%), and New Zealand (70%), followed by Canada (67%), Australia (59%), and South Korea (59%). Only the United States is viewed as an enemy of China by a sizable percentage of respondents (35%); just 30% say the United States is either a close ally (10%) or friendly (20%) to China.

II. United States vs. Australia

Would you prefer to visit ... ?					
	Total	Education		Assets	
		College Degree	Advanced/ Prof Degree	500K-1MM RMB	1MM+ RMB
U.S. cities New York/Los Angeles/Chicago	33	32	40	29	38
Australia's Sydney/Melbourne/the Outback	61	62	52	64	57

Note: Percentages may not add up to 100% because of rounding and/or because those responding "not sure" are not included.

Would you prefer to spend time with ... ?					
	Total	Education		Assets	
		College Degree	Advanced/ Prof Degree	500K-1MM RMB	1MM+ RMB
Americans	36	35	41	32	40
Australians	53	54	47	59	46

Note: Percentages may not add up to 100% because of rounding and/or because those responding "not sure" are not included.

Majorities of the Chinese business leaders surveyed would prefer to visit Australia (61%) rather than the United States (33%) and to spend time with Australians (53%) rather than Americans (36%). Among wealthier and more educated business leaders, this preference is less pronounced, though they still side with visiting Australia and spending time with Australians.

III. Education Systems

Overall, do you think things in the UAE are headed in the right direction or are things off on the wrong track?					
	Highest Overall Reputation	Most Reasonable Cost of Living for Student	Best Lifestyle for Students	Best Preparation for 21st C. World of Work	Safest and Most Secure from Crime and Violence
U.K.	36	11	16	14	19
U.S.	53	21	31	61	15
Australia	9	58	45	16	55
Other	<1	4	2	3	4

Note: Percentages may not add up to 100% because of rounding and/or because those responding "not sure" are not included.

Respondents were asked a series of questions comparing education systems in the United Kingdom, the United States and Australia. Overall, a majority feel that the United States' education system has the best reputation (53%), followed by 36% who say the United Kingdom and 9% who choose Australia. The United States is also considered to have the education system that best prepares students for the world of work in the 21st century after studies are completed (61%), with just 16% saying Australia provides the best preparation and 14% choosing the United Kingdom.

However, Australia comes out on top with respect to other aspects of student life. A majority says Australia's cost of living is most reasonable for a student to afford (58%), with 21% saying the United States is affordable and 11% saying the U.K. is affordable. And a majority feel that their child would be safest and most secure from crime and violence in Australia (55%), while just 19% say the same about the U.K. and 15% say the U.S. would be safest. Australia is also viewed as offering students the best lifestyle while studying by 45% of respondents, compared to 31% who choose the United States and 16% who choose the United Kingdom.

IV. Economic Relationships

Importance of Economic Partners to China		
	Important	Unimportant
Australia	76 (30)	9
Hong Kong	73 (45)	13
New Zealand	54 (19)	13
Singapore	59 (23)	13

Note: Respondents were asked to use a scale of 1 to 5, with 1 being very important and 5 being unimportant. Important is the aggregation of 1 and 2 responses; unimportant is the aggregation of 4 and 5 responses. The percentage of those responding "1" is included in parentheses. Percentages may not add up to 100% because of rounding and/or because responses of "3" are not included.

Australia is considered an important economic partner to China by more than three-quarters of respondents. Hong Kong is a close second with 73% of respondents saying it is an important economic partner of China. However, the intensity related to the partnership with Hong Kong is stronger than that of the Australian partnership, with 45% of respondents saying Hong Kong is a “very important” partner compared to 30% of those who say the same of Australia. Singapore and New Zealand are both seen as important economic partners for China by majorities of Chinese business leaders (59% and 54%, respectively).

Importance of China-Australia Economic Partnership		
	Important	Unimportant
Australia important to China	76 (30)	9
China important to Australia	77 (45)	8

As noted above, 76% of Chinese business leaders say Australia is an important economic partner to China, including 30% who say it is a very important partner. Respondents were also asked to rate the importance of China as an economic partner to Australia. Seventy-seven percent say China is an important partner for Australia, with 45% saying their country is “very important” to Australia. Just 8% say the economic partnership with China is not important to Australia.

Economic Relationship Between China and Australia in Past Five Years	
More important	71
Less important	9
It has remained the same	20

Among the respondents, 71% say that the economic relationship between China and Australia has become more important in the past five years, while just 9% say it has become less important. One in five respondents say it has remained the same in terms of its importance.

Closer Ties			
	Yes	No	Not sure
Australian government is welcoming of closer economic ties with China	81	5	14
Chinese government is welcoming of closer economic ties with Australia	90	3	8

Note: Percentages may not add up to 100% because of rounding and/or because those responding "not sure" are not included.

Overwhelming majorities of respondents believe that both the Chinese and Australian governments would welcome closer economic ties between their two countries.

Aware of China-Australia Free Trade Agreement (2014)	
Yes	76
No	24

When asked about the Free Trade Agreement signed at the end of 2014 by China and Australia, three-quarters of Chinese business leaders say they are aware of this agreement (76%), while 24% are not aware of it.

Bigger Economy: Australia vs. Hong Kong SAR	
Australia	63
Hong Kong SAR	27
Not sure	10

Despite Australia's having an economy more than five times larger than Hong Kong SAR (GDPs in 2013: 1.56 trillion vs. 274 billion in US\$)¹, more than one-quarter of the respondents (27%) think Hong Kong has the larger economy and an additional 10% are not sure. Sixty-three percent (63%) correctly identify Australia as having the larger economy.

Overseas Investments		
	Attractive	Not Attractive
Australia	74	8
Germany	67	10
United States	67	10
Singapore	63	12
Canada	61	13
New Zealand	55	12
South Korea	47	18
Russia	37	32

Note: Respondents were asked to use a scale of 1 to 5, with 1 being not at all attractive and 5 being very attractive. Attractive is the aggregation of 4 and 5 responses; not attractive is the aggregation of 1 and 2 responses. Percentages may not add up to 100% because of rounding and/or because responses of "3" are not included.

Chinese business leaders were asked to rate the attractiveness of a number of countries for investing. Australia tops the list with 74% of respondents saying it is an attractive destination for overseas investment.

1 World Bank, GDP, <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

Germany (67%), the United States (67%), Singapore (63%), Canada (61%), and New Zealand (55%) are also seen as attractive for investment by majorities of respondents. South Korea (47%) and Russia (37%) hold the least appeal for respondents in terms of investing their savings overseas; about one-third of Chinese business leaders (32%) say Russia is not an attractive destination for investment.

V. Regional Political Relations

Role of Nations in Asia-Pacific Region		
	Significant	Not Significant
Australia	76	9
South Korea	70	8
Thailand	42	22
Indonesia	40	22
Malaysia	40	23

Note: Respondents were asked to use a scale of 1 to 5, with 1 being very significant and 5 being not significant. Significant is the aggregation of 1 and 2 responses; not significant is the aggregation of 4 and 5 responses. Percentages may not add up to 100% because of rounding and/or because responses of "3" are not included.

When asked about the significance of various countries' roles in the Asia-Pacific region, Chinese business leaders clearly find Australia (76%) and South Korea (70%) significant, while Thailand (42%), Indonesia (40%), and Malaysia (40%) are viewed as significant by far fewer respondents.

Australia has a formal alliance agreement with ...	
Singapore	35
United States	74
Japan	39
China	44
Not sure	10

Of all the countries listed, Australia has a formal alliance agreement only with the United States. The results here indicate a lack of awareness about the Australian government's actual alliances.

Which position best describes the policy of the Australian government toward the status of the Diaoyu/Senkaku Islands?	
The Australian government supports China.	35
The Australian government supports Japan.	17
The Australian government is neutral.	48

Respondents were asked if they believe that Australia is siding with China or Japan, or is staying neutral, with respect to the status of the Diaoyu/Senkaku Islands. Twice as many respondents say that the Australian government is supporting China (35%) as say that they are supporting Japan (17%), but a plurality (48%) believe that the Australian government is neutral on this issue.

Demographics and Methodology

Demographics

College degree	88
Advanced/professional degree	12
500K-1MM RMB home assets	57
1MM+ RMB home assets	43
Large city	71
Middle sized city	22
Small city/suburban/rural	7

Methodology

Between February 19 and February 25, 2015, we conducted an online survey of 1,010 Business Decision Makers in China. All respondents have at least a college degree, have been working for at least five years, are employed as a director, chief officer, administrator, or other company executive, and have home assets of more than 500,000 RMB.

Using trusted interactive partner resources, thousands of adults were invited to participate in this interactive survey. Each invitation is password coded and secure so that one respondent can only access the survey one time.

Based on a confidence interval of 95%, the margin of error for 1,010 is +/- 3.1 percentage points. This means that all other things being equal, the identical survey repeated will have results within the margin of error 95 times out of 100.

Subsets of the data have a larger margin of error than the whole data set. As a rule we do not rely on the validity of very small subsets of the data especially sets smaller than 50-75 respondents. At that subset we can make estimations based on the data, but in these cases the data is more qualitative than quantitative.

Additional factors can create error, such as question wording and question order.

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