What China’s rising middle class means for Australia

Australia’s ‘China resources boom’ may have peaked but 57 cents in every dollar increase in Australian exports between 2009-10 and 2014-15 still came from China. If managed well, Australia’s ‘China dining and services boom’ could run for decades.

1. In 2015 China’s middle class numbered 109 million. This was 17 million more than in the US.1,2

2. Between 2009 and 2030, China’s middle class is projected to grow by more than 850 million.3

3. In 2014-15 Australia’s agricultural exports to China stood at $9.0 billion. This was up from $3.7 billion in 2009-2010, and 72 percent more than to the US, our second largest customer.4

4. In 2014-15 Australia’s services exports to China stood at $8.8 billion. This was up from $5.5 billion in 2009-2010, and 24 percent more than to the US, our second largest customer.5

5. In 2015 more than one million Chinese tourists visited Australia spending $7.7 billion, up from $3.3 billion in 2010, and more than double that of UK visitors in second place.6

Chinese tourist spending could reach $13 billion by 2020.7

6. China’s middle class is no longer confined to the tier-one metropolises of Beijing, Shanghai, Guangzhou and Shenzhen. By 2022, 84 percent of the middle class is expected to live outside these cities.8

7. In 2011 the only direct flights to Australia were from Beijing, Shanghai, Guangzhou and Shenzhen. Now there are direct flights from 11 Chinese cities, including inland centres such as Chengdu, Chongqing, Wuhan and Xian.9

8. In 2015 there were 170,015 enrolments by Chinese students at Australian educational institutions, 2.4 times the number of students from India in second place.10 In 2013-14 the number of Australian student visa applications lodged from China’s traditionally less wealthy inland provinces was 12,354, up 30.5 percent from a year earlier. Those from coastal provinces stood at 23,805, up 24.6 percent.11,12

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9 ACRI research based on news sources