AUSTCHAM
HONG KONG
A MEMBER OF AUSTCHAM GREATER CHINA

24 November 2026

Dear Members,

One of the pictures from the Australian Prime Minister's visit to China last week was taken in a Shenzhen supermarket. Anthony Albanese had come straight from the airport to a store at the MixC shopping centre, where the manager told him the shop carries more than two hundred Australian products. On the shelves were apples from Western Australia, in China for the first time, along with Australian cherries and beef, Penfolds wine and, in the live tanks, rock lobster from Geraldton. By happy coincidence, that same evening around 50 of us were at Macquarie's offices doing our own bit for the export figures at the Chamber's Mix at Six tasting with Victoria Wines (big thank you to Dean Aslin and his team). Nobody photographed us for the papers, but the principle was the same.

A few years ago, that supermarket shelf looked very different, and a great many Australian exporters spent that period finding new homes for product that had been grown, caught, or bottled with China in mind. The picture meant something and I want to put a few other things from the same week beside it, because the shelf on its own tells only half the story.

Let's start with the paperwork, which is where trade is actually won and lost. The Shenzhen Initiative, the closing statement of the APEC CEO Summit, calls on governments to cut the non-tariff barriers that affect food trade: the inspection regimes, labelling rules and quarantine procedures that decide whether an Australian cherry arrives in saleable condition or as jam. Tariffs make headlines but paperwork makes or breaks a season. The region's business community has now said so in writing, with China as host, and I would take one fewer form at Yantian over any number of communiqués.

However, not everything on the shelf is settled. Australian beef has already used 90 per cent of China's annual import quota, and the 55 per cent tariff that applies above it was on the Prime Minister's list for President Xi. As he put it, running into the quota is a sign that Chinese shoppers want the product. True, but it is also a sign the exporters would rather not be getting in November.

The leaders themselves adopted the 2026 APEC Leaders' Shenzhen Outlook last Thursday, committing twenty-one economies to resilient supply chains and paperless trade. The headlines, of course, went to the meeting between Presidents Trump, Xi and Putin at Kylin Villa, the state guesthouse on Shenzhen's western edge that the city built in 1997 to receive the officials travelling to Hong Kong for the handover. Frederick Ma, chairman of the Hong Kong Trade Development Council and a former Secretary for Commerce and Economic Development, noted last week that the villa's contractor was the Hong Kong-listed construction firm he was running at the time. Prime Minister Albanese, for his part, told the CEO Summit he first came to Shenzhen in 1998, when the villa was a year old. Small details, but a nice reminder of how long these two cities have been building things together.

Hong Kong was at the APEC table in its own right, as Hong Kong, China, with the largest delegation of officials and business leaders it has ever taken to a Leaders' Week. The most concrete outcome was with Chile: last Wednesday Chief Executive John Lee and President José Antonio Kast witnessed the signing of a Working Holiday Scheme between the two, Hong Kong's first with a Latin American partner. Chile and Australia know each other well on that supermarket shelf, incidentally.

On the same Wednesday morning our Prime Minister was at MixC, President Kast was across town at a Pagoda fruit shop in Futian launching the Chilean cherry season, and the two countries have been competing for the same cold-chain space for years.

Australians will recognise the model, because Hong Kong's Working Holiday Scheme with Australia dates from 2001, the year the programme began, and it is the only one of the city's partnerships that has never capped the number of young Hong Kong people who can take part. Labour Secretary Chris Sun said on Sunday that more than 100,000 have gone abroad under the schemes in that time, most of them to Australia. It is a cheap, slow and reliable way of building ties between two places, and it works better than most things that cost more.

Back in Australia, the same Thursday brought the October labour force figures, and they were weaker than expected. Unemployment rose to 4.9 per cent, its highest in five years, where economists had forecast no change. The Reserve Bank had not expected to see that number this year, and markets have ruled out any further increase in the cash rate at the Bank's final meeting of the year on 8 December. My own view is that the Bank's argument about inflation has just become harder to make. Tomorrow's October Consumer Price Index will either rescue it or finish it.

I put the trade story and the jobs story together because they belong together. Australia's export recovery and Australia's labour market are the same economy seen from different ends. The lobster in the tank in Shenzhen and the fishing co-op in Geraldton are connected by the same ports, the same supply chains and the same decisions about where to invest.

Hong Kong sits in the middle of that chain and serving that connection is what this Chamber exists to do. Last week was a good one for the first half of the story. The second half is going to need the first.

Before I sign off: Thursday marks a year since the fire at Wang Fuk Court in Tai Po, in which 168 people died. It was the city's deadliest fire in living memory, and the Chamber's thoughts this week are with the families, and with the residents still rebuilding their lives.

Warm regards,
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