



Business

## Queensland firms look to Asia for expansion

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ASIAN-FOCUSED banking giant HSBC says more Queensland companies are taking business offshore as they reach the limits of their growth in the local market.

HSBC managing director of commercial banking in Australia Steve Hughes said the only way to expand for some companies was to acquire or establish operations offshore, including key markets in Asia.

"There are a lot of companies in the travel, tourism, high tech manufacturing and professional services sectors making acquisitions overseas including in Singapore, Hong Kong, the US and Malaysia," said Mr Hughes. "Companies are quite quick to go offshore these days. There are so-called micro multinationals that can be medium-sized businesses that might dip a toe in the water in Singapore or Hong Kong before moving onto China." Brisbane-based Corporate Travel Management (CTM), one of the bank's Queensland clients, has made several acquisitions in Asia in the past few years. In 2016, CTM established an event travel management business in Hong Kong.

Mr Hughes said Queensland's beef and coal sectors had long experience dealing in Asia and that expertise was spreading to other industries.

"Before the Global Financial Crisis it may have been easier to move into the US or Europe, but post GFC Asia has outperformed the rest of the world," Mr Hughes said. "That has given the edge for business to move into Asia." HSBC, which has had an office in Brisbane since the 1960s, earns most of its profit from Asia which is increasingly dominated by the Chinese economy.

Mr Hughes said the China Australia Free Trade Agreement had provided a big boost to Australian exports to the world's second-biggest economy.

Australian wine exports to China surged 51 per cent in the past year to \$1.04 billion.

"We are optimistic about the Chinese economy, which is expected to achieve good growth rates along with more market reform," he said.

HSBC Queensland manager Jeremy White said Queensland's economy was well placed to take advantage of growth in Asia.

"The contraction in mining investment has now ended," Mr White said. "Queensland's growth is expected to be one of the highest in Australia." Queensland's state government coffers have benefitted from the higher coal prices seen since late 2016.

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