

2 November 2021

INTERNATIONAL BUSINESSES EYE GREATER BAY AREA: HSBC NAVIGATOR

** 3 in 4 planning to set foothold over next three years **
** More than half expect GBA to grow faster than rest of China **

International corporates are eyeing business opportunities in the Greater Bay Area (GBA), where three in four are planning to invest or expand in the next three years, according to the latest HSBC Navigator survey.

Business leaders acknowledge the robust growth potential of the combined strengths of GBA's constituent cities. More than half of the survey respondents expect GBA to enjoy higher growth than the rest of the China – rising to 74 per cent among Malaysian businesses and 61 per cent among Singaporean firms, reflecting strong optimism towards intra-regional opportunity.

The survey was conducted in September 2021, covering more than 2,100 businesses from 10 markets, including the USA, Canada, Mexico, the UK, France, Germany, UAE, Malaysia, Singapore and Australia.

Daniel Chan, Head of Greater Bay Area, HSBC, said: “The Greater Bay Area has shown its potential as a globally competitive, world-class metropolis. The pace of integration within the city cluster, which is leading in technology and innovation with a high concentration of affluent residents, will create abundant opportunities for international businesses.”

On what makes GBA attractive, 35% of respondents consider higher levels of technological advancement as the main factor. Other key reasons include higher concentration and advance research and development resource (31%), a greater volume of high skilled workforce in a small geographic region (31%), and a wealthy city cluster and burgeoning middle class (31%).

In terms of investment priorities in the GBA over the next three years, technology and innovation (38%) tops the list, followed by improving supply chain reliability (33%), digitalisation (33%), establishing partnership with local companies in GBA (33%) and improving own distribution network (32%).

“The positive business sentiment, in particular among businesses in Asia Pacific, shows that the Greater Bay Area is set to become an even more significant facilitator of cross-border trade and capital flows, expanding the

corridor for trade, investment and innovation between China and other regions,”
Chan added.

According to 73% of our respondents, Hong Kong, Guangzhou, Shenzhen and Macau are the preferred entry points to the GBA. Thirty-seven per cent opted for Hong Kong due to its access to global capital markets and its abundance of professional services. Respondents also find Guangzhou (13%) and Shenzhen (13%) attractive as the gateway into the GBA due to their enviable supply chain for manufacturing and innovation capabilities.

ends/more

Note to editors:

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,969bn at 30 September 2021, HSBC is one of the world's largest banking and financial services organisations.

ends/all