

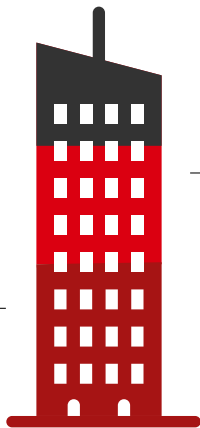
HSBC Navigator 2021: International businesses eye the Greater Bay Area

Our Navigator 2021 surveyed over 2,100 businesses from ten markets - Australia, Canada, France, Germany, Malaysia, Mexico, Singapore, UAE, UK and USA to better understand how they are thinking about the opportunities in the Greater Bay Area (GBA) over the coming three years. Here are some major findings:

Three in four businesses plan to **expand their foothold** in the GBA over the next three years.

45%

Planning some expansion



31%

Planning significant expansion

Over half expect the GBA to **grow faster** than the rest of the China over the next three years.



Businesses from these markets are the most optimistic about the GBA:

- ◆ Malaysia (74%)
- ◆ Singapore (61%)
- ◆ UAE (58%)
- ◆ Australia (57%)

Top five reasons why the **GBA is more attractive for business** than other regions in China:



Highest levels of **technological advancement**



Higher concentration of **R&D institutes** and better quality **higher education**



Large numbers of **highly skilled workers** in a small geographical area



A wealthy city cluster, with a burgeoning middle class and a **substantial consumer market**



One of the most **comprehensive supply chains** globally

Which market is the preferred entry point into the GBA?



37%
Hong Kong



13%
Shenzhen



13%
Guangzhou



10%
Macao



27%
Other cities

Top five challenges facing businesses expanding into the GBA:



1 Adapting to the **fast-changing regulations** and policies in the market



2 Concern about **China's ongoing situation with the Western nations** and tariffs



3 **Supply chain challenges** due to the pandemic



4 Impact of new regulations and rules on **carbon reduction** for businesses



5 **Transportation and shipping costs**

Top five investment priorities in the GBA over the next three years:



Technology and innovation



Improving supply chain reliability



Digitalisation



Establishing partnership with local companies in the GBA



Improving distribution networks and distributor relationships