

Q1-2023

# Survey shows strong Q1 sentiment rebound

GBA indices staged 2-year record high

“The latest Index indicates a strong post-COVID surge in business sentiment and activity. We think it was just as (if not more) positive that respondents expect further improvements in the coming quarter.”

**Kelvin Lau**  
Senior Economist, Greater China

[Click to watch the video >](#)



## Swift and broad recovery

Current performance index for business activity recorded a quarterly increase of **11.8**, exceeding **50** for the first time since Q4-2021. This suggests that GBA's economic activity is back in expansionary mode.



Expectations index rose to **61.5**, the highest since Q2-2021.



## Credit conditions easing amid the growth recovery



These **seven-quarter** high sub-indices underscores the strength of the GBA's post-COVID normalisation upswing so far.

	Q1-2023	In comparison with Q4-2022	
Bank financing cost *	48.6	↓ 3.6	↓ 6.9%
Non-bank financing cost *	47.8	↓ 6.0	↓ 11.2%
Banks' attitude towards lending	54.8	↑ 9.2	↑ 20.2%
Surplus cash	52.9	↑ 8.4	↑ 18.9%
Receivables turnover	53.9	↑ 7.0	↑ 14.9%

\* Index above 50 indicates lower cost

## Powerful rebound seen across various industry indices

The current performance and expectation indices for various industries showed overall growth. **'Financial services'** and **'Innovation and technology'** performed the best, while **'Professional services'**, **'Manufacturing and trading'**, and **'Financial services'** are expected to have the most significant increase.

### Top 3 industry sub-indices

	Current performance	Expectations
<b>Financial services</b>	<b>59.8</b> q/q ↑ 31.7%	<b>67.4</b> q/q ↑ 33.5%
<b>Innovation and technology</b>	<b>54.3</b> q/q ↑ 27.8%	<b>65.2</b> q/q ↑ 41.4%
<b>Professional services</b>	<b>52.1</b> q/q ↑ 35.3%	<b>61.3</b> q/q ↑ 38.4%

## China's post-COVID rebound leaves no cities behind



## Pre-COVID trend expected to arrive before year-end

- 65%** said that they have been positively impacted by the relaxation of COVID measures
- 53%** raised their business targets since the COVID policy pivot
- Almost 60%** expects to operate at over 90% of pre-COVID levels by Q4

[Read the full report](#) [Find out more >](#)

Source: HKTDCC, Standard Chartered Research

The Standard Chartered Greater Bay Area Business Confidence Index (GBA) is jointly presented by Standard Chartered and Hong Kong Trade Development Council. Every quarter, the index report will focus on the current business situation and credit conditions of more than 1,000 enterprises in the Greater Bay Area.

This material has been prepared by Standard Chartered Bank (SCB), a firm authorised by the United Kingdom's Prudential Regulation Authority and regulated by the United Kingdom's Financial Conduct Authority and Prudential Regulation Authority. It is not independent research material. This material has been produced for information and discussion purposes only and does not constitute advice or an invitation or recommendation to enter into any transaction.

Some of the information appearing herein may have been obtained from public sources and while SCB believes such information to be reliable, it has not been independently verified by SCB. Information contained herein is subject to change without notice. Any opinions or views of third parties expressed in this material are those of the third parties identified, and not of SCB or its affiliates.

SCB does not provide accounting, legal, regulatory or tax advice. This material does not provide any investment advice. While all reasonable care has been taken in preparing this material, SCB and its affiliates make no representation or warranty as to its accuracy or completeness, and no responsibility or liability is accepted for any errors of fact, omission or for any opinion expressed herein. You are advised to exercise your own independent judgment (with the advice of your professional advisers as necessary) with respect to the risks and consequences of any matter contained herein. SCB and its affiliates expressly disclaim any liability and responsibility for any damage or losses you may suffer from your use of or reliance on this material.

SCB or its affiliates may not have the necessary licenses to provide services or offer products in all countries or such provision of services or offering of products may be subject to the regulatory requirements of each jurisdiction. This material is not for distribution to any person to which, or any jurisdiction in which, its distribution would be prohibited.

You may wish to refer to the incorporation details of Standard Chartered PLC, Standard Chartered Bank and their subsidiaries at <http://www.sc.com/en/incorporation-details.html>.

© Copyright 2023 Standard Chartered Bank. All rights reserved. All copyrights subsisting and arising out of these materials belong to Standard Chartered Bank and may not be reproduced, distributed, modified, adapted, transmitted in any form, or translated in any way without the prior written consent of Standard Chartered Bank.