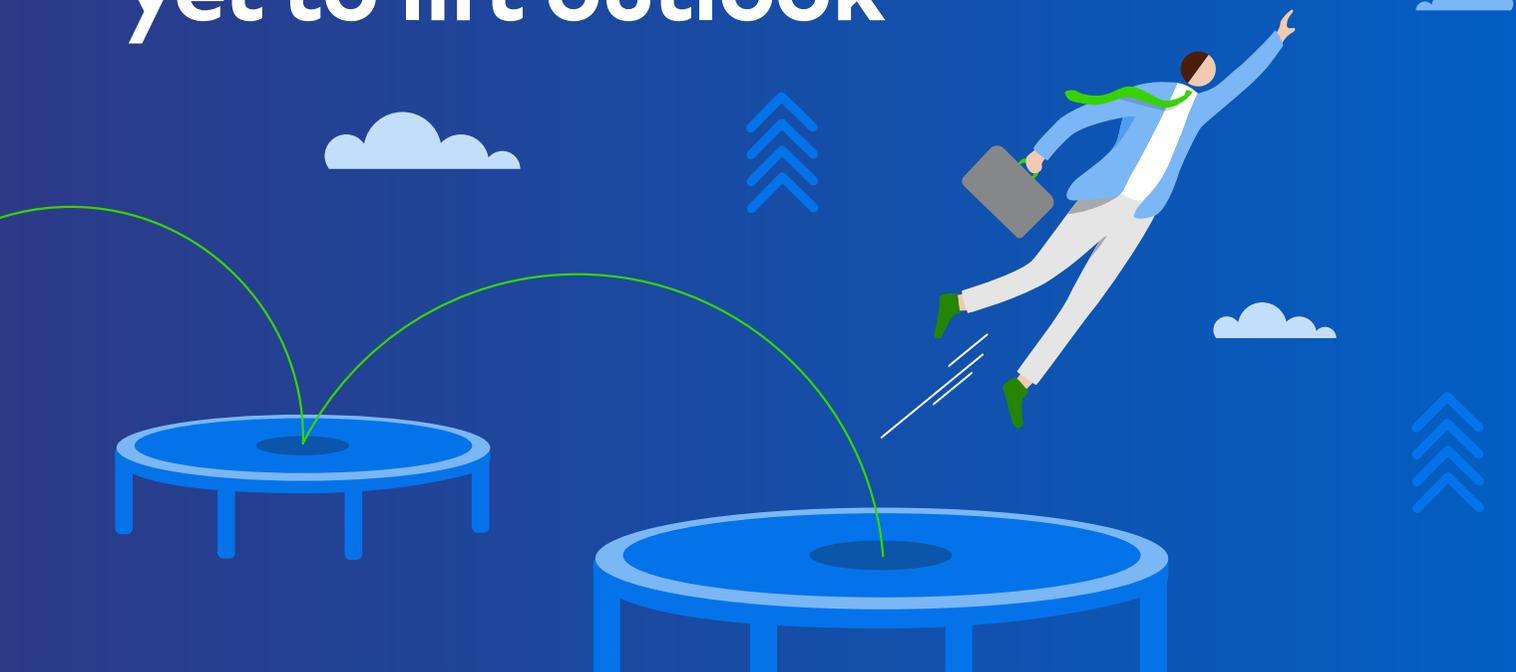




Q1-2024

# Improving performance yet to lift outlook



**GBA businesses off to a solid start to 2024**

Current  
performance index

Q4-2023

Q1-2024

51.4

54.3↑



# Credit conditions becoming more favourable



## Top 3 sectors

	Current performance	Expectations
 Manufacturing and trading	54.7	53.6
 Retail and wholesale	53.9	59.1
 Innovation and technology	57.8	54.6

“**Innovation and technology**” remained in the top spot for third straight quarter, adding conviction to calls of a bottoming-out in the global tech demand cycle, which bodes well for the government’s pursuit of “high-quality” growth with innovation and high-end manufacturing.



# Current performance off to a good start, but no rebound in expectations indices for now

“ The sub-indices for **profits**, **new orders** and **production/sales** all surged above 60, indicating an overall enhancement in the current business condition throughout the entire GBA region. ”

**Kelvin Lau**  
Senior Economist, Greater China



## Production/sales



## Prices of finished goods/services



## New orders



## Fixed asset investment



## Capacity utilisation



## Financing scale



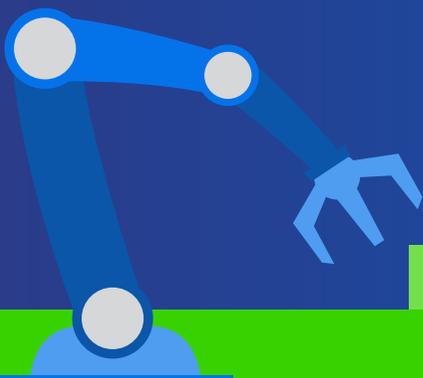
## Raw material inventory



## Profit



□ Current performance  
■ Expectations



# The improvement of credit conditions was broad-based

## Bank financing cost



## Surplus cash



## Non-bank financing cost



## Receivables turnover



## Banks' attitude towards lending



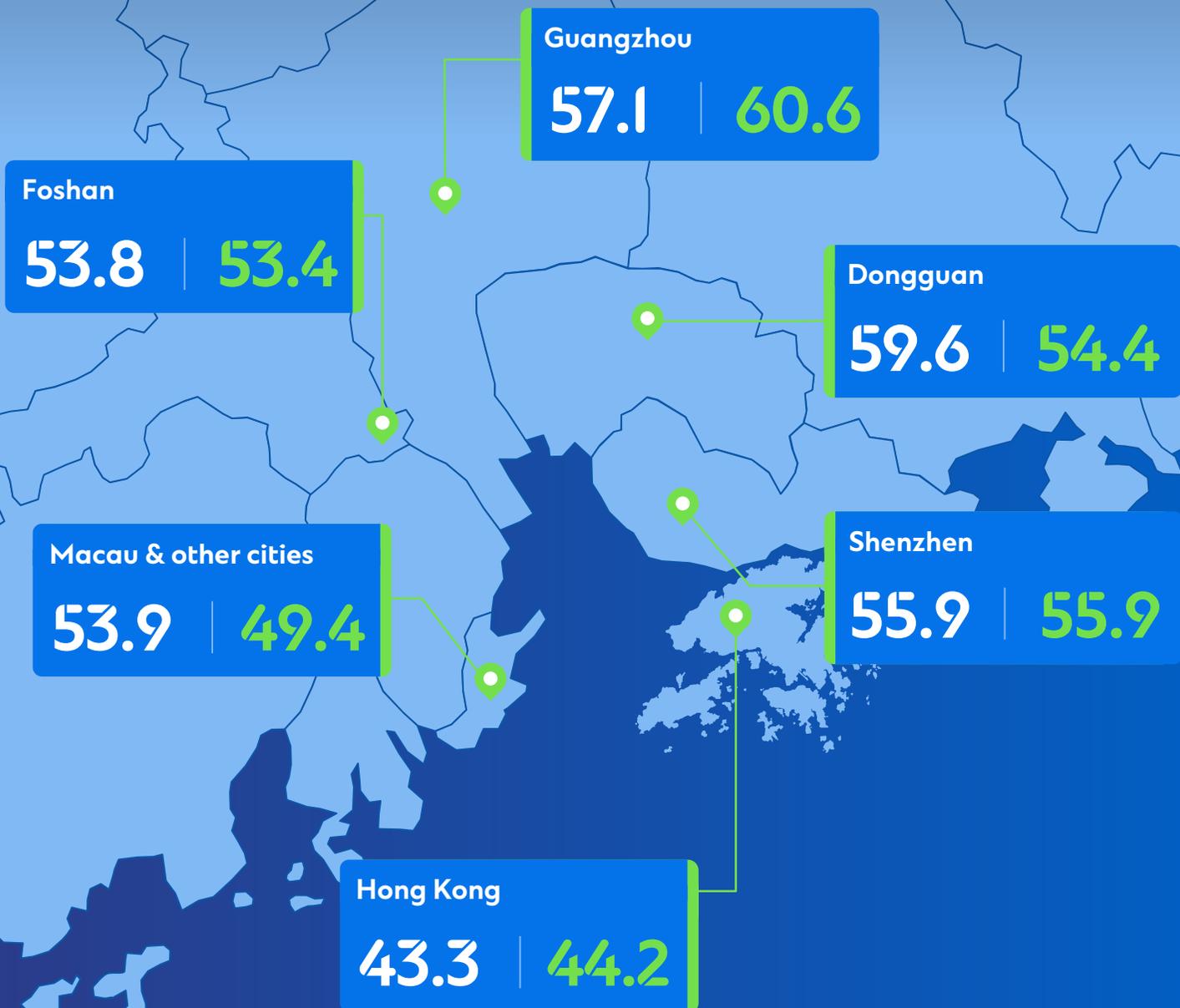
- Current performance
- Expectations

\*Index above 50 indicates lower cost



# Guangzhou and Shenzhen outperformed

Shenzhen likely benefited from the persistent resilience of the “innovation and technology” sector, while Guangzhou’s diverse economy was likely lifted from the rebound in the “manufacturing and trading”, and “retail and wholesale” sectors.



■ Current performance  
■ Expectations

# Thematic question: A promising outlook for e-commerce in the GBA

- More and more GBA enterprises are engaged in online business, majority of companies involved in e-commerce indicated that online sales account for **21-40%** of total sales.
- Looking ahead, ASEAN and the rest of Asia are prime e-commerce markets after China. Among respondents starting online operations soon, **63.6%** favoured China, **27.9%** chose the rest of Asia, and **23.0%** selected ASEAN for future growth potential.



China



Rest of Asia



ASEAN



US



Europe



India



Latin America



Other emerging markets



Africa



➤ In terms of opportunities, our respondents identified “additional sale channels and revenue” as the undisputed **top benefit of going online**, with the other 3 benefits rounding out the **top four spots**.



Additional sale channels and revenue



Increase brand visibility and company reputation



Enhanced access to domestic/international markets



Maximise promotion efforts



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Source: HKTDC, Standard Chartered Research

The Standard Chartered Greater Bay Area Business Confidence Index (GBAI) 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.

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