

Q2-2024

Survey shows sentiment holding up



Sustained expansionary growth momentum following a solid start



“The latest GBA Business Confidence Index shows Q2 business sentiment stable from Q1, indicating steady economic momentum. Both ‘current performance’ and ‘expectations’ indices for business activity stayed above 54, the latter rising for the first time in five quarters.”

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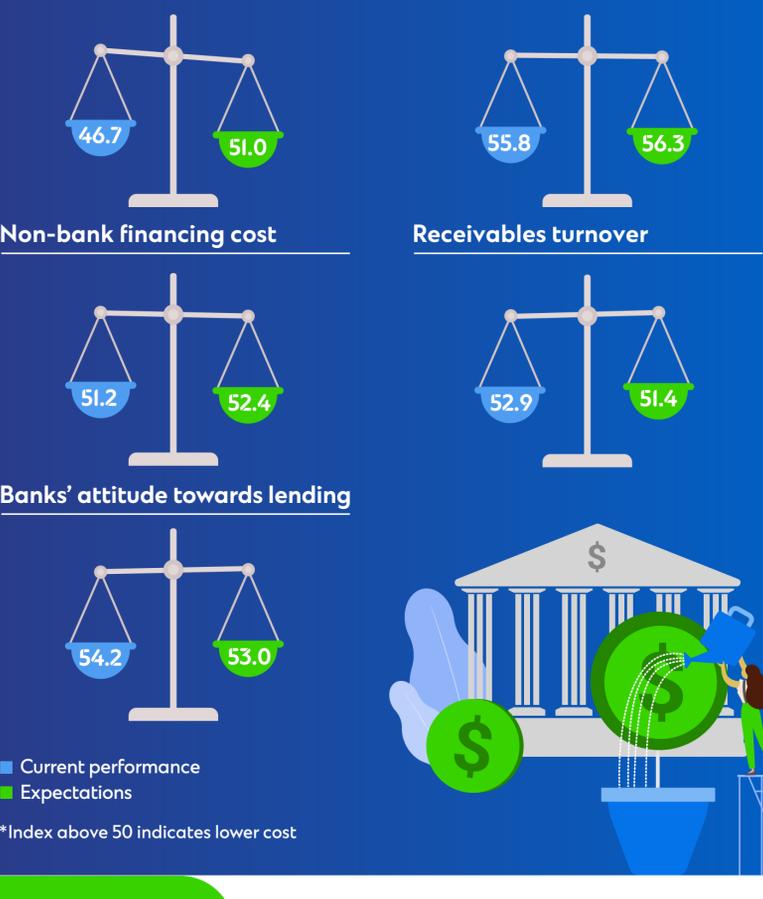
‘Production/sales’, ‘new orders’ and ‘profits’ maintained their top three spots



Credit conditions expected to improve further



Monetary easing and improving cash flows create tailwinds

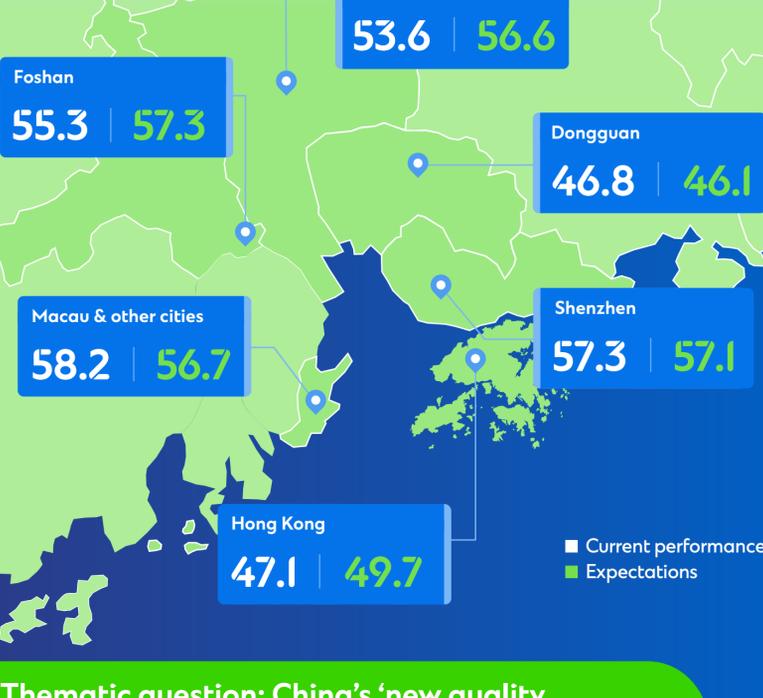


Top 3 sectors

Sector	Current performance	Expectations
Manufacturing and trading	53.9	54.3
Retail and wholesale	57.9	61.6
Financial services	57.3	55.0

Shenzhen remains resilient

Shenzhen posted the highest prints for ‘current performance’ and ‘expectations’ compared with Guangzhou and Hong Kong, underscoring the resilience of sectors such as ‘retail and wholesale’ and ‘manufacturing and trading’. Hong Kong likely benefited from its high skew towards financial and professional services while Guangzhou’s drivers are more well-rounded.



Thematic question: China’s ‘new quality productive forces’ policy will go a long way in reshaping the GBA’s business landscape

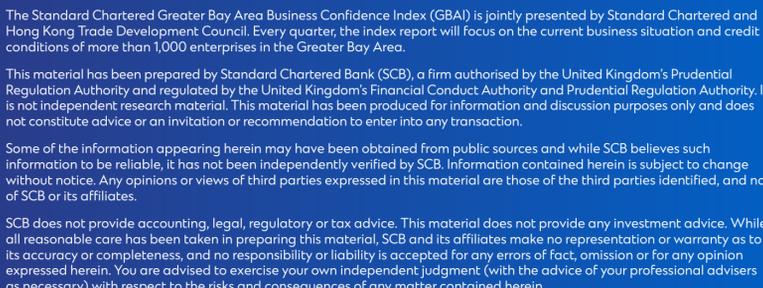
➢ Almost 40% respondents said the ‘new quality productive forces’ push is relevant to their business. By city, Guangzhou 41% and Shenzhen 39% are among the cities with the highest share of ‘relevant’ votes; Hong Kong received 34% ‘relevant’ votes, indicating that the city’s own innovation and tech push aligns its transformation well with the national strategy.



➢ When further asked how they expected their business to benefit from the ‘new quality productive forces’ push, the top 3 responses are:



➢ When asked what support they needed to accelerate innovation and business upgrades, the top answers were:



Source: HKTDC, Standard Chartered Research
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