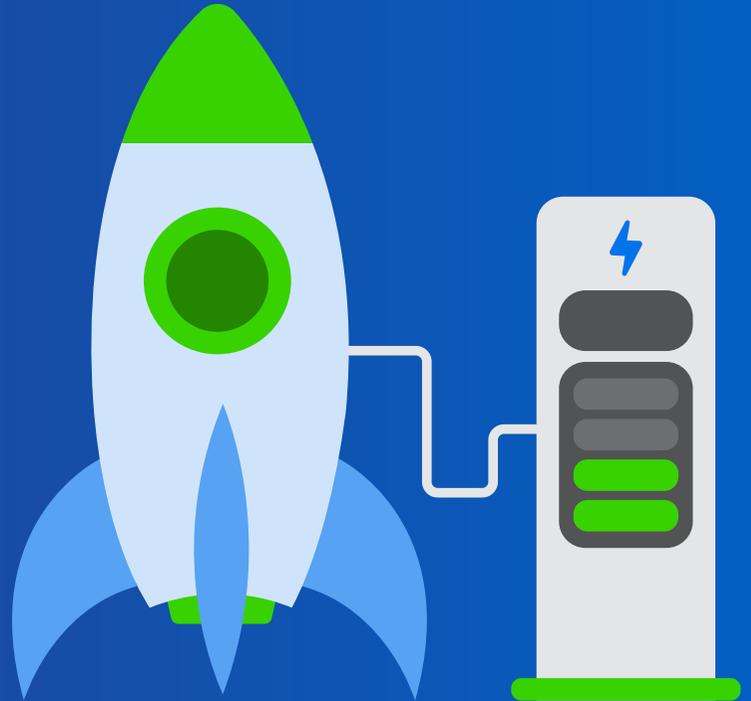




Q4-2022

Survey shows delayed boost from policy pivot

GBA Index (GBAI) at a glance



- Q4 highlights**
- GBA indices extended their YTD fall in Q4, led by destocking pressure and weaker financing appetite
 - Expectations yet to fully reflect reopening efforts; manufacturers underperformed, credit index improved

'Current performance' and 'expectations' still not looking up

Current performance



Q3-2022

Q4-2022

Expectations



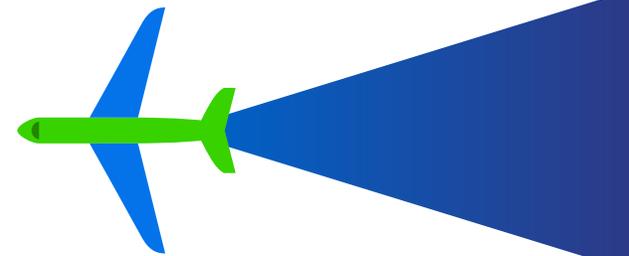
Q3-2022

Q4-2022

However, it has yet to fully capture China's recent COVID relaxation efforts, which only started halfway through the survey period.

Hong Kong outperformed among core GBA cities

Having started reopening earlier, Hong Kong benefited from rising prospects of boundary reopening with the mainland following policy relaxations.



Expectations



Q3-2022

Q4-2022

Room for improvement is high in H1-2023

There is a silver lining that any boost from COVID relaxation is merely delayed and that reopening expectations will become more entrenched in H1-2023.

Easing financial conditions a bright spot

1 **Credit sub-index** shows favourable results



2 **Borrowing costs** are expected to fall further in the coming quarter



3 Improvement in **current cash flow positions** for a second straight quarter



Retail and tech are showing resilience while manufacturers display weak start

Retailers and tech indices improved q/q – which is a sign of policy support quietly seeping through

Current performance

↑ 0.9

Retail

↑ 1.1

Tech

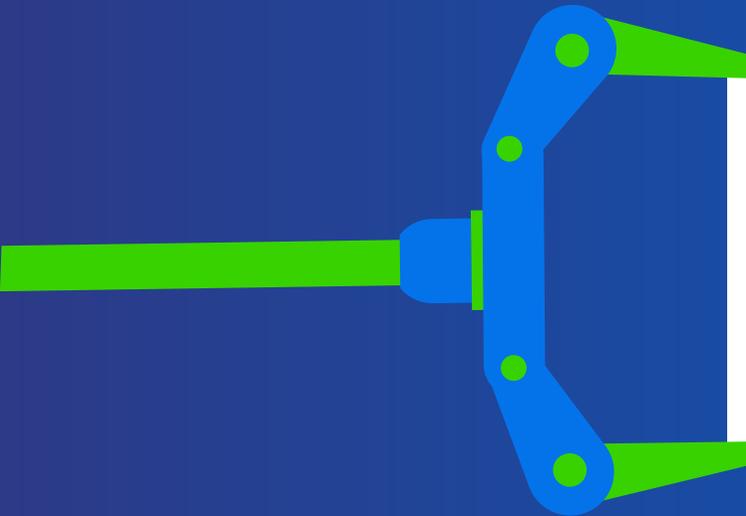
Expectations

↑ 2.9

Retail

↑ 3.8

Tech



'Manufacturing and trading' saw the worst expectations reading among industries,

↓ 6.1

Unfazed CNY confidence

Majority of respondents expect USD-CNY to trade between 6.80-7.20 for much of 2023



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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