

CHINA REMAINS HOT SPOT FOR AMERICAN MANUFACTURING COMPANIES, HSBC SURVEY

31 August 2016 – New York – Nearly half of American business executives name China as the top location for their sourcing (46%) and manufacturing (50%) operations, according to a recent survey of mid-market companies conducted by the Economist Intelligence Unit (EIU) for HSBC.

The survey, [“US Mid-Market Enterprises: Confident in overseas in investments: 2016.”](#) gathered insights from 304 senior US executives across multiple sectors, covering businesses with annual revenues from \$20 million -- \$1 billion. Executives from the consumer goods, pharmaceuticals, biotech, retail and healthcare sectors were among the most bullish about their current and future China strategy, with more than half (53%) indicating plans to increase their investments in China for the remainder of the year.

Martin Richards, Head of Corporate Banking for HSBC in the US believes investment opportunities from US companies into China remain strong despite a tumultuous first half for global markets.

“The results confirm what we are hearing from our American clients: that at the senior-most levels, companies are optimistic about the commercial opportunities in China, and remain ready to invest there.” he said.

Richards continued: “Senior executives’ focus on driving more investment activity into China may also reflect that the Chinese manufacturing sector has been more buoyant over the last few months,” noting the latest purchasing manager’s index (PMI) marking its highest reading since February 2015.

According to the survey the most important factors for expansion were: consumer confidence (30%) and overall country stability (30%) while ease of doing business (29%) and infrastructure quality (27%) followed close behind.

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Notes to editors

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About the survey

HSBC commissioned the Economist Intelligence Unit to understand senior business executives’ international business plans. The survey gathered responses from more than 300 mid-market company executives in the US with annual revenues between US\$20m-US\$100m. Respondents spanned multiple

sectors, including: the consumer goods and retail sector; energy and natural resources; healthcare, pharmaceuticals and biotechnology; IT and technology; manufacturing; professional services. The majority of respondents were C-suite executives; and senior vice presidents or vice presidents. 20% of respondents were from companies with \$20m-100m in annual revenue, 60% from companies with \$100m-500m in revenue; and 20% from companies with \$500m-1bn in revenue. For more information visit http://cmbinsight.hsbc.com/EIU_Survey.

About the Economist Intelligence Unit

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The Economist Intelligence Unit is the world leader in global business intelligence. It is the business-to-business arm of The Economist Group, which publishes The Economist newspaper. The Economist Intelligence Unit helps executives make better decisions by providing timely, reliable and impartial analysis on worldwide market trends and business strategies. More information can be found at <http://www.eiu.com/> or <http://www.twitter.com/theeiu>.

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