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Trade Tensions Don't Distract from Pursuit of China's Consumers, According to New Survey from HSBC

US firms believe Chinese consumers aged under 30 will be most influential

NEW YORK – Although trade tensions between the world's two largest economies have flared in recent months, 58% of US businesses currently exporting to China say they are likely to expand their businesses there in the next three to five years, according to HSBC's first [Navigator: Made for China survey](#).

China is also projected to be the most important market for future sales for two-fifths (40%) of US businesses considering China as a future export market, higher than the global average (29%). Regarding future growth, nearly 61% of US firms believe that Chinese consumers under 30 years old are going to be the most influential in driving growth for their business in China. This compares to 32% of US firms who believe the same for Chinese consumers born in the 1980s, 1970s and 1960s.

"US businesses recognize that younger Chinese consumers are an important part of their future growth," said Jaron Campbell, US Head of International Subsidiary Banking, HSBC Commercial Banking. "As China's economy continues to evolve, US companies are taking steps to ensure that they are able to capitalize on the rising importance of this demographic."

Interestingly, bilateral agreements (41%) were cited as the third trade pact thought to help companies drive business growth in China. The top two included Mainland and Hong Kong Closer Economic Partnership Arrangement or CEPA (54%) and the Regional Comprehensive Economic Partnership or RCEP (43%).

Other key findings:

- Top three challenges for company's growth in China include; ability to adapt to Chinese tastes (35%), international competitors (35%) and regulatory requirements (33%)
- Among US businesses currently selling or exporting to China, 42% say that it is the most important market for them
- The top factor driving future growth of sales in China is US firm's ability to provide specialist expertise to customers in China (45%)
- For more than half (55%) of the businesses currently exporting to China competitive pricing is the top requirement for Chinese customers
- 38% feel that technology services will be the fastest growing industry sector in China followed by consumer electronics (27%) and consulting services (19%)

Note to Editors:

HSBC has launched [Made for China](#), a global survey looking into the outlook of businesses either already selling/exporting to China or those considering doing so. The research has been undertaken on behalf of HSBC and asks key decision makers or those having significant input into the decision making process in eligible companies.

They are either currently selling/exporting to China or considering doing so. The study covers the following areas:

- Importance of selling/exporting to China
- Factors driving growth in selling/exporting to China
- Challenges in selling/exporting to China and to further drive growth
- Strategies and sales channels to China
- Fastest growing sectors / consumer generations in consideration of selling/exporting to China

A total of 11 markets were surveyed in September 2018. These include USA, Canada, Mexico, France, Germany, UK, Australia, Hong Kong, Malaysia, Singapore and the UAE.

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