

Trading with China

Stuart Tait, Regional Head of Commercial Banking, Asia-Pacific, HSBC

In our *Trading with China* report, we surveyed nearly 1,800 companies from all around the world. Two-thirds of them are currently trading with China, and the remaining third aren't trading with China yet, but they intend to start in the next 3-5 years.

Of the companies that are currently trading with China, more than 60 per cent are buyers and sellers of goods. Now that isn't all that surprising, given that China is the world's largest trader of goods. But what's really interesting is that of the companies that aren't trading with China but intend to start, nearly half of those are service providers. And that speaks to the massive potential of China's services economy.

China as a place to do business has so much to offer. The growing consumer demand is just one of them. But equally important are the partnership opportunities available to businesses from around the world. There's a vast number of suppliers and partners already in China, plus there's a strong innovation culture and a growing consumer demand. These, all together, make China a really attractive place to do business.

Sustainability is definitely becoming less of an environmental factor and much more of a business consideration. And that's all the more so in China, where businesses see sustainability as one of the most important drivers for their business growth. When trading with China, it's really important to bear in mind that Chinese companies see sustainability as essential to their long-term viability – more so than their global peers.

The pressure to become more sustainable comes mainly from their competitors. The two go hand in hand. Becoming more sustainable brings you competitive as well as reputational advantages, but it also improves operational efficiency and transparency. So if you want to trade more with China, it's really critical that sustainability is implemented in your business.