

26 June 2019

Asian companies prioritise technology, sustainability and people as drivers of future growth, HSBC research

More than half of Asian businesses investing in upskilling and digital transformation

50% of Asian businesses elevating commitment to sustainability

Businesses across Asia increasingly believe the strongest opportunities for future growth lie in technology, sustainability and developing talent to harness digital advancement. While more than a third of Asian businesses are prioritising expansion into new markets, even more are turning their attention to improving productivity and new technologies, according to a new global survey by HSBC.

These are key findings from *'Navigator: Made for the Future'*, HSBC's latest survey of more than 2,500 companies across 14 markets globally – including over 1,300 firms from seven major economies in Asia-Pacific.

Innovation underpins growth for Asian businesses

The survey reveals that 43% of companies in Asia are citing innovation as fundamental to future success, compared to companies in Europe (42%) and North America (29%).

The majority of markets in Asia cited innovation as their top investment priority, focusing on two pillars – people and platforms – both largely in line with global findings.

Stuart Tait, Regional Head of Commercial Banking, Asia-Pacific, HSBC believes Asian businesses are more buoyant about their prospects than the rest of the world given the economic vibrancy of the region. "With rising urbanisation, a growing middle class as well as upbeat intra-Asia investment and trade activity, businesses are seeing more opportunities than threats on the horizon," said Tait.

Tait also believes companies in Asia are staying agile in response to their fast-evolving customer base. "Asian businesses are attuned to disruption, and recognise that productivity and new technologies are critical to prosperity and longevity," he added.

Shift to sustainable investing in Asia

According to the research, 44% of Asian businesses expect to grow by three to five percent over the next two years, making them more bullish than their European (32%) and North American (30%) peers. To help drive this growth, companies in Asia are honing in on environmentally and socially responsible opportunities.

According to Tait, the strategy for Asian businesses is not hinged on growing at all costs. "To be 'Made for the Future', businesses are doubling down on sustainability, with 50% of companies planning to increase their sustainability investments."

The findings also reveal a contrast amongst Asian businesses' appetite for sustainability compared to companies in Europe (39%) and North America (45%). Of the Asian markets surveyed, businesses in India (59%), Indonesia (57%) and mainland China (60%) are leading the pack.

Are you 'Made for the Future'?

According to the survey, technology is driving a structural shift in the future workforce in Asia. Companies have a dual-objective for technology: driving customer-centricity and upskilling their people.

Reflecting on customer-centricity, more than three in four Asian businesses (78%) believe the integration of new technologies will help their people better understand customer needs.

Furthermore, the survey found that digital transformation is impacting the skills people need to compete in the future. In Asia, companies are investing in digital marketing skills (21%), sustainable business practices (17%) and systems-design thinking (18%), which is in line with peers in Europe and North America.

Commenting on Asia's workplace of the future, Tait said: "A business is only as strong as its people. As technology evolves, the time is now for organisations to equip their people with technology-led training so they can advance in lockstep."

"Businesses are putting their people at the heart of what they do. It's clear Asian companies see upskilling and technology as the key to 'future proofing' their business, strategy and people," Tait concluded.

Interviews for the '*Navigator: Made for the Future*' survey were conducted in Australia, Canada, mainland China, France, Germany, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, the UAE, the UK and the USA in May 2019.

ends/more

Media enquiries to:

Uyen Mai	+028 35203273	uyenmai@hsbc.com.vn
Alan Ho	+852 2822 4941	alan.s.y.ho@hsbc.com.hk
Dominique Kuhne	+852 3945 1064	dominique.helene.kuhne@hsbc.com.hk
Annie Richardson	+852 2822 4911	annie.richardson@hsbc.com.hk

Note to editors:

About Navigator: Made for the future

HSBC's '*Navigator: Made for the future*' report is based on research commissioned by HSBC and conducted by Kantar. It surveyed over 2,500 businesses with turnover of USD5m or above from 14 key markets globally, including: Australia, Canada, mainland China, France, Germany, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, UAE, UK, USA.

Survey respondents were key decision makers and those having significant input into the decision making of their company's strategic direction. The survey gauges sentiment and expectations of the businesses in the near to midterm future, and covers business outlook, future of business in terms of opportunities & threats, investment priorities and changes foreseen in the future; as well as business innovation and workforce, sustainability and success factor for the future.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves our customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide in 66 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and

North Africa. With assets of US\$2,659bn at 31 March 2019, HSBC is one of the world's largest banking and financial services organisations.

HSBC Commercial Banking

For over 150 years we have been where the growth is, connecting customers to opportunities. Today, HSBC Commercial Banking serves around 1.5 million customers across 53 markets, ranging from small enterprises focused primarily on their home markets through to corporates operating across borders. Whether it is working capital, term loans, trade finance or payments and cash management solutions, we provide the tools and expertise that businesses need to thrive. As the cornerstone of the HSBC Group, we give businesses access to a geographic network covering more than 90% of global trade and capital flows. For more information visit: <http://www.hsbc.com/about-hsbc/structure-and-network/commercial-banking>

ends/all