

Standard Chartered Hong Kong SME Leading Business Index

Results

Q2 2024



Background

- The “Standard Chartered Hong Kong SME Leading Business Index” is independently implemented by Hong Kong Productivity Council and sponsored by Standard Chartered Bank (Hong Kong) Limited.

Survey Objectives



- To analyse Hong Kong SMEs’ confidence in the recent business environment

- To explore the views of Hong Kong SMEs in response to the measures in The Budget

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Results

Q2 2024



Key Findings of This Quarter



Overall Index was **47.3** for Q2 2024, rebounded by 3.6 from the previous quarter and up to the level in Q4 2023



89% of SMEs expressed that at least one of the measures in “The Budget” could boost the overall economy



Over a quarter of SMEs hoped that the Government would provide "Technology / Digital Transformation" Support

Overall Index in Q2 2024

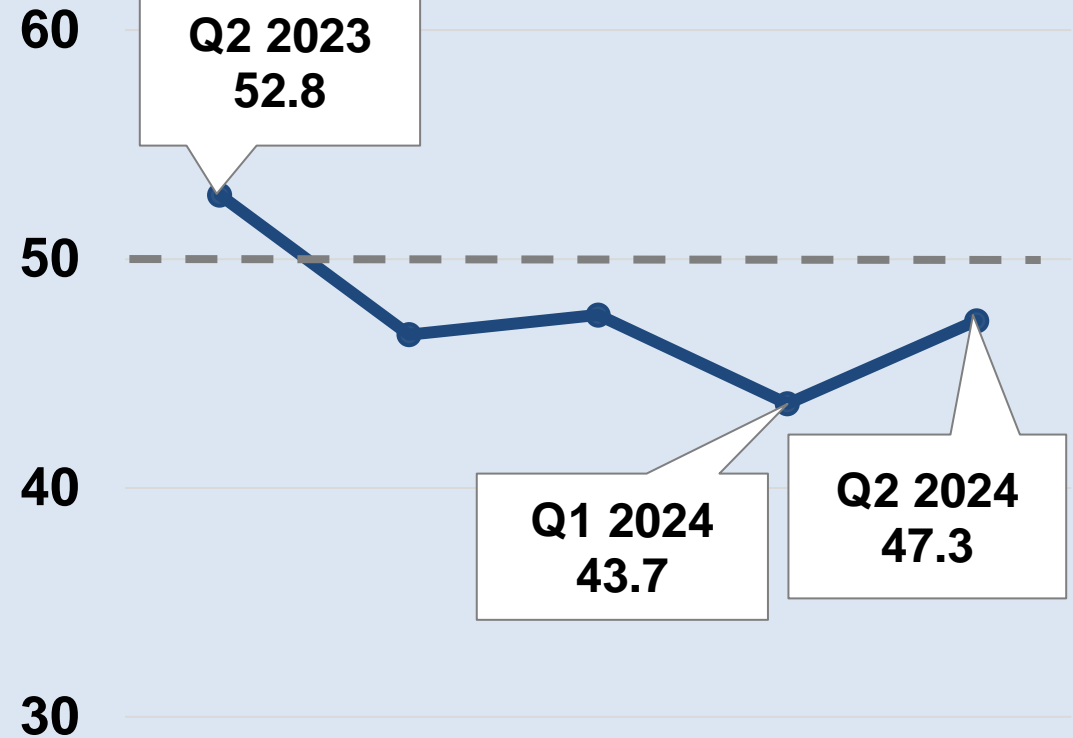
Quarter-over-quarter
increase

47.3

3.6

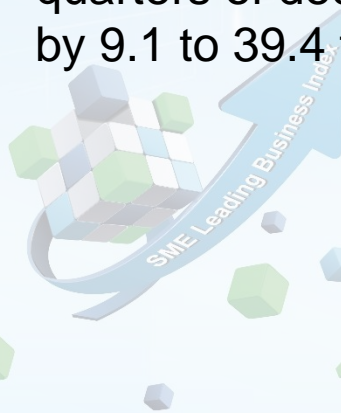


Overall Index

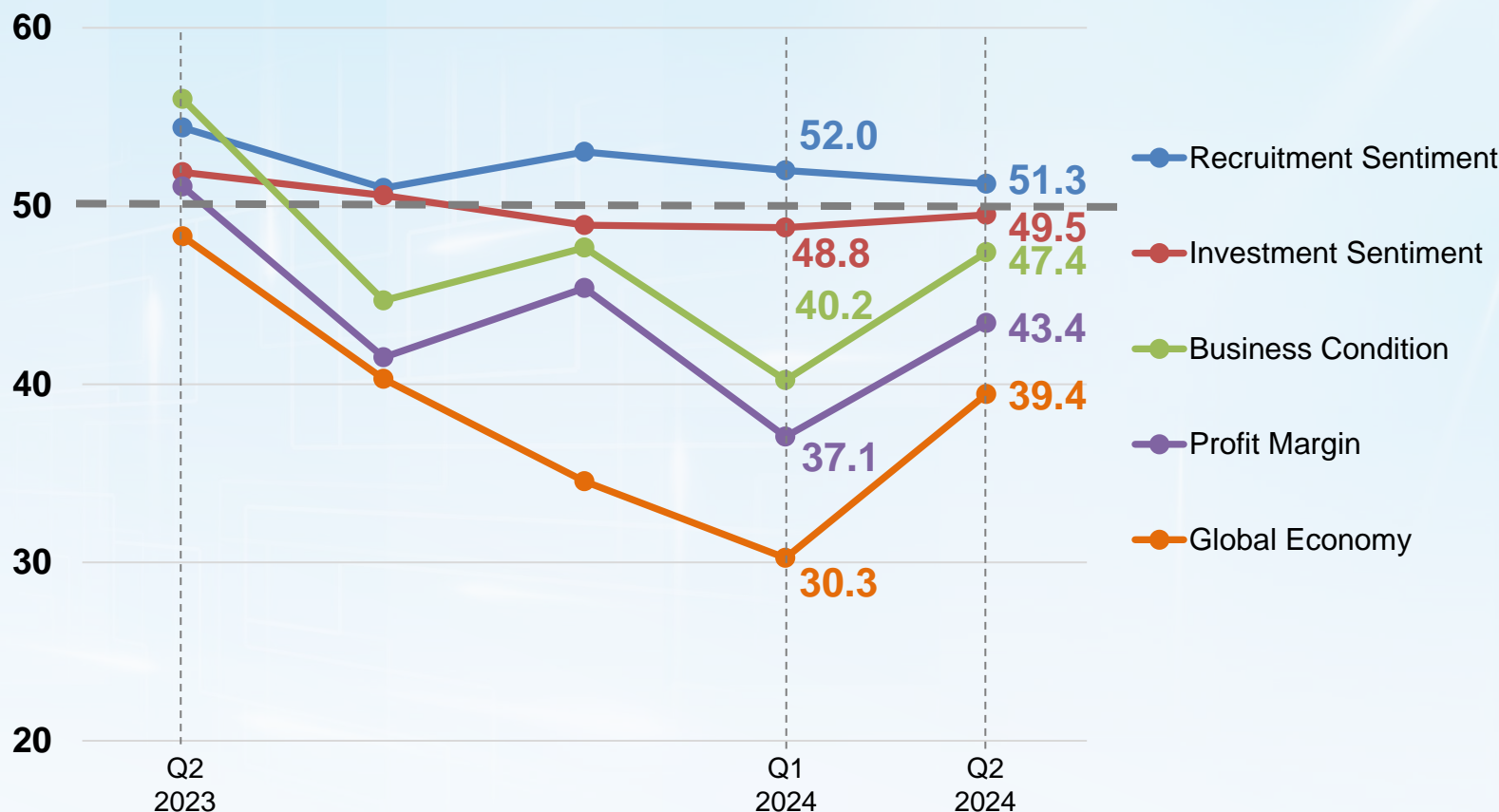


Five Component Sub-Indices of Overall Index

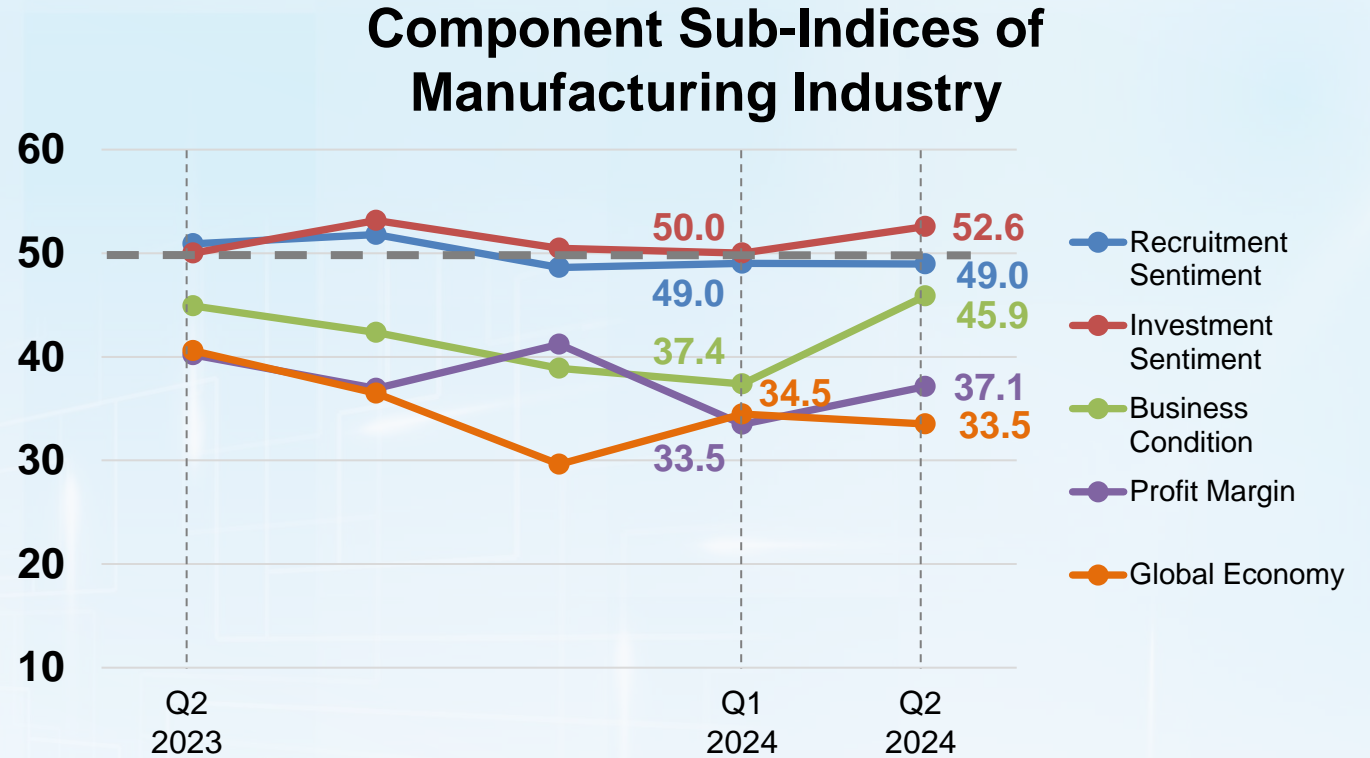
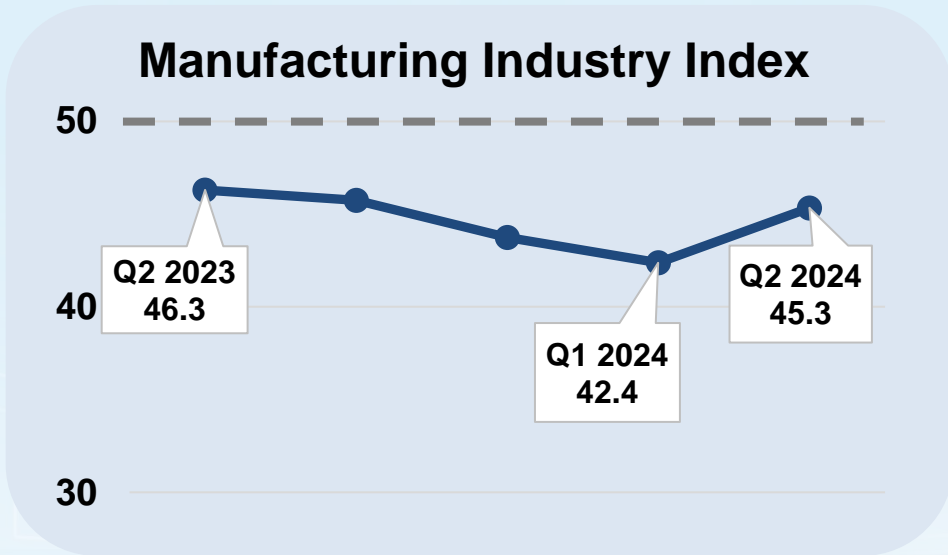
- Except for “Recruitment Sentiment” which recorded a slight decline, all other component sub-indices rebounded this quarter and up to the level in Q4 2023, reflecting that SMEs have become more optimistic on their business turnover this quarter
- Notably, “Global Economy” stopped declining after three consecutive quarters of decline, and rebounded by 9.1 to 39.4 this quarter



Five Component Sub-Indices of Overall Index

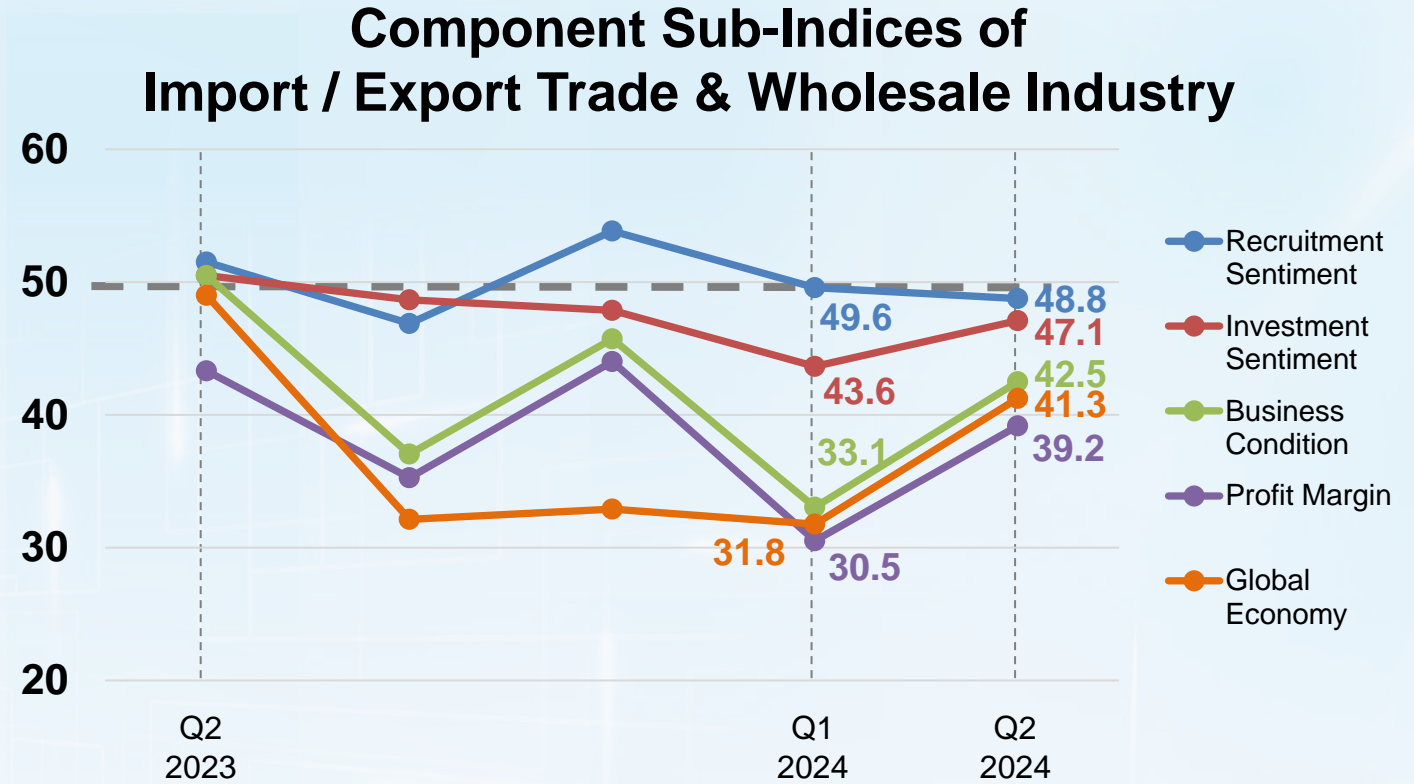


Manufacturing



- The Manufacturing Industry index rebounded by 2.9 to 45.3 this quarter, returning to a similar level as Q2 2023
- "Investment Sentiment", "Business Condition" and "Profit Margin" sub-indices increased this quarter, while "Global Economy" suffered a decline this quarter

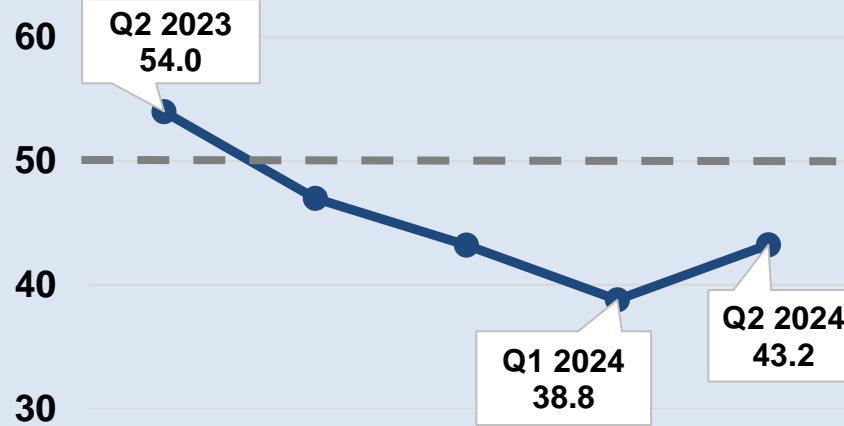
Import / Export Trade & Wholesale



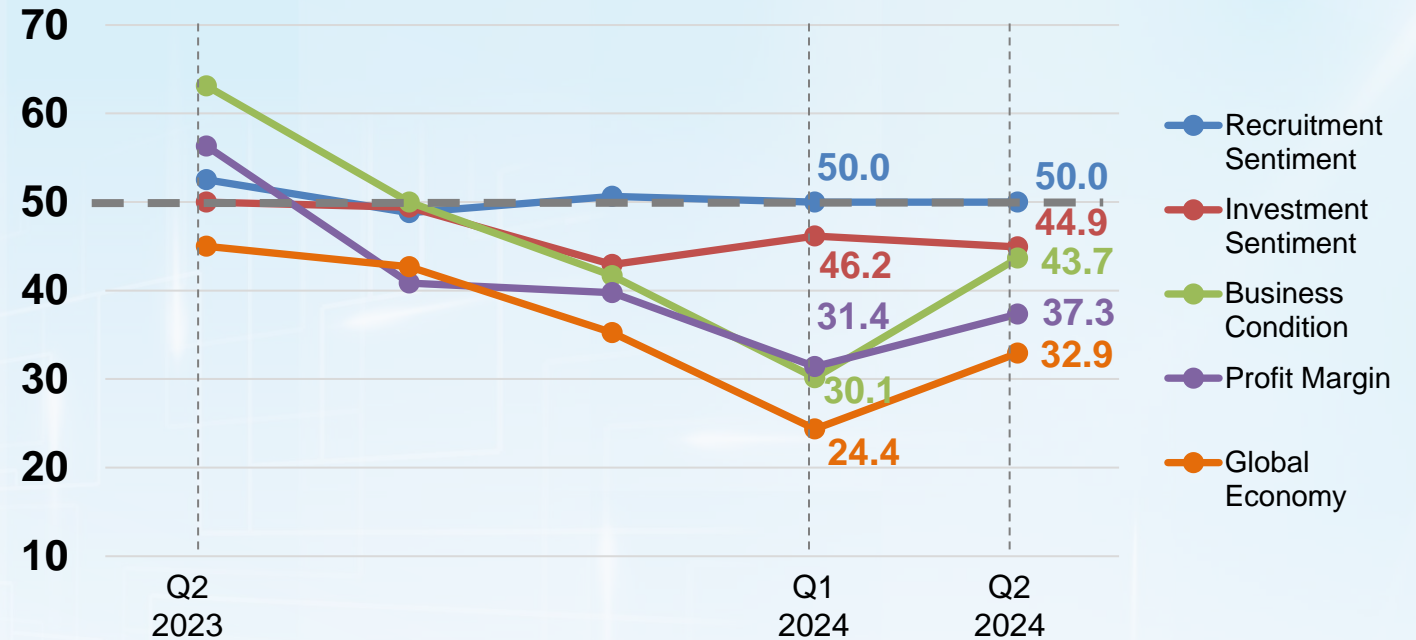
- Industry index of Import / Export Trade & Wholesale Industry increased by 5.2 to 44.4 this quarter
- Except for “Recruitment Sentiment” which was slightly down to 48.8, all other component sub-indices registered increments

Retail

Retail Industry Index



Component Sub-Indices of Retail Industry



- The Retail Industry index was up by 4.4 to 43.2 this quarter, returning to a similar level as Q4 2023
- In particular, “Business Condition”, “Profit Margin” and “Global Economy” recorded uplifts of 13.6, 5.9 and 8.5 respectively

Industries with the Largest Changes

Industry Recording the Largest Increase



Industries Recording the Largest Declines



Expectation towards Changes on Investment

92%

SMEs expected to maintain or increase their overall investment

Top 5 Industries Expecting to Maintain or Increase on the Overall Investment

1 Information and Communications 98%

2 Financing and Insurance 97%

2 Social and Personal Services 97%

3 Real Estate 96%

3 Construction 96%



Expectation towards Changes on Investment

Most SMEs expected to maintain or increase investment in the following items:

IT System

Marketing Promotion
(Online / Offline)

Significant Growth
in This Quarter

Research and
Development

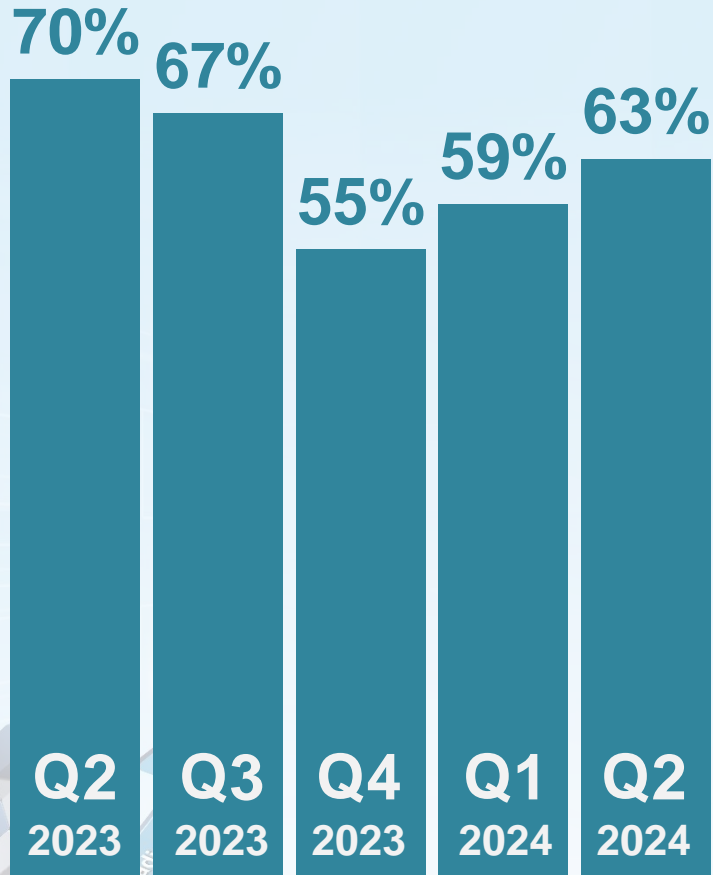
Training Related to
E-commerce
or Digital Technology

Overall Staff Training

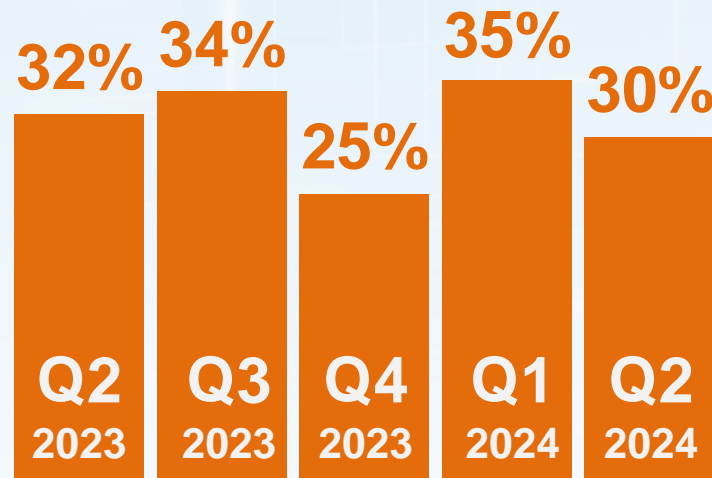
Facilities and
Equipment

Expectation towards Increase on Raw Materials Cost, Staff Salary and Price Factors

Proportion of surveyed SMEs:



Raw Materials Cost Increase



Staff Salary Increase



Product / Service Price Increase

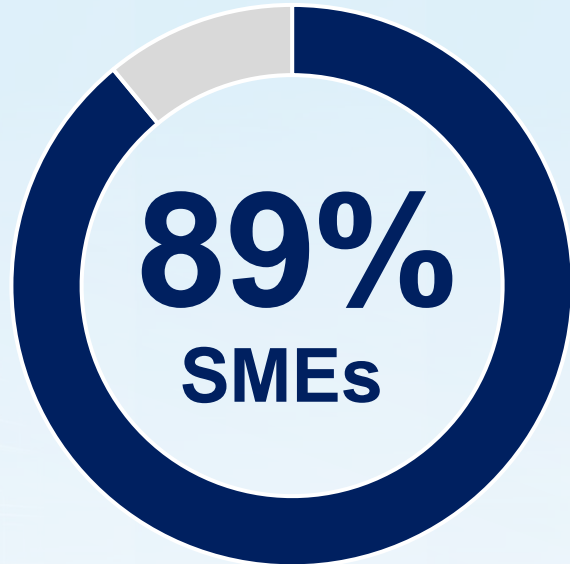
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Thematic Topic

**Hong Kong SMEs' views
in response to the measures
in The Budget**



SMEs' Views on the Measures in "The Budget"



Expressed that at least one of the measures in "The Budget" could boost the overall economy

Measures that most SMEs believe can boost the overall economy:

- 1 Offering loans / funding support to SMEs
- 2 Reduction of rates, salaries tax and profits tax
- 3 "Revocation of harsh measures" in the property market
- 4 Organising international conferences and exhibitions
- 5 Strengthen tourism development and organise events

SMEs' Views on the Measures in "The Budget"

Measures that most SMEs believe can boost the overall economy:

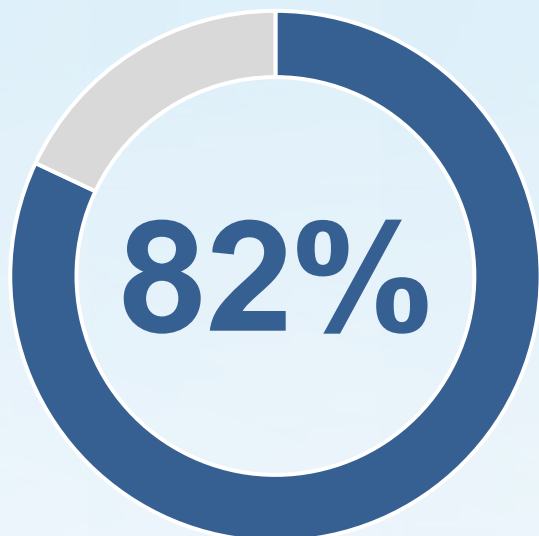
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71% of "Real Estate"
Indicated that it would be helpful to the company

53% of "Accommodation and Food Services"
Indicated that it would be helpful to the company

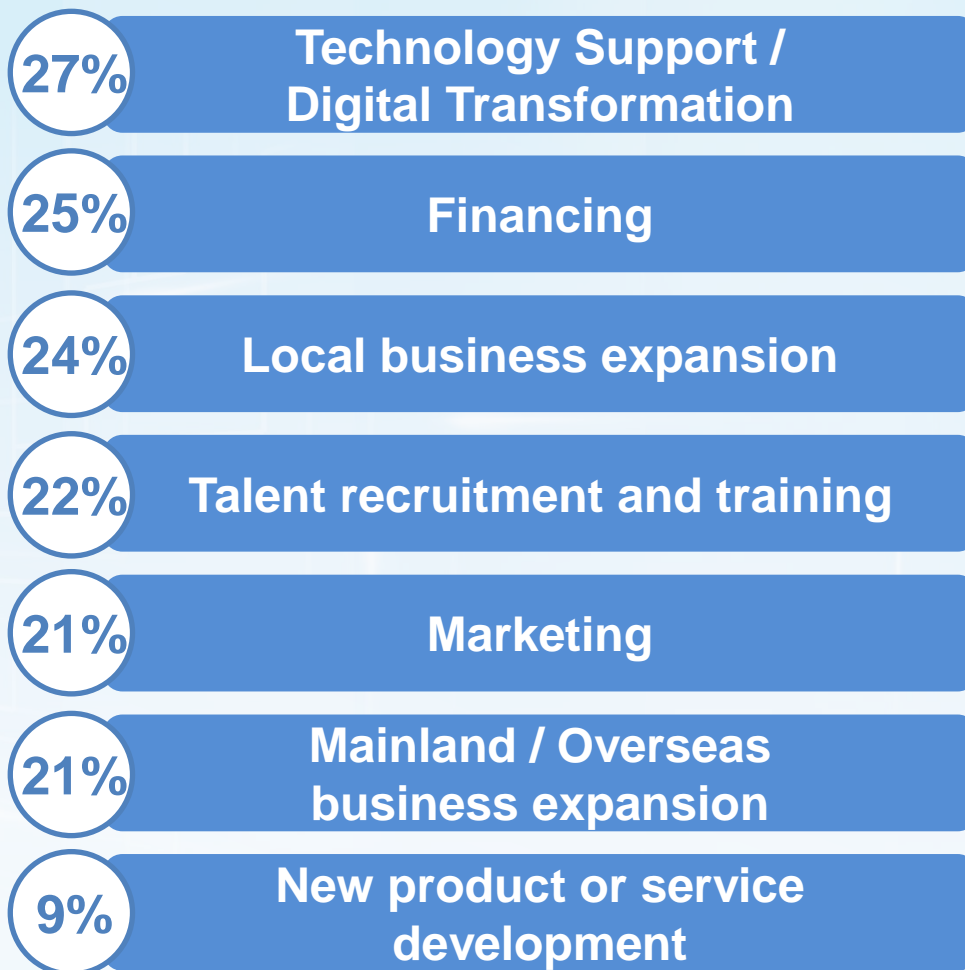


Government Support needed by SMEs

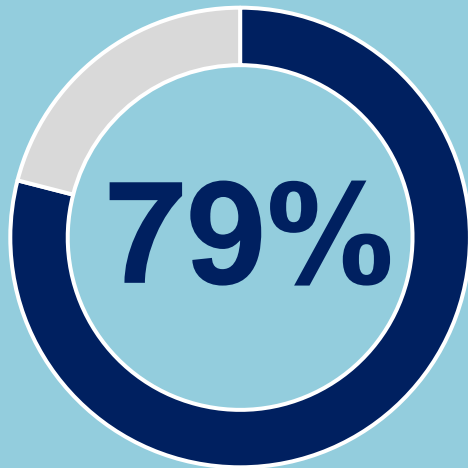


82%
of SMEs hoped
the Government
would provide support

Areas that SMEs needed support:



SMEs' Awareness of Government Funding Schemes



of SMEs indicated that they were aware of at least one funding scheme provided by the Government

Most known Government funding schemes among SMEs

SME Financing Guarantee Scheme

Technology Voucher Programme (TVP)

SME Export Marketing Fund (EMF)

BUD Fund

Level of Difficulty in Borrowing or Obtaining New Funds among SMEs in P12M

