

For immediate release

Greater Bay Area start-ups optimistic on growth prospects *Nearly one in five entrepreneurs expect revenue to double in three years*

15 November 2021 – Most start-ups in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) are optimistic about their growth prospects, a joint survey by the Hong Kong Trade Development Council (HKTDC) and HSBC shows. Of all the respondents, 71% expect annual revenue to grow more than 25% in the next three years, with 18% anticipating revenue to more than double.

With a massive population of more than 86 million, robust consumption driven by an expanding middle class, and fast-growing innovation and technology (I&T) adoption, the GBA offers tremendous business opportunities, the start-up community believes. Biotechnology start-ups were the most optimistic, with nearly 30% of respondents expecting revenue to double in the next three years. In addition, about 30% of GBA start-ups plan to expand in the next three years. While Hong Kong start-ups eye opportunities in Shenzhen, mainland start-ups plan to tap into Guangzhou and Zhongshan.

HKTDC Director of Research **Nicholas Kwan** said GBA cities strive to nurture start-ups through a range of policy measures and funding schemes, providing new impetus for economic growth. “The Greater Bay Area brings together the advanced manufacturing, professional services and I&T industries, which leverage their respective strengths to achieve integrated development. This will further enhance the overall competitiveness of the Greater Bay Area,” he said.

Christina Ong, Head of Business Banking, Commercial Banking, Hong Kong, HSBC, said: “With combined strengths of an international capital market for fundraising, research capabilities and an enormous consumer market, the GBA is a strong breeding ground for entrepreneurs and start-ups with a vibrant and diversified ecosystem. Through fostering collaboration with key ecosystem partners such as HKTDC, HSBC is committed to help companies unlock the huge potential in the city cluster.”

Funding boost needed

Most (81%) respondents were satisfied with the start-up ecosystem in their respective city. Start-ups in new retail sector were most satisfied with the ecosystem, with 90% giving a score of seven or more out of 10; followed by respondents from sectors of new economy (86%) and I&T and hardware (85%). Funding to support their business ambitions tops the start-ups’ agenda. Respondents named inadequate funds (56%), market uncertainty (31%) and keen market competition (31%) as key factors affecting expansion plans.

Strong demand for Hong Kong services

More than 80% of respondents will use Hong Kong services in the next three years, mostly banking services (such as trade financing, cross-border settlement and lending), followed by accounting, auditing and tax consulting services (such as due diligence); exhibition and trade fair services, as well as other professional services (such as advertising, marketing, testing and certification). The Hong Kong banking services most used by respondents were trade-related services (36%) such as import and export financing, insurance claims and letters of credit.

Mr Kwan believed Hong Kong can offer reliable, efficient and quality services to GBA start-ups as the city’s professional services are in line with international practices, and a large pool of experienced talent familiar with both overseas and mainland markets supports the sector. Hong

Kong is the world's largest and most important offshore renminbi (RMB) business centre, he said, and has an internationalised financial regime with a stable financial market, many GBA enterprises use Hong Kong as a platform for fund-raising and overseas expansion.

Ms Ong added: "Hong Kong continues to bolster its role as an international financial centre and a key gateway for companies that look to expand in the GBA. The acceleration of cross-border business activities is set to fuel the demand for seamless financial solutions and dedicated support from the professionals."

Diverse strengths

Survey respondents saw unique advantages in different GBA cities, with Hong Kong having a sound intellectual property protection system, world-class scientific research capabilities, robust financial regulation and internationalised service industries. Shenzhen has first-rate scientific research facilities and abundant research and development (R&D) talent, while Guangzhou is the national base for advanced manufacturing, with sophisticated supply chains and production support facilities, boosting technology transfer and application for start-ups.

Mr Kwan concluded: "In the framework of cooperation between GBA cities, Hong Kong can leverage its R&D strengths as well as its roles as an internationalised city and international financial centre to bring together innovation resources from the region and other parts of the world to promote the development of the GBA start-up ecosystem. Hong Kong and Shenzhen can further step up their cooperation in technology commercialisation."

The HKTDC conducted a survey in August and September 2021 to assess the start-up ecosystem in the GBA. A total of 308 GBA start-ups operating in various sectors - including new economy, information technology and hardware, innovative and professional services, and biotechnology - that had been established no earlier than 2016 were interviewed by phone or online. They were asked to rate their respective GBA city, in terms of R&D environment, business environment, funding support and entrepreneurship support. The study also featured in-depth interviews with 10 entrepreneurs as well as representatives from incubators and start-up platforms to gauge their views on Hong Kong as a start-up platform in the GBA.

Photo Download: <https://bit.ly/2YKYz0M>



Christina Ong, Head of Business Banking, Commercial Banking, Hong Kong, HSBC, and HKTDC Director of Research **Nicholas Kwan** announce results of the survey on the GBA Start-up Ecosystem at a press conference today (15 November)



To view press releases in Chinese, please visit <http://mediaroom.hktdc.com/tc>

References

- HKTDC Research website: <http://research.hktdc.com/>
- Exploring Guangdong-Hong Kong-Macao Greater Bay Area Start-up Ecosystem <https://bit.ly/3c7O3DL>

About the HKTDC

The [Hong Kong Trade Development Council \(HKTDC\)](http://www.hktadc.com) is a statutory body established in 1966 to promote, assist and develop Hong Kong's trade. With 50 [offices](#) globally, including 13 in Mainland China, the HKTDC promotes Hong Kong

as a two-way global investment and business hub. The HKTDC organises [international exhibitions](#), [conferences](#) and [business missions](#) to create business opportunities for companies, particularly small and medium-sized enterprises (SMEs), in the mainland and international markets. The HKTDC also provides up-to-date market insights and product information via [research reports](#) and [digital news channels](#). For more information, please visit: www.hktdc.com/aboutus. Follow us on  Twitter @hktdc and  LinkedIn

About HSBC

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,969bn at 30 September 2021, HSBC is one of the world's largest banking and financial services organisations.