

## Corporates focus on China

(3 March 2010 - Australia) East & Partners' latest Trade Finance report shows that corporate businesses (those businesses with an annual turnover of \$20 – 340 million), are increasing their focus on China at the expense of the USA.

Back in February 2007, a mere 17.9 percent of corporate business stated that China was a key focus for their trading business. However, three years on, this figure has nearly doubled with 34.4 percent of Australian corporates now saying China is their key focus.

This is in stark contrast to the USA which has clearly fallen out of favour with Australian businesses in the \$20 – 340 million turnover segment. Back in February 2007, 15.5 percent of businesses viewed the USA as being a key focus for their business. However, in February 2010, this number has significantly reduced to just 11.3 percent of businesses.

Speaking about the February 2010 Trade Finance report, East & Partners' head of market analysis, Robert Morgan, said that while a significant number of companies from the top end of town have been focussing on China for some time, businesses from the lower turnover segments are now catching up.

"Our research shows that a significant number of the Top 500 companies in Australia have viewed China as being a key focus for some years now," Robert Morgan, East & Partners' head of market analysis said.

"However, a growing number of businesses from the lower turnover segments are now diverting their attention to China seemingly away from the USA. We are seeing this trend begin to emerge even in the SME segment," Mr Morgan went on to say.

"Interestingly enough, at the same time we are seeing businesses in the lower turnover segments place more importance on a bank's global representation than ever before, a clear leverage point for trade financiers who are able to demonstrate their global reach," Mr Morgan concluded.

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### **About East & Partners' Australian Trade Finance Markets Program**

Australian Trade Finance Markets is East's ongoing six-monthly research service focusing on the Top 500 institutions and a structured sample of the corporate businesses with annual turnover between A\$20 and 340 million. From August 2008, the program has also included full coverage of the SME (A\$5 to 20 million annual turnover) market segment.

Each analysis report covers a range of metrics including market share, share of wallet, product penetration, export/import regions, supplier share of mind and customer satisfaction with service performance.

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