

Made for China

Helen Wong, Chief Executive Office, Greater China, HSBC

Helen Wong: Today the middle class Chinese are not just getting richer, they are becoming more health conscious, they are more concerned about the environment, so they are buying not just avocados, they are buying home electronics, they are buying things that perhaps generate less waste.

They are buying things that are good for health. For example, supplements. And so in a way the Chinese are not the rich crazy Asians that are buying luxury goods but they are spending perhaps more like the middle class of the Western world.

So according to government estimates, China is going to import something like USD8 trillion of goods during the years 2018 to 2022, which measures into USD1.6 trillion a year. That is equal to the GDP of perhaps South Korea. It does indicate how big the opportunity is for multinational companies wanting to trade with China.

Text on screen: Chinese consumer appetite is shifting – what does this mean for business?

Helen Wong: We're all familiar with the term "made in China". The new paradigm is "made for China". This illustrates the change of consumption in China and with that – international business doing business with China has to understand e-commerce as well.

Platforms like Alibaba and JD.com, et cetera, have offered a chance for the consumers in China to buy on a more broad basis. It has to achieve that through a very good delivery system as well. So today not just the middle-income class along the coastline can consume on a broad basis, but if you look inland, actually anyone can also buy through e-commerce. For example, high-quality milk powder and diapers for babies, where a lot of times actually goods are delivered to village centres or actually by tricycles. So understanding that change of consumption pattern is very important for international business wanting to do business with China. It's about the way they buy, the way they spend and also the consumption power generated by the newer generation that were born in the '80s and the '90s.

Text on screen: Together we thrive.