

For Release**NEWS RELEASE****30th August 2023****HSBC sees great trade prospects between China and MENAT**

Shanghai/Dubai: The economic corridor between China and the Middle East, North Africa and Türkiye (MENAT) region is set to see business and investment flows accelerate substantially in the coming five years according to a new HSBC report titled, The China-MENAT Corridor: Unlocking Growth Potential.

The report was released at HSBC's China-MENAT Summit in Shanghai and Beijing, where HSBC's Regional Chief Executive for MENAT and senior members of the bank's regional leadership team, presented their expert view on the Middle East's economic transformation to clients, including entrepreneurs, sovereign wealth funds, investment agencies and government representatives.

Addressing business leaders, Stephen Moss, Regional Chief Executive, Middle East North Africa and Türkiye (MENAT), HSBC Bank Middle East, said: "The MENAT region is witnessing unprecedented economic change and transformation, led by Saudi Arabia and the UAE, and we're seeing robust growth momentum driven by a vision to diversify economies and spearhead energy transition. This is an opportune time for Chinese investors and businesses to make inroads into the Middle East, to capture inbound and outbound investment opportunities. HSBC's long heritage and strong presence in both markets, and our international network covering more than 90% of global GDP, trade, and financial flows, put us at the forefront of connecting clients to the exciting opportunities emerging in capital markets, international investments, technology, infrastructure, and energy transition along this vibrant economic corridor."

HSBC's report presents the current state of trade and investment between MENAT and China. It details the growth in trade between MENAT and China and the foreign direct investment flows between them, while considering how their respective energy resource and manufacturing strengths offer scope for increased economic and business collaboration.

Trade between the Gulf Cooperation Council (GCC)¹ and China surpassed GCC trade with the US and Euro Area combined for the first time in 2021², and there is US\$178 billion in untapped trade potential between China and MENAT between now and 2027³. China is Saudi Arabia's largest trading partner in the Middle East, and bilateral trade between the two countries reached US\$106 billion in 2022⁴. The UAE stands as China's second-largest trading partner in the Arab world with the value of non-oil trade between the two countries exceeding US\$72 billion in 2022, reflecting an 18 per cent growth from 2021⁵.

¹ GCC comprises of six arab countries: UAE, Saudi Arabia, Qatar, Kuwait, Bahrain and Oman

² IMF's Direction of Trade Statistics Database. Data points extracted in August 2022.

³ ITC Export Potential Map

⁴ [ITR 2022E_1_0.pdf \(stats.gov.sa\)](#)

⁵ <https://www.moec.gov.ae/en/-/uae-and-china-discuss-investment-opportunities-in-new-economic-sectors-trade-transportation-technology>

Mark Wang, President and Chief Executive Officer of HSBC China, said: "We have seen growing interest from Chinese clients in tapping into MENAT's tremendous market potential when innovation and sustainability continue to drive growth across the region, particularly in the burgeoning new economy sectors. There's synergy between the two emerging markets with Chinese corporates bringing in expertise in digital innovation, climate tech and new business models, as MENAT's investor base, demand for renewables and a growing young population offer essential capital and market opportunities."

Commenting on the report, Todd Wilcox, Deputy Chairman and Chief Executive Officer, HSBC Egypt, said: "Egypt has played an important role in China's Belt and Road Initiative due to its strategic location that makes it a vital trade route connecting the Middle East and Africa. A growing number of Chinese investors are turning towards Egypt with more than 2,000 Chinese firms already operating in the country with investments of \$8 billion in various sectors⁶. This is the right time for Egyptian businesses to accelerate dialogue and engagement with Chinese investors to showcase the expansive trade and investment opportunities the country has to offer."

HSBC has a long-standing heritage in both MENAT and China, with its roots in China dating back to 1865 when it was established in Hong Kong and Shanghai, and its origins in the Middle East traced as far back as 1889. Today HSBC has a significant presence in MENAT in eight markets: Algeria, Bahrain, Egypt, Kuwait, Qatar, Saudi Arabia, Turkiye and the UAE, and is also a leading international bank in China. In Saudi Arabia, HSBC is a 31 percent shareholder of SAB (formerly known as Saudi British Bank) and a 51 percent shareholder of HSBC Saudi Arabia for investment banking in the Kingdom. As the largest international bank in Saudi Arabia, HSBC is ideally positioned to serve the multi-dimensional needs of Chinese businesses looking to invest in the Kingdom's fast-growing economy.

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Note to editors

⁶ <https://www.gafi.gov.eg/English/MediaCenter/News/Pages/GAFI-is-keen-to-provide-all-necessary-support-to-the-Chinese-companies-existing-in-Egypt.aspx>



HSBC in the MENAT region

HSBC is the largest and most widely represented international banking organisation in the Middle East, North Africa and Türkiye (MENAT), with a presence in nine countries across the region: Algeria, Bahrain, Egypt, Kuwait, Oman, Qatar, Saudi Arabia, Türkiye and the United Arab Emirates. In Saudi Arabia, HSBC is a 31% shareholder of Saudi British Bank (SABB), and a 51% shareholder of HSBC Saudi Arabia for investment banking in the Kingdom. Across MENAT, HSBC had assets of US\$71bn as at 31 December 2022. www.hsbc.ae

HSBC Bank (China) Company Limited

HSBC was one of the first foreign banks to locally incorporate its operations in mainland China, establishing HSBC Bank (China) Company Limited in April 2007. HSBC China's network currently comprises about 140 outlets across more than 50 major cities. HSBC China's head office is based in Pudong, Shanghai.

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