



Media Release

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ANZ-Roy Morgan develop new measure of Chinese growth as consumption expands

ANZ today announced the launch of China's first private Consumer Confidence Survey from a foreign bank in partnership with Roy Morgan Research. The survey will gauge sentiment in China's burgeoning consumer sector as economic growth rebalances and moves away from investment-led growth.

ANZ Chief Executive Officer Mike Smith said: "The survey will become an important new measure of China's economy as its development evolves to be led by consumption. Services overtook manufacturing in terms of share of Chinese GDP for the first time ever in 2013 and this is a trend we expect will strengthen over time," Mr Smith said.

"ANZ's strategy in China is aligned with this shifting paradigm and we believe this index will bring significant value to our global customer base, which is paying increasing attention to China's goods and services sector."

The survey will cover major provinces, regions and municipalities across China and deliver a comprehensive view of differences between consumer sentiments in top and lower tier cities.

ANZ's Chief Economist Warren Hogan said: "This index will provide a real-time indication of China's domestic demand helping policymakers, business and financial markets to better assess economic conditions. Consumer confidence and spending trends will become increasingly important in the future as the Chinese economy rebalances."

"With this launch we are also releasing an analysis of longer-term trends for the household sector and consumption in China," Mr Hogan said.

ANZ's Chief Economist for Greater China, Li-Gang Liu said the survey would provide a strong picture of private consumption growth over time and assist in forecasting trends.

"China's rising middle class will help drive the consumption growth. Over the next few years, 100m more middle-income households will enter the market and their spending will make up two-thirds of the total urban consumption, compared with just one-third in 2012. Of these households, the number of affluent that make up China's top 5% of income earners today will expand threefold by 2020, creating additional consumption demand of RMB6.5trn or about USD1trn in today's value," Dr Liu said.

ANZ and Roy Morgan currently produce Consumer Confidence Surveys for Australia, New Zealand, Indonesia and China, with plans to launch in seven additional Asian countries where ANZ does business over the next six months.

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