

Irish companies see China as land of opportunity



As celebrations draw to a close this month for the Chinese New Year, a business survey commissioned by supply chain services specialist, SerCom Solutions, highlights the strong interest among Irish-based companies in developing trading links with South East Asia - and, in particular, China.

Despite the current economic recession, over 80 per cent of survey respondents see China as an opportunity for business, as opposed to a threat - with 57 per cent of companies surveyed, currently doing business in Asia, in some shape or form.

The survey, which was conducted by the research team at the National Institute for Transport & Logistics (**NITL**), also set out to gauge the need for supply chains that are both sustainable - i.e. environmentally friendly, with reduced CO₂ footprint and less damaging to natural resources - and resilient - i.e. commercially efficient, robust, and meeting customer needs at an economic price. Being green and commercially efficient should not be mutually exclusive.

While the majority of companies surveyed (67 per cent) rate their company's environmental performance as strong - or very strong - almost 80 per cent agree that environmental and sustainability issues are likely to become more critical in the years ahead. According to respondents of the survey, some of the environmental/sustainability initiatives, likely to be introduced in the near future, include the use of alternative energy sources such as bio-fuels in transportation and the introduction and use of more biodegradable materials in products.

As supply chains become more complex as a result of global sourcing and the continued trend to '*leaning-down*', supply chain risk increases and, with this, the need to create more resilient supply chains becomes ever greater.

Based on the survey's findings, over 75 per cent of respondents stated that SCM resilience issues will become more critical as businesses today increasingly need to grapple with managing and mitigating a whole range of risk factors impacting on the business.

Commenting on the survey results, Kevin Vaughan, business development director at **SerCom Solutions**, said - "The results have clearly highlighted the need for companies to build-in more resilient supply chains - particularly in the current very difficult trading environment. These supply chains must have the ability to withstand disruptions, with minimal impact on the business and that can enable them to respond effectively to demand fluctuations.

"With so many risk factors in play from currency movements, interest rate changes, supplier management issues, quality control, energy and transport costs, right through to the more general financial, economic and political

climate, businesses must appreciate the necessity to evaluate all options."

He added - "The mindset of automatically moving operations to the low-cost locations must change to '*best value location*' - taking on board all the risk factors related to the sustainability of the business."

The survey was conducted online among public and private sector organisations.