

# Swot analysis rbc in china

[Countries](#), [China](#)



## Strengths

I. RBC, being Canada's number one organization, in terms of performance and profitability, is a brand with huge capital resources. The immense size and capitalization of RBC will allow for the organization to comfortably set up shop in China. Pending all legal and regulatory requirements, there will be sufficient funding made available from the organization's capital reserves.

II. Accelerated Economic Growth: The accelerated economic growth that exists in China favours RBC's entry into the country. The rationale for this is that economic growth or success directly or indirectly translates into a growing number of Chinese citizens who can afford banking services, and as such, they will be looking to banks and financial institutions that offer competitive rates.

III. RBC is a valued global brand that is capable of recruiting domestic (Chinese) partners to work collaboratively with. Via mergers or acquisitions or joint ventures with recognized Chinese cooperatives and financial institutions, the trust of the typical Chinese customer will be gained because they can relate or identify with an existing domestic brand, and this will probably rub off on RBC.

IV. With RBC being a multinational organization, it is in a qualified position to offer advice and consultation services to companies operating in China on aspects of international business. For the typical international client, RBC is seasoned in the area of creating foreign strategy – and this will be a characteristic the organization will have over many of its competitors.

## Weaknesses

I. While RBC might be well known in North America and the Western world, the same may not be the case in China. RBC would not be guaranteed success by relying solely on its reputation to promote or push its products and services to Chinese customers.

Opportunities I. Large Population: The immense size of China's population creates incredible opportunity for RBC to penetrate the Chinese banking industry. Also, China's economy indicates attractive future potential buying power, which is a positive attribute that fits into RBC's agenda for expansion into international markets.

II. Vast of Natural Resources: RBC is known for possessing conglomerate deals such as in petroleum and farming in Canada. The fact that China possesses plenty of natural resources creates a situation that RBC can visit once it has fully established itself in China. RBC's petroleum ventures have yielded the organization huge wealth in Canada, the resources that China possesses could certainly be capitalized on.

III. China, being an emerging economy presents an interesting and positive opportunity for RBC to capitalize on. The growing middle class suggests that more Chinese customers will be looking to own bank accounts as they

IV. The relatively lower salaries and wages is a benefit to RBC as it plans to employ local staff to occupy several positions that are essential to serving Chinese customers. Lower wages will be capitalized on even more, if RBC chooses to engage in building its original physical facilities.

V. Integration with Global Economy: With such stock markets as the Shanghai Stock Exchange, RBC's activities in China would be integrated with

ease into the global economy and other affiliated operations that are located outside the country.

### Threats

I. Disorderly Financial Sector: Compared to developed countries, the financial industry in China is lackadaisical. It is a threat to RBC because a disorderly financial sector hinders the flow of business operations in China. For RBC to excel to its full potential, this issue will need to be rectified with involvement of the Chinese government.

II. Cultural differences and traditional gap between values expressed in Canada and other western countries and China will have to be addressed by RBC in order for the brand to be desired by Chinese customers. China emphasizes collectivism and family togetherness, as opposed to individualism which is advocated by countries like Canada and the United States.

III. Political risks are prevalent in China due to the frequent interference of the government. Unlike Canada, where capitalism rules and businesses are allowed to operate freely, almost without boundaries, it will be tough for RBC to adjust to China's quasi-communist economy. Also, the lack of protection of intellectual property and the rapid internal changes of society will potentially negatively affect RBC's operations in China.

IV. The Chinese financial sector is crowded with intense competition, dominated by several Chinese banks and financial institutions. Precisely, 80 percent of banking activities are initiated by the top four domestic banks.

Shares of the remaining 20 percent are being competed for by other domestic and foreign banks.

V. Lackadaisical Accounting Standards: The fact that the accounting standards of China`s banking sector fall behind Western requirements, as well as the lack of modern financial reporting make the economy less attractive and poses less of an opportunity to RBC.