

Media Coverage

140 years on, HSBC plants new roots

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On this day (5 December) 140 years ago, HSBC opened its doors in Singapore.

The decision to do so for the (then) 12-year old Hong Kong and Shanghai Bank was pretty clear.

The port of Singapore was the largest trading hub along the Calcutta to Hong Kong spice route, and so our first branch on the island was launched to finance the growing trade across the corridor.

From 1885, Singapore's burgeoning rubber industry led to rising prosperity and attracted an increasing number of migrants looking for a better life. In this period, we provided loans to Chinese merchants and financed the import and export trade.

From 1881 until 1909, HSBC had permission to issue notes in Singapore which was significant in Singapore's economic development as the notes were trusted by local merchants as a stable and secure currency for transaction. As a reflection of the multicultural nature of Singapore, each banknote carried the many languages of the island - English, Chinese, Malay, Arabic, Tamil and Gujarati.

Showing the growing importance of Singapore to HSBC, we bought and built our first offices on a site at Collyer Quay in 1885. HSBC remains on the same site today having re-built on two further occasions to meet our growing needs.

The automotive industry's emergence in the early 1900s created a greater demand for Singapore's rubber and tin. In fact by 1918, rubber was 35 per cent of Singapore's total export trade, and HSBC was heavily involved in financing the industry.

Like many nations, Singapore needed to re-build after the Second World War. It did so by returning to what it did best - trade. During this period HSBC was handling 35 per cent of Singapore's foreign and trade exchange business.

Throughout the 1960s and 70s, Singapore embarked on a modernisation programme, establishing a manufacturing industry and developing large public housing estates. To reflect the changing face of the island, HSBC started to diversify into new services such as hire purchase and discount house activities.

HSBC also led technological advances in Singapore by introducing the first computerised accounting system in 1971 and the first automatic cash dispenser in 1972.

As Singapore's prosperity grew, it began to set its sights wider including aspiring to be a 'garden city': first earmarked by the Republic's founding father, Lee Kuan Yew, in the late 1960s. The greening of Singapore really began in earnest in the 1980s and 1990s as another wave of urban development began.

During this time, HSBC launched a sustainability and volunteers programme working with leading charities to help young people reach their potential through access to education and entrepreneurship.

Reinforcing its sustainability commitment to the country, HSBC launched its "Care for Nature" programme in 1989 where employee volunteers 'adopted' key nature areas, such as the Sungei Buloh Wetland Reserve and Chek Jawa on Pulau Ubin.

In 2004, HSBC also launched the HSBC TreeTop Walk - a 250-metre suspension bridge located at MacRitchie Reservoir, in the centre of the island.

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Incorporated in the Hong Kong SAR with limited liability.



In more recent decades, Singapore's stable tax, legal and regulatory system, strong infrastructure and business-friendly conditions has transformed the Republic into one of the world's leading financial centres.

Today more than 37,000 international companies call Singapore their regional head office.

It is also largest foreign exchange centre in the Asia-Pacific, manages two-thirds of all project financing in ASEAN, and is the financial conduit between China and South-east Asia including being the third largest offshore clearing centre for the Chinese yuan.

Like it was during the spice trade era, Singapore's future prosperity depends heavily on the international channels that it builds and the international partnerships that it nurtures. And Singapore's physical, digital and financial infrastructure will be key to both of these aims.

As part of the Republic's 10-year plan for its future economy, the Monetary Authority of Singapore launched the financial services industry roadmap in October – one of 23 across Singapore's various industries and social landscape.

The roadmap includes being the financing hub for the USD2.1 trillion worth of infrastructure spend that is required in Asia between now and 2030. It is also looking to build the sophistication of its capital markets in areas like corporate debt and sustainable financing and to solidify its capabilities in asset and wealth management.

The hallmark of its map is its ambitions in technology and innovation which includes investing in Research & Development to develop new solutions such as distributed ledger technology for inter-bank payments and trade finance.

As it has for 140 years, HSBC is firmly supportive of these ambitions and will be an active participant in ensuring the vision is realised.

A new era for HSBC kicked off in May 2016 when we transferred our retail banking and wealth management business into a new and locally owned subsidiary. The move affirmed the bank's long-standing commitment to Singapore where it continues to build on the roots that were laid down in 1877.

As Singapore sets its future direction, HSBC in Singapore is about to embark on a new three-year strategy which will see the injection of extra investment that will allow us to continue to support the vision that Singapore sees for itself.

Our focus is largely in line with the financial services industry road map and includes supporting the 1,200 mid-sized enterprises that are based in Singapore, further developing the sustainable and green finance markets, arranging of finance for infrastructure projects across South-east Asia from Singapore, building our scale to support the wealth needs of Asean's growing affluent from Singapore, building on our extensive activity in digital capability particularly in trade finance and intra-Asean payments, and helping to relay the Asean story to European and North American investors and corporates.

This has already begun to happen.

In 2017, HSBC was the arranger for Indonesian power producer, Paiton Energy's, USD2 billion project bond. The deal was the first in which a private company received an investment grade rating, was the first public project bond to be issued in Asia since 2000¹. And this year, we were also lead arranger for two of the first three Green Bonds ever issued in Singapore.

During the recent Singapore Fintech festival, the Singapore and Hong Kong governments announced a Memorandum of Understanding to jointly develop the Global Trade Connectivity Network (GTCN), a cross-border infrastructure based on distributed ledger technology (DLT), to digitalise trade and trade finance between the two cities. HSBC will be one of the participants and investors in this project.

Looking at Singapore over 140 years, it's clear that so many things have changed, and yet many things remain the same.

¹ First project bond since 2000 bodes well for Asia's debt market, Business Times
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Having been here for 140 years HSBC understands that the city's ongoing success centres on it having a clear and long-term vision and the gumption and will to execute.

It has been this way for 140 years and we look forward to supporting its growth in future.

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