

News Release

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HSBC WELCOMES NEWLY AGREED UPON TRANS-PACIFIC PARTNERSHIP

HSBC welcomes the conclusion of negotiations for the Trans-Pacific Partnership (TPP).

The new accord seeks to open trade, investment and business activity across the 12 signing countries – Singapore, Malaysia, Brunei, Vietnam, Japan, Australia, New Zealand, the United States, Canada, Mexico, Chile and Peru.

The mega-regional trade accord links a combined GDP of USD 28 trillion and 870 million people, representing almost 40 per cent of global output and 25 per cent of global exports of goods and services.¹

Mr Guy Harvey-Samuel, CEO for HSBC in Singapore said: “An agreement on the TPP is a significant step forward by policy-makers at a time when the world economy is looking for impetus. They have recognised the power that trade has to create growth opportunities and this deal will enable more enterprises around the Pacific Rim to join the international economy.”

Covering trade-related aspects of industry, agriculture, services and investment, as well as environmental and labour issues, the TPP will increase market openness and provide an enhanced rules-based framework for conducting trade as well as reduce red tape and uncertainty. It is also a living accord, open to new member participation and capable of dynamically addressing new issues that may emerge in the future.

Strong opportunity for Singapore

Among the TPP members are some of Singapore's top trading partners, including Malaysia, Vietnam, USA and Japan.

In 2013, the TPP countries accounted for 30 per cent of Singapore's total goods trade, worth S\$300 billion, and 30 per cent of foreign direct investment in Singapore, amounting to S\$240 billion, according to the Ministry of Trade and Information.²

The mega-regional trade accord not only grants Singapore corporates with increased access to US and Japan as the some of the world's largest economies, but also opens access to new territories such as Canada and Mexico, where Singapore has previously not had free trade agreements with.

Mr Harvey-Samuel continued: “As a whole, the TPP will open up Singapore corporates to 25 per cent of global trade and access to a trading bloc larger than the European Union. The removal of compliance and other barriers will reduce cost and ensure trade, and consequently, the end-product, is more profitable for Singapore firms.”

“Most pleasing is the emphasis the negotiating countries have placed in making sure the agreement is relevant to small and medium sized enterprises.”

¹ HSBC Global Research. Trade Flash. Trans-Pacific Partnership: It's a deal! Oct 5, 2015.

² Ministry of Trade and Information. [https://www.mti.gov.sg/NewsRoom/SiteAssets/Pages/Conclusion-of-TPP-negotiations/Press%20release%20on%20conclusion%20of%20TPP%20negotiations%20\(Final\).pdf](https://www.mti.gov.sg/NewsRoom/SiteAssets/Pages/Conclusion-of-TPP-negotiations/Press%20release%20on%20conclusion%20of%20TPP%20negotiations%20(Final).pdf)

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“This is important as HSBC research shows only 35 per cent of Singaporean small and medium-sized companies currently make use of Singapore’s existing free trade agreements due to a lack of internal resources³.”

“So the next step is to help educate Singapore companies on the details of the agreement and for them to understand how they can take advantage of the proposed tariff reductions, the removal of services barriers and the access to new markets and value chains – which is a role that banks can play.”

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Note to editors:

HSBC in Singapore

HSBC Group’s history in Singapore dates back to 1877 when its founding member, The Hongkong and Shanghai Banking Corporation Limited, opened its first branch on the island. A qualifying full bank, HSBC in Singapore offers a comprehensive range of banking and financial services including retail banking and wealth management; commercial, investment and private banking; insurance; forfeiting and trustee services; securities and capital markets services. One of the earliest banks to establish in Singapore, HSBC today is a prominent player in Singapore’s financial services sector serving the banking needs of multi-national corporations, home-grown businesses, private banking clients, institutional and retail customers. Today, HSBC’s flagship office remains at the original Collyer Quay site where its first branch was set up. HSBC Singapore has a retail network of eleven branches (seven of which incorporate a dedicated HSBC Premier Centre) and many locations across the island providing self-service terminals.

- Ends/All -

³ Economist Intelligence Unit report, commissioned by HSBC. FTAs in Southeast Asia: Towards the Next Generation. 2014.