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## **HSBC supports ASEAN countries' commitment to joint economic recovery plan**

*HSBC supports the ASEAN member states' joint agreement to increase reform cooperation and integration in order to stem the immediate health and longer term economic impacts to Southeast Asia as a result of the COVID-19 Pandemic<sup>1</sup>. The agreement followed ASEAN leaders' annual summit which concluded on 26 June. HSBC particularly advocates a specific focus on trade and digital openness and linking the region's immediate fiscal stimulus efforts to global sustainable development goals.*

Stuart Milne, Chief Executive Officer, HSBC Malaysia said: "We support ASEAN member states' desire to double down on further integration efforts in order to combat the economic effects from COVID-19. As Southeast Asia begins to re-open, member countries should not approach economic recovery in isolation. The reason is simple: Southeast Asia is always stronger when it acts in a tightly coordinated manner."

The region's deeply interwoven supply chains – spanning electronics, automobiles, textiles and garments – have developed because of ASEAN's ability to reduce trade and investment tariffs between the association's 10 member states. The result has put many of its more than 650 million<sup>2</sup> citizens on a path to prosperity.

To build economic recovery and install supply chain resilience, HSBC advocates three reform planks: trade and investment flows; digital connectivity; and linking nation development projects to globally agreed sustainable development goals and climate commitments.

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<sup>1</sup> <https://asean.org/asean-leaders-convene-36th-summit-online/>

<sup>2</sup> [https://data.worldbank.org/indicator/SP.POP.TOTL?name\\_desc=false](https://data.worldbank.org/indicator/SP.POP.TOTL?name_desc=false)

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## **Re-opening of trade and investment through multilateralism**

HSBC advocates for the continued dismantling of non-tariff barriers that have proliferated Southeast Asia and to adopt trade mechanisms and trade agreement that will enable to freer flow of trade.

These include

- Removal of non-tariff barriers such as increasing the minimum threshold for goods that require a Certificate of Origin (reducing red-tape for businesses already under pressure); and automating customs clearance processes.
- Adoption of the ASEAN Single Window.
- Formally signing and ratifying the already-agreed Regional Comprehensive Economic Partnership which covers 30% of the world's population and 29% of its world's GDP (including all of ASEAN states)

## **Building stronger digital connectivity**

COVID-19 has catapulted digital e-commerce into business critical. But unless the region can agree a common set of standards for cross-border data management and digital commerce, the potential for a thriving ASEAN-wide digital economy diminishes.

For growth to happen, already-agreed frameworks like the 'ASEAN Digital Integration Framework Action Plan' and the 'ASEAN Framework on Digital Data Governance' need to be fully implemented in order to integrate the currently disconnected rules and regulations of nations.

## **Linking immediate fiscal stimulus measures to sustainable development goals**

To deal with the imminent challenges coming from COVID-19, the ASEAN member states have agreed to install an ASEAN Pandemic Recovery Fund<sup>3</sup> which will involve national-building projects aimed at increasing economy activity. HSBC recommends that the Fund's design and the projects that are selected be consistent with globally agreed climate targets, and sustainable goals and commitments.

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<sup>3</sup> <https://asean.org/storage/2020/04/FINAL-Declaration-of-the-Special-ASEAN-Summit-on-COVID-19.pdf>

Stuart Milne continued: “We all know that Southeast Asia needs to improve its infrastructure to meet its economic potential, we also know that it needs to be carried out in a way that is sustainable. The immediate imperative to stimulate economies through nation-building programmes can and should be consistent with the medium-term objectives of sustainable development.”

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**Note to editors:**

**About HSBC Malaysia**

HSBC's presence in Malaysia dates back to 1884 when the Hongkong and Shanghai Banking Corporation Limited established its first office in the country on the island of Penang, with the permission to issue currency notes. HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, founding member of the HSBC Group. In 2007, HSBC Bank Malaysia was the first foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, namely HSBC Amanah Malaysia Berhad. Today, HSBC Malaysia has a network of 67 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. HSBC Malaysia offers a comprehensive range of banking and financial services including Islamic financial solutions. HSBC Malaysia has also led innovation in Malaysia by introducing Malaysia's first ATM and Electronic Touch Banking in the early 1980s. Today, HSBC Malaysia has launched innovative solutions such as HSBCnet for secure banking for businesses, Trade Transaction Tracker and Facial Recognition on supported mobile phones.

**The Hongkong and Shanghai Banking Corporation Limited**

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