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HSBC Amanah and Halal Development Corporation ink MoU to help spur the growth of the halal export market

HSBC Amanah Malaysia Berhad (“HSBC Amanah”) has inked a Memorandum of Understanding (MoU) with the Halal Development Corporation (“HDC”) to collaborate and support HDC as they embark on their new Greater Islamic Economy initiative comprising Islamic Economy development tools or *Muamalat*. As a leading international Islamic financial institution, HSBC Amanah through this MoU will also continue to facilitate programs and financial facilities to help spur the growth of the halal export market within the Asia Pacific Region.

According to HDC, Malaysia’s 2021 halal export performance rose by 19% to RM36.3 billion from RM30.5 billion a year earlier while global consumption of halal goods and services is expected to grow at 3.5% annually to reach USD2.4 trillion by 2024, largely driven by the fast-growing Muslim population.

This initiative also seeks to support the country’s Financial Sector Blueprint 2022-2026 (the “Blueprint”) whereby Malaysia aims to be a global gateway for Islamic finance markets in Asia and OIC by focusing on value-based finance through Islamic finance leadership. The Blueprint aims to pursue two areas of specialisation that covers sustainable finance and the halal industry.

As one of the first practitioners of Value-based Intermediation, HSBC Amanah is committed to deliver the intended outcomes of Shariah through practices, conduct and offerings that generate positive and sustainable impact to the economy, community and environment, consistent with the HSBC Amanah’s sustainable return and long term interest. In parallel with the MoU, this collaboration seeks to facilitate Islamic finance activities in the halal industry either for the local market or other international markets for businesses that prioritises Islamic finance.

Encik Hairol Ariffein Sahari, Chief Executive Officer of HDC said, “These numbers are proof of the importance of the halal industry to the Malaysian economy, despite the challenges posed by the Covid-19 pandemic. In fact, this year’s first half halal export performance climbed by 75.2% compared to the same period last year which is equivalent to RM30.3 billion. Thus based on these current numbers, it appears the halal industry is recovering sooner than expected. In fact, halal exports for 2022 are anticipated to surpass RM42 billion, above pre-pandemic levels.”

Encik Hairol Ariffein added, “Our newly launched Greater Islamic Economy initiative and this collaborative and synergistically aligned effort between HDC and HSBC Amanah, is key to providing our Halal Integrated Platform (HIP) members with the

right financial facilities and development tools as they look to expand their presence in the halal export market within the Asia Pacific Region. Additionally, as we kick start our Greater Islamic Economy initiative, we believe that this new partnership will help to impactful increase the number of halal certified businesses in Malaysia.”

Raja Amir Shah Raja Azwa, HSBC Amanah Chief Executive Officer said, “Connecting customers internationally is what HSBC does best. Our greatest strength is our ability to bridge capital and trade flows between the major economies of the world. Through this MoU with HDC, HSBC Amanah will be able to strategically support businesses who are on HDC’s Halal Integrated Platform (HIP) who intend to expand internationally.”

Raja Amir also shared that the timing for this MoU could not be better, echoing the pace of an ongoing global economic recovery. “This collaboration will definitely unleash the potential for the multi-trillion-dollar halal industry to facilitate the Malaysia economy as well as help rejuvenate the global economy. As businesses begin to explore opportunities beyond Malaysia, our digital products and solutions including our HSBC Global Wallet-i and Receivable Finance-i will provide them the ability to scale with greater efficiencies including time and cost savings, productivity and security. These capabilities are what will set them apart in today’s competitive halal export market.”

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About HSBC Amanah

When it comes to Islamic Finance, HSBC Malaysia has led the way by becoming the first internationally-owned bank to launch an Islamic banking service in 1994. In 2008, HSBC Amanah Malaysia Berhad was the first internationally-owned bank to be incorporated as an Islamic banking subsidiary in Malaysia.

Since then, HSBC Amanah has led in developing the Islamic finance industry across product, proposition and future market development and is a recognised leader in Sukuk issuance, green and sustainable financing and international transactions.

HSBC Amanah is a founding member of the Value-Based Intermediation (VBI) Community of Practitioners championed by Bank Negara and continues to drive sustainable leadership in Malaysia. The Bank has won many notable accolades including the “Islamic ESG Bank of the Year” award for the 3rd consecutive year as part of The Asset Triple A Islamic Finance Awards. Know more about HSBC Amanah here: <https://www.hsbcamanah.com.my>

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 63 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,985bn at 30 June 2022, HSBC is one of the largest banking and financial services organisations in the world.

About Halal Development Corporation Berhad (HDC)

Halal Development Corporation (HDC) spearheads the development of Malaysia's integrated and comprehensive halal ecosystem and infrastructure to position Malaysia as the most competitive country leading the global halal industry. Established on 18 September 2006, HDC as it is also known, is the central coordinator that promotes participation and facilitates growth of industry players in the development of Malaysia's Halal ecosystem. An agency under the Ministry of International Trade and Industry; it is the world's first Government-backed halal industry development corporation. For more information, please visit HDC at - www.hdcglobal.com.

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