HSBC will continue to invest in Bangladesh - Says regional head Ajay Sharma

Banking giant HSBC will continue to invest in Bangladesh to meet the growing consumer needs, maintain its pole position as the leading trade finance bank and grow further, a senior executive of the UK-based Asia-focused lender said.

“Consumer demand is changing and will trigger a need for businesses to evolve. At HSBC, we want to invest in the growing consumer needs, which will enable us to maintain our market leadership position,” said Ajay Sharma, regional head for global trade and receivables finance at HSBC Asia Pacific.

“More importantly, we want to be seen as a bank that is innovative and leading change in Bangladesh market. You will see more and more innovations over time,” he told The Daily Star in an interview in Dhaka last week. “We have very strong ambitions for our business in Bangladesh. We are looking to grow.”

Last week, he was in Dhaka to launch a new mobile banking application for exporters and importers in Bangladesh to give them an edge in tracking international trade transactions digitally.

Available for iPhone and Android platforms, the HSBCnet Trade Transaction Tracker App enables customers to view real-time transaction status details.

Of the 19 markets in the Asia Pacific region where HSBC operates, Bangladesh is the first country where the app has been launched.

Sharma said the bank has chosen Bangladesh as a launching pad because most of the clients use HSBC to do international trade, the customer base is large and there is significant trade potential for the bank in the country. “We believe this app will be a useful one and will bring trading at the fingertips of our customers.”
The app is expected to be launched across the region, and most markets will have the service by the end of the year, he said. Sharma, having more than 30 years of experience in banking, said the bank was quite excited about the Bangladesh market. He lauded the steady growth of the economy in the last eight years.

“The country has given us a steady base of business. We are seeing more investment are coming from outside. The consumption is growing. We have a very positive view of the country.”

“From global and regional perspective, we think this is a very important market for us. We are focused. We have a very strong local team. We will continue to strengthen and supplement the team here, connecting customers to global opportunities. We are connected to 90 percent of the global trade GDP. We think there is enough talent in the market to serve our customers.”

During his visit, Sharma met a number of customers and visited factories.

“A lot of investment has taken place in the last few years to meet international standards and expectations,” he said.

“Bangladeshi exporters have invested to make sure that their factories are environmentally compliant, have control on manufacturing and maintain labour safety standards. These factories are no different from any factories anywhere in the world and they are the best in class.”

He said his bank’s customers supply products to some of the best companies in the world and meet international quality standards.

The banker said HSBC was the preferred choice for international companies planning to come to Bangladesh because the bank’s network spreads throughout the globe and Bangladesh has the geographical advantage of being located in the world’s most dynamic trading region between India and China.

“Customers are becoming more compliant to the rules and regulations of trading and they want to work with people who can advise them to do the right thing. We tell them ‘there is no shortcut; this is the document and this is how it is done’.”

Sharma touched upon the global trend in trade.

He said global trade had been under a lot of pressure two to three years ago due to falling commodity prices. But the situation started to change at the end of last year and export markets recovered and actually grew much better than the expectations people had.

Trade volumes and values have gone up across various regions in the world. Asia also witnessed a strong recovery in trade, he said.’

“There would be a shift in the long term. If we look at all the macroeconomic trends, a huge GDP and output growth will take place in Asia.”

Sharma said Bangladesh is still an export-led economy. But the country will be a consumption-driven economy in the long run thanks to its spiralling population and increased spending on infrastructure.

India, China and Indonesia are already going through the trend, he said.
He said domestic trade in Asian markets would also grow. “This also gives us one more opportunity to find solutions for our customers. We are equally excited about it.”

In Asia, HSBC is twice as large as its closest competitor. “We have significantly advantaged market positions.”

Talking about the strength of HSBC, he said, “If you are an exporter, it is very, very likely that who you are exporting to is also our client. We deal with customers on both sides, which gives our customers a lot of comfort.”

“The bank is also involved in the supply chain as well as in the end stores. We deal not only with the multinationals and large customers. We deal with all customer segments. That is our strength.”

He said China’s One Belt, One Road Initiative also opened up opportunities for HSBC because the bank has over 175 branches in more than 55 cities in the world's second largest economy.

“We have presence throughout the country. We are well-invested. We know lots of customers. If the customers want to come to parts of Asia or the world, we are often the logical choice to bank with.”

The bank, which generates much of its profit in Asia, leads the local market in global connectivity and innovative trade solutions.

HSBC is the only international bank in Bangladesh which has a presence in all of the eight export processing zones of the country, facilitating trade. This is the first bank to facilitate trade settlement in the Chinese Renminbi.

HSBC has contributed to the country's infrastructure projects by leveraging group capabilities in export and specialised finance. In the recent past, $1.4 billion of infrastructure financing has been arranged.

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