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HSBC eyes ASEAN growth, allocates USD1 billion to scale up digital platform businesses in the region

- *ASEAN's digital economy to grow at CAGR of 16% by 2030.*
- *Indonesia's digital economy anticipated to dominate more than 50% of it by 2030.*

Today HSBC announced a USD1 billion ASEAN Growth Fund to help scale up platform players in the region's booming digital economy.

Southeast Asia's digital economy is among the world's fastest-growing – worth USD218 billion as of 2023 and expected to reach USD600 billion by the end of this decade – with a compound annual growth rate of 16%.¹

To help the region's digital platform players achieve economies of scale, grow their asset portfolios, and advance along the corporate lifecycle, HSBC is introducing a unique, dedicated lending fund worth USD1 billion.

"We are excited about ASEAN's booming digital economy, including Indonesia," said **Francois de Maricourt, President Director HSBC Indonesia**. "As its digital economy is expected to reach USD 360 billion in value by 2030², Indonesia remains the epicenter of the digital economy's expansion in the region. As such, we are delighted to launch our first-of-its-kind ASEAN Growth Fund and work with digital companies as they expand their businesses in the region and beyond."

The HSBC ASEAN Growth Fund focuses on companies that are scaling up through digital platforms across Southeast Asia. It supports new-economy names, more established corporates and non-bank financial institutions by assessing operating metrics tied to their cashflow-generative asset portfolio, rather than solely traditional financial metrics.

Francois continues, "HSBC has a deep rooted 140-year history in Indonesia in supporting entrepreneurs and businesses to scaling up. The introduction of our latest offerings allows us to better support new-economy companies in

¹ [e-Conomy SEA 2023 | Bain & Company](#)

² [The Government Encourages Inclusive Digital Economy Ecosystems and Prioritizes Security of User Data Privacy - Kementerian Koordinator Bidang Perekonomian Republik Indonesia](#)

Indonesia and the region, whether start-ups or scale-ups, as they expand across the region and advance along the corporate lifecycle.”

Digitalising operations

HSBC recently surveyed 600 companies operating in Southeast Asia and found that “digitalising operations” is the top business priority, selected by 42% of the respondents. This is followed by “growth in Southeast Asia” (40%) and “research and development” (37%).

Similarly, digital investments also rank as the top strategic priority for Indonesian business, ahead of expansion into new markets in ASEAN. Nearly nine in 10 (89%) expect intra ASEAN trade to increase in 2024, with 32% expecting an increase of greater than 30%.

The survey also found that more than eight in 10 (81%) Indonesian businesses plan to invest more in ASEAN. The figure is significantly higher than the 52% who intend to increase their investments outside of ASEAN.

Nonetheless, macroeconomic uncertainty and the rapidly shifting regulatory and policy landscape are the top barriers for Indonesian businesses looking to expand into new ASEAN markets, with 2 out of 3 said that top strategy to overcome expansion barriers is ease of making and receiving payments - underlining the importance of support and advice from a banking partner.

Riko Tasmaya, Managing Director, Wholesale Banking HSBC Indonesia explained, “Rapid digital adoption in ASEAN means businesses increasingly – and understandably – need fuss-free digital banking partner to support their growth. They want convenient and simple-to-use trade and payment solutions that would free up more time for them to focus on strategy and expansion.”

“Not just that, the partner must fully understand different regulations and cultures and use that tacit knowledge to formulate the optimum solutions, aside from be capable of addressing the fundamental needs of cross-border growth strategies to ensure the success of business expansion, be it in the region or beyond.”, Riko continued.

With 140 years experiences in Indonesia, HSBC is at the forefront of driving digital transformation in the country, offering a range of digital financing and banking solutions such as TradePay³ and Omni Collect⁴, enabling clients more time to focus on business priorities and connecting their development in the region and beyond.

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³ HSBC TradePay is an industry first, straight-through trade finance solution that enables businesses to instantly drawdown trade loans and concurrently pay suppliers.

⁴ HSBC Omni Collect simplifies collection processes by providing oversight of all sales receipts across markets through a single platform.

Methodology

HSBC commissioned an online survey of 600 businesses based in six ASEAN markets: Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam. Survey respondents were key decision-makers from companies with annual turnover of at least USD50 million who are already doing business in ASEAN. The survey ran from February 14 to February 27, 2024.

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