ASEAN firms are full of steam and want to be green: HSBC survey

Southeast Asian firms top the charts globally for their bullish growth prospects as well as their sense of accountability for achieving the United Nations' sustainability goals. However, commitment needs to convert into practical action, according to HSBC.

The findings come from HSBC’s ‘Navigator: Now, next and how’, a survey of over 9,100 companies in 35 countries and territories, including the views of the key decision makers in 2,299 businesses across Southeast Asia.

Navigator reveals that 81% of companies in Southeast Asia are projecting business growth next year (higher than the global average: 79%). Additionally, 76% of surveyed Southeast Asian firms believe they have a role in delivering the United Nations’ Sustainable Development Goals (SDGs), compared to the 63% global average.

The bullishness of Southeast Asian firms reflects the growth trajectory and favourable demographics of the region. Collectively, the 10 ASEAN countries’ combined GDP stood at almost USD$3 trillion in 2018 - more than the UK, France or India, and the region has enjoyed 5% growth rates over several years.

However, the case for sustainable development across Southeast Asia is irrefutable given the region is increasingly and disproportionately exposed to climate change. For example, Lloyd’s estimates that USD$22.5 billion of GDP is at risk from flooding in Southeast Asian cities alone. If left unaddressed, the Asian Development Bank forecasts that climate change could reduce Southeast Asia’s GDP by 11% by the end of the century.

Matthew Lobner, Head of International and Head of Strategy & Planning, Asia-Pacific, HSBC, said: “ASEAN is home to some of the world’s most bullish businesses – and these high-growth firms are acutely aware that sustainability and commercial goals go hand in hand. It’s very pleasing to see the sense of focus that Southeast Asian firms have towards the UN’s SDGs but must now convert from desire into meaningful action. As investors and governments increase their focus on sustainability, firms need to be focusing this now.”

Suggested actions plans for firms to drive the sustainability agenda

HSBC has compiled the following suggestions for how firms can progressively include sustainability as part of its strategy and operations.

1. **Think short-term and long-term**: Decisions made today impact the future. Climate change impacts are systemic, all-encompassing, and here to stay.

2. **Think holistic**: Review everything from electricity usage and property portfolios, to where you source materials and how you package and ship products, to operational preparedness. This means engaging with all layers of your organisation and embedding green and social issues into your business and investment decision making.

3. **Think global**: Melting glaciers and rising sea levels are not just bad news for the inhabitants of Greenland or Tuvalu. They have direct and indirect global implications, particularly in today’s interconnected world.

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1. SDGs are 17 interconnected themes, adopted by all United Nations Member States in 2015, as a way to end poverty, protect the planet and achieve peace and prosperity by 2030.
2. World Bank data: https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?most_recent_value_desc=false&year_high_desc=false

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4. **Stay up to date:** Technological changes and green innovations could put more low-carbon alternatives within your reach. Stay abreast of the regulatory environment, sustainable financing options and evolving investor and customer expectations. You may find that climate-friendly action will lift – not drag down -- your profits and reputation.

5. **Act now and lead by example:** Business strategies and products can’t be shifted overnight – early action is key.

Tim Evans, CEO of HSBC Vietnam, said: “Sustainability is becoming an integral part to driving value and helping to secure the long-term viability of businesses and a failure to act now could severely hamper ASEAN’s and Vietnam’s future growth opportunities. While encouraging progress has been made, going forward, businesses need to take additional action to ensure that sustainability is embedded throughout their entire business and throughout their value chain.”

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**Notes for Editors:**

**HSBC Navigator: Now, next and how for business**

HSBC’s Navigator report comprises a global survey gauging business sentiment and expectations on trade activity and business growth from 9,131 decision-makers in 35 markets. 2,299 businesses across Southeast Asia participated in the survey. Research was conducted by Kantar for HSBC between August and September 2019. HSBC’s Navigator helps businesses capitalise on new opportunities and make informed decisions for the future by understanding the outlook for international trade. The full report can be accessed here: [www.business.hsbc.com/trade-navigator](http://www.business.hsbc.com/trade-navigator)

Interviews for the Navigator: Now, next and how survey were conducted in Argentina, Australia, Bangladesh, Belgium, Brazil, Canada, Egypt, France, Germany, Greece, Hong Kong, India, Indonesia, Ireland, Italy, Japan, mainland China, Malaysia, Mexico, the Netherlands, Poland, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey, the UAE, the UK, the USA and Vietnam. Over 5,000 of the companies interviewed were SMEs making annual sales of between US$5m and US$50m, with the remainder being larger enterprises.

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**HSBC Bank (Vietnam) Ltd.**

HSBC has been in Vietnam for more than 140 years – the bank first opened an office in Saigon (now Ho Chi Minh City) in 1870. HSBC was the first foreign bank to launch its locally incorporated entity on 1 January 2009 as HSBC Bank (Vietnam) Ltd. The bank’s current network includes two branches and five transaction offices in Ho Chi Minh City, one branch and four transaction offices in Hanoi, and two full-service branches in Binh Duong and Da Nang. HSBC is one of the largest foreign banks in the country in terms of investment capital, product range, and customer base.

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