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HSBC partners with the Asian Development Bank to provide USD1.2bn funding lifeline to Asian supply chains

HSBC has partnered with the Asian Development Bank (ADB) to establish a supply chain financing programme primarily to support companies providing Covid-19 related supplies. This agreement could enable up to USD1.2bn per annum of additional trade by Asian SMEs.

HSBC, in partnership with the ADB, has already mapped over 10,000 critical COVID-19 suppliers. The resulting visibility ensures that targeted financing will support provision of critical medical supplies that wouldn't otherwise be available.

The move comes as the B20, the WTO and the ICC have issued a joint statement warning about a trade finance shortfall of between USD2 trillion and USD5 trillion that could impede the ability of trade to support the post COVID-19 economic recovery. In developing countries, trade finance shortages can obstruct imports of essential goods as well as the export of key income-generating products. This disproportionately affects Micro, Small and Medium-sized Enterprises (MSMEs) that represent the bulk of employment in the Asia Pacific region.

"Trade has a critical role to play in both the frontline fight against COVID-19 and in supporting the global recovery," said Natalie Blyth, Global Head of Trade and Receivables finance at HSBC. "This agreement will help ensure that trade finance gets to where it is needed and when to support the production and distribution of essential medical supplies and the return to growth."

ADB has boosted its capacity to support trade and supply chains with more money and flexibility for its USD2.4 billion trade and supply chain finance programmes. Trade finance deals and partnerships such as these will help to bridge the trade finance gap and enable ADB member countries to counter the severe health and macroeconomic impacts caused by COVID-19.

"Partnerships, like this one with HSBC, are critical to closing market gaps, ensuring that we fuel growth necessary to build back the global economy, create jobs and prosperity," said Head of ADB's Trade and Supply Chain Finance Program Steve Beck. "This partnership will complement ADB's ongoing efforts to [map the supply chain](#) for products critical to the fight against COVID-19, and to support trade flows that will drive the recovery."

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Note to editors:

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