

Georges Elhedery on trade and customer-centricity

**Speakers: Georges Elhedery, Group CEO, HSBC
Francine Lacqua, Journalist, Bloomberg**

[Francine]

Are you surprised that these, you know, tariffs and trade barriers that have been erected really in 2025 haven't had that much of a material impact?

[Georges]

So, a couple of things here, Francine, that are interesting. The first one is tariff in and of themselves aren't a new feature of global trade. There always was forms of tariff.

What was more new in 2025 is the speed at which both tariffs have been erected, but also deals have been negotiated to reduce tariffs or remove tariffs. So, that was kind of the new feature.

What's also important to note is that yes, trade found its way and we've seen trade patterns, you know, between Asia and the Middle East or within Asia, or to some extent also between Asia and Europe, that have outgrown some of the corridors that have taken, you know, that have been slower in terms of trade growth or that have taken a kind of a setback in terms of trade growth.

What's most important with this reconfiguration of trade patterns is that based on our internal research, we believe the kind of addition to GDP that these new trade patterns within Asia will bring to Asia will three times more than offset the loss of GDP that will be, you know, due to the reduction of trade with the US.

So, there is clearly, you know, value creation when we see Asia buying Asia and these trade patterns and these trade corridors grow because they're driving not only trade, but they're driving FDI, they're driving employment, they're driving domestic growth as much as it is trade growth.

[Francine]

Georges, I mean, this year, you know, the next couple of years seems to be much more complicated because of geopolitics. You have this massive fight between the US and China, Europe somewhere in the middle. The UK has to find its footing. How difficult is it to navigate geopolitics as HSBC's CEO?

[Georges]

So, look, there is always a guiding north star in managing international kind of relations is, what do our customers need from us? Because at the end of the day, whatever we're doing, we're doing it because we have customers asking us to help them with or to deliver it for them, right?

So, as long as you believe on this planet, we will have loads and loads and loads and loads of international customers who are looking for supply chains around the planet, who are looking for resilience in their supply chains around the planet, who are also looking for consumer markets for their product and services around the planet to scale their capabilities, then, HSBC has a critical role to play.