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Circular Derivatives

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News Release: UOB, SGX and CCOIC sign MOU to help Chinese enterprises use Singapore as a launchpad for ASEAN expansion

United Overseas Bank Limited (UOB), Singapore Exchange Limited (SGX) and the China Chamber of International Commerce (CCOIC)^[1] have signed a Memorandum of Understanding (MOU) to help Chinese enterprises use Singapore as a launchpad to expand into ASEAN. The MOU signing was in conjunction with the second Belt and Road Forum in Beijing and was witnessed by Mr Chan Chun Sing, Singapore Minister for Trade and Industry, and Dr Koh Poh Koon, Senior Minister of State for Trade and Industry.

The tripartite alliance builds on UOB's existing collaboration with CCOIC^[2] to facilitate Chinese enterprises' internationalisation efforts. In 2018, UOB helped 50 per cent more Chinese companies expand into ASEAN compared with 2017. This support resulted in a 31 per cent increase in cross-border business flows over the same period^[3].

Under the new MOU, more than 180,000 Chinese enterprises under CCOIC can benefit from UOB's banking expertise and integrated ASEAN network, as well as from SGX's trusted capital market infrastructure and deep liquidity to venture into Singapore and Southeast Asia. UOB, SGX and CCOIC will help Chinese enterprises capitalise on Singapore's debt and equity capital markets, as well as Singapore's role as a regional treasury hub and global financing centre for foreign investments.

Each organisation will provide assistance and advisory services in relation to market entry and corporate actions such as debt and equity listing and asset securitisation. They will also provide support in their respective areas such as trade settlement, project financing, liquidity management, foreign exchange and derivatives transactions, and connect Chinese enterprises to potential business partners across ASEAN.

Mr Wee Ee Cheong, Deputy Chairman and Chief Executive Officer, UOB, said, "UOB is committed to providing companies the connectivity they need for their business expansion across Asia. For enterprises seeking opportunities in ASEAN, we have been helping them navigate market complexities and offering financial and business support through our integrated network, strong knowledge of and experience in the local markets and our ecosystem of strategic partners. With the new MOU, the combined expertise and strengths of UOB, CCOIC and SGX will help enable the success of more companies in the region."

Mr Loh Boon Chye, Chief Executive Officer, SGX, said, "SGX is excited to partner UOB and CCOIC to support more Chinese enterprises looking to expand globally. SGX's multi-asset fundraising, investment and risk management platforms, when placed together with UOB's financial expertise and CCOIC's extensive network in the Chinese business community, will add value to enterprises tapping on the growth opportunities led by China's Belt and Road and environmental initiatives. Chinese enterprises can also benefit from Singapore's position as a global wealth management hub and overseas RMB centre, while leveraging our strategic location in ASEAN as a springboard into the one of the world's fastest growing regions."

Mr Yu Jianlong, Secretary General of CCOIC, said, "CCOIC has been actively working with international organisations to facilitate the overseas expansion of Chinese enterprises. We are pleased to form an alliance with two of

Singapore's leading financial institutions – SGX and UOB – to help Chinese enterprises access the country's established financial market and stable business environment as a gateway for their ASEAN expansion. Together, we will contribute to the strengthening of bilateral economic and trade relations and growing connectivity across the region.”

As part of the MOU, UOB, SGX and CCOIC will also cooperate through industry events and seminars to promote trade and investment between China and Singapore and to help more companies explore opportunities along the China-ASEAN business corridor.

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[1] CCOIC is China's national business association that aims to promote trade and collaboration between its member companies and global organisations.

[2] The MOU between UOB and CCOIC was an extension of the Bank's longstanding collaboration with the China Council for the Promotion of International Trade (CCPIT). UOB and CCPIT signed their first MOU in 2012 and renewed the collaboration in 2014.

[3] UOB's Foreign Direct Investment Advisory Unit supported these enterprises by providing one-stop advisory and financial solutions and connecting them to a network of government agency partners, business associations and professional service providers.

Attachment(s):

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