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HSBC AND HKECIC SCALE UP DATA-LED APPROACH TO ENHANCE TRADE FINANCE ACCESS FOR ECOMMERCE MERCHANTS

HSBC is collaborating with the Hong Kong Export Credit Insurance Corporation (HKECIC) to enhance the Bank's data-led trade finance proposition for eCommerce merchants based in Hong Kong. HKECIC will provide insurance coverage for HSBC's loan portfolio within its merchant financing programme.

The insurance protection will enable HSBC to broaden its lending capacity and further enhance its merchant financing programme, offering greater financing support to more eCommerce merchants.

In July 2023, HSBC announced its collaboration with Dowsure Technologies, a cross-border eCommerce platform and one of Amazon's Seller Lending Programme partners. By utilising transaction data, including inventory, sales, and refund records, a streamlined credit assessment process has been tailored for Amazon merchants in applying for HSBC's trade finance. Under the new arrangement, eligible Amazon merchants can apply for trade facilities of up to USD2 million.

The collaboration of HSBC and HKECIC follows the Hong Kong SAR Government's recent initiatives to provide greater export protection for enterprises. One of the initiatives announced in the 2024 Policy Address is the enhancement of financing support for eCommerce businesses by HKECIC.

Aditya Gahlaut, Managing Director, Co-Head of Global Trade Solutions, Asia Pacific, HSBC, said: "We are pleased to become the first banking partner of HKECIC in this innovative credit insurance arrangement. The insurance coverage underwritten by HKECIC is a testament to our robust and sophisticated data-led lending model tailored for eCommerce merchants. Since the inception of our merchant financing collaboration with Dowsure in Hong Kong and mainland China, we have seen positive response from eCommerce merchants with more than 100 businesses onboarded."

Christina Ong, Managing Director, Head of Business Banking, Commercial Banking, Hong Kong, HSBC, said, "eCommerce has removed barriers of time and distance for SMEs, enabling them to expand their customer base more directly and cost-effectively. We are excited to join hands with HKECIC to enhance trade finance support for smaller eCommerce

merchants as they explore new business opportunities offered by online marketplaces. This collaboration further reinforces our commitment to harness data to expedite and streamline SME financing.”

Terence Chiu, Commissioner of HKECIC, said, “The remarkable and rapid growth of cross-border eCommerce trade has brought a new opportunity for Hong Kong exporters to explore and expand into international markets. In light of the unique nature of eCommerce trade and the challenges faced by SMEs in acquiring funding to develop their cross-border eCommerce businesses, HKECIC offers a bespoke insurance solution to HSBC to enhance their lending capacity to pursue more eCommerce financing businesses. The collaboration with HSBC offers Hong Kong eCommerce merchants a market-first bank driven alternative funding solution backed by the credit insurance cover, and the data-driven underwriting approach streamlines the credit assessment process. We are honoured to have the opportunity to partner with one of the leading banks in Hong Kong, leveraging their strong presence and reach in the market, to support eCommerce merchants and the development of eCommerce ecosystem in Hong Kong.”

HSBC and HKECIC have a long-standing relationship in supporting Hong Kong exporters. Last year, HKECIC introduced a pilot scheme to develop a “risk-sharing arrangement on domestic sales in the Mainland” in collaboration with HSBC and other local banks. Under the arrangement, banks will share their credit assessment results of buyers in mainland China with HKECIC, improving insurance coverage for Hong Kong exporters.

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Photo Caption



HSBC is collaborating with the Hong Kong Export Credit Insurance Corporation to enhance the Bank’s data-led trade finance proposition for eCommerce merchants based in Hong Kong. Pictured here are (from left to right): Aditya Gahlaut, Managing Director, Co-Head of Global Trade Solutions, Asia Pacific, HSBC; Terence Chiu, Commissioner of HKECIC; and Christina Ong, Managing Director, Head of Business Banking, Commercial Banking, Hong Kong, HSBC.

The Hongkong and Shanghai Banking Corporation Limited

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