

Leveraging off a go-global spirit

China's One Belt and One Road Initiative will restore the historic linkages that exist between Middle East and Asia. There will be opportunities for banks such as Dubai-based Emirates NBD to leverage on this momentous development in areas such as trade and project finance and wealth management, says Brian Shegar.

China's bold initiative in the form of the Silk Road Economic Belt and the 21st Century Maritime Silk Road will revitalise trade and investment links between Asia, Europe and Africa.

and economic linkages from Middle East, Central Asia and China through the traditional Silk Road as well as the maritime belt involving the coastal states in Asia and around the Indian Ocean.

"We are satisfied with what we have achieved [in Singapore] and will continue to invest in the business."

Passing through over 60 countries and regions, which account for roughly 40% of the world's gross domestic product, it should provide new business opportunities for banks on the sidelines of the main show.

This won't happen overnight, but it will follow the expected increases in business

"The sequence of events would be increasing trade connectivity followed by direct investments and portfolio investments as greater understanding of the risks and opportunities progressively evolves," believes Brian Shegar, general manager and head of Asia Pacific at Dubai-based Emirates NBD.



BRIAN SHEGAR
Emirates NBD

This will create potential for Middle East banks who are spreading their wings in Asia by establishing branches and rep offices to participate in new business

opportunities with the enhanced connectivity between Asia and Middle East, he says.

“We, along with other banks, won’t benefit immediately, but when the linkages develop to a level of critical mass and operational feasibility, we will see realistic opportunities,” adds Shegar.

SOLID FOOTING IN SINGAPORE

He is focused on continuing to keep the bank’s Singapore-based Asian operations moving along on its own steam and establishing a niche role in the GCC

with the remainder being rep offices,” he explains.

Five years after Emirates NBD began its wealth offering in the Asian hub, its wealth management platform is one of the most established amongst the Middle Eastern banks.

The efforts of Emirates NBD over the last few years have also given it a good start, especially in conjunction with the investment required in people, systems, and other resources. Plus, he says the bank has a differentiated wealth man-

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Singapore corridor. This entails also leveraging the international aspect of the Emirates NBD wealth management business, to add to efforts in Saudi Arabia and London.

“Singapore is positioned as a premier wealth management centre with a triple-A reputation,” says Shegar. “So we made a deliberate strategic decision to offer a strong offshore platform in Singapore for UAE and GCC clients.”

Singapore has become a well-trodden route for Middle Eastern banks, with 11 financial institutions having established a presence in the city-state. “Five of these banks are branches,

agement strategy in Asia vis-à-vis the other players in Singapore’s private banking industry. In short, it aims to be a gateway for providing private banking services to Middle Eastern HNW individuals and families seeking to invest in Asia, and conversely for wealthy Asians seeking investment opportunities in the Middle East.

In terms of servicing the growing pool of money that gets invested offshore from the GCC, Emirates NBD relationship managers in Dubai also play an important role; they try to create opportunities for their clients offshore, whilst still keeping the assets within the bank. The Singapore

China’s commitment

In line with its Belt and Road initiative, China has signed deals with 68 countries to jointly develop infrastructure along the new Silk Road trade routes.

At a forum in May in Beijing, PRC president Xi Jinping committed USD113 billion to help fund global infrastructure projects.

This was on top of the USD60 billion in Chinese investment pledged since the Belt and Road initiative began.

To date Chinese companies have established 56 economic and trade cooperation zones in more than 20 countries, contributing nearly USD1.1 billion in taxes and creating around 180,000 jobs.

branch also leverages on the institution’s competence in Shariah-compliant wealth management. “We are satisfied with what we have achieved and will continue to invest in the business,” says Shegar.

SWISS ALTERNATIVE

While GCC money invested offshore has traditionally gone to Switzerland, or London, particularly for real estate investments, Singapore has garnered more and more attention.

Shegar is confident that his Asia Pacific proposition can continue to grow along a sustainable trajectory and the One Belt and One Road initiative will only serve to boost the important role Singapore plays as a wealth management centre. ■