



SWIFT business forums 2008

Singapore report

May 2008

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Fast facts

Singapore
8-9 April

Delegates:

Day 1: 262

Day 2: 195

Solutions partners:

- BCSIS
- CityNetworks
- Decillion Solutions
- ERI
- SIDE International

Traffic:

- 622,781,628 million messages (YTD 2008)
- Average daily traffic: 15,006,786
- 22.20% growth YTD

Live customers: 8,385

Singapore business forum sees market forces leading the push for Asia-Pacific harmonisation

The first in the series of this year's SWIFT Business Forums across Asia Pacific kicked off in Singapore at the Marina Mandarin Hotel on 8 April.

Well supported by 23 industry speakers from banks, financial institutions and corporates, speakers in the opening plenary looked at whether the Asian financial market should undergo harmonisation like Europe, which triggered off a lively exchange of views between delegates and speakers.

"The single biggest driver (for harmonisation) is the many shallow capital pools across Asia," said M. Ramasawmi, Senior Executive Vice President, Chief Operating Officer, Head of Operations & Technology, Singapore Exchange Limited. "The rise of the middle class will see an increased appetite for individual investments, which will drive greater intra-regional investment."

M. Ramasawmi also pointed out that Asia cannot take 50 years to achieve harmonisation like the European market, nor does it need that much time. He further stressed that no-one will wait for governments to harmonise.

Nicholas Tan, Head of Group Wealth Management, Consumer Financial Services commented on the overexposure of banks in the US and Europe to Special Investment Vehicles (SIVs) lacking sufficient reserves. "For the short term, banks are being forced to take large write-downs as these SIVs are re-valued. In the longer term, banks may be forced to reduce their capital by selling off their assets to raise funds as credit dries up. The recent stock market instability reflects, in part, fears that credit markets are deteriorating and money is becoming more expensive as we enter a period of higher credit risk."

On the same note, Sahba Saint-Claire commented that businesses play a vital role in this and act as a catalyst for harmonisation. He described market harmonisation as "more of a marathon than a sprint race".

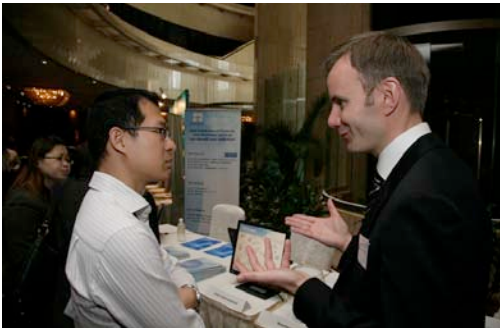
When approached after the opening plenary, Kan Chee Weng, Head, Business Solutions & Relationship Management, Malayan Banking Berhad said, "Obstacles will be aplenty before Asian market harmonisation can truly succeed... To achieve it (Asian market harmonisation), Asia will need to have a common infrastructure, standards and ultimately a common currency."





Another delegate Colin Chua, Private Banking Operations of Credit Suisse, commented, "Asian harmonisation is important and is definitely the way to go ... However, the fact that there are cultural differences amongst Asia will hinder the achievement of this process."

The two-day SWIFT Business Forum included four streams - Payments, Securities, Business, and Technology, where SWIFT clients shared their experiences on how SWIFT solutions had helped enhance their overall operations. The payments stream saw the participation of Standard Chartered Bank, JPMorgan and Deutsche Bank, and some interesting contributions on the topic of supply chain financing.



"Three to five years ago banks did not have a full understanding of supply chain financing - this has changed ten-fold," explained Elizabeth Galletly, Director of Transaction Banking Trade Finance, Standard Chartered Bank. "We are hearing a lot about liquidity in the papers right now. Making the most of our working capital, making the most of liquidity is what supply chain finance is all about," she added.

Peter Tijou, VP, Trade Product Management, Treasury Services of JPMorgan expressed a view that he was surprised to find that TSU had not taken off as quickly as they had expected. Given its relatively low costing, the only reason for the hold-up was possibly because software vendors are still working out a solution that can accommodate usage on a larger scale.



For the Securities Stream, there were speakers from the Singapore Exchange Limited, Clearstream, ISDA, Deutsche Asset Management and Euroclear Bank. The key thread of discussion was the pace of harmonisation in Asia, as well as the complexity of achieving harmonisation even in Europe.

In the closing plenary on the first day there was lively discussion on the topic of when might corporates be able to directly connect to SWIFT, raised by a member of the audience.



Addressing the question, David Blair of DB Consulting said "If SWIFT can communicate with corporates this has got to help grow the network. The way I see it, it's a network play - get the maximum number of players on board."

Adding, "What ties us (corporates) is the service, cut-off times, credit terms and overall relationship - not the technology."

In this same session speakers were asked what was the one thing they would change if they had a choice.



***"Eliminate paper from business transactions,"
offered David Blair, DB Consulting***

***"Simplify technology and make it easier to use,"
suggested Navinder Duggal, MD Global
Transaction Services – Cash, DBS Bank***

***"Less complex products from investment banks,"
expressed Philippe Metoudi, Member of the
Executive Board, Clearstream Banking
Luxembourg***



This remark drew laughter and a round of applause from the audience as the session ended on a positive note.

Upcoming SWIFT business forums in the region

- Melbourne - 27 May 2008
- Sydney - 29 May 2008
- Taipei – 11-12 June 2008
- Shanghai – 18 June 2008
- Beijing – 20 June 2008
- Tokyo – 3-4 July 2008
- Seoul – 16-17 July 2008
- Mumbai – 18-19 November 2008

More information at www.swift.com/conferences



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