Geopolitics: Between the United States and China: Comparison with Geneva, Hong Kong and Dubai

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Geneva: neutrality tested by sanctions

Switzerland faced the same choice in 2022 and resolved it more decisively. On 28 February 2022 the Federal Council decided at an extraordinary meeting to adopt the European Union's sanctions against Russia, which an ordinance of 4 March 2022 then set out in detail.[1] By August 2024 the value of frozen Russian assets in Switzerland stood at 7.1 billion francs, with a further 1.3 billion blocked provisionally. By 1 April 2025 the frozen assets had risen to 7.4 billion francs.[2] Geneva's commodity traders were among those most affected, with part of the Russian trade moving to Dubai.[3]

The Swiss decision followed from Switzerland's position in Europe. Its economy, its banks and its legal order are bound up with those of the European Union, so that a refusal to follow European sanctions would have isolated the country. Singapore's

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position is different. Its region contains no bloc comparable to the Union. Its most important neighbours, as well as China and India, imposed no sanctions on Russia. Singapore's measures were narrower than those of Switzerland, though they went further than those of any other Southeast Asian state. In both cases a tradition of distance from the great powers gave way when the fundamental rules of the international order were at stake.

Hong Kong: the city inside one camp

Hong Kong, Singapore's closest rival as a financial centre, has been affected more directly by the rivalry between the powers. The national security law adopted by the Standing Committee of the National People's Congress came into force on 30 June 2020, the day it was passed.[4] The United States responded by ending Hong Kong's special treatment in American law and by sanctioning officials. Hong Kong did not join the sanctions against Russia, because it follows China's foreign policy. For international clients this means that a Hong Kong institution cannot offer the same distance from Beijing that a Singapore institution can offer.

Hong Kong retains formidable advantages: proximity to China, the depth of its capital markets and its role as the gateway for Chinese companies seeking listings abroad. Its position in the rivalry is nonetheless clear. It is part of China, whose interest in the city lies partly in its access to international capital. Singapore is an independent state with its own foreign policy. In a divided world that difference matters to clients who want a jurisdiction outside both camps. It also explains part of the flow of wealth and headquarters from Hong Kong to Singapore since 2020.

Dubai: the hub of the non-aligned

Dubai offers a third model. The United Arab Emirates has not adopted Western sanctions against Russia and has welcomed Russian businesspeople, traders and capital since 2022. Its financial free zones operate under common law and attract wealth from Russia, India, Africa and the Middle East. American designations of traders and companies based in the Emirates, described in Chapter H.IV, show the price of this openness.

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Singapore has chosen a narrower course that keeps it open to clients from all countries while accepting constraints that Dubai has not accepted. Its decision against Russia in 2022 and its enforcement against false declarations in the chip trade signal a commitment to rules that Western banks and regulators recognise. Dubai has gained business that Singapore declined. Singapore has preserved a reputation that keeps its access to dollar clearing, Western correspondent banks and Western clients secure. In a world of blocs, this reputation may prove to be Singapore's most valuable asset.

In figures

Diplomatic relations with China: 3 October 1990. Free trade agreement with the United States: signed 6 May 2003, in force 1 January 2004. United States goods exports to Singapore in 2025: US$41.6 billion, imports US$38.2 billion, goods surplus US$3.4 billion, services surplus US$29.5 billion. American export controls on advanced chips: announced 7 October 2022. American outbound investment rule: in force 2 January 2025. United States tariff on Singapore: 10 per cent from April 2025, IEEPA tariffs held unlawful on 20 February 2026. Singapore's measures against Russia: announced 28 February 2022, explained on 5 March 2022, four Russian banks named. Russian central bank reserves blocked abroad in 2022: about US$300 billion. Strategic Goods (Control) Act: in force since 1 January 2003, maximum fine for an unauthorised transfer S$100,000 or three times the value of the goods. Singapore's share of Nvidia's revenue in the financial year to January 2025: about 18 per cent, against about 1 per cent of its chips physically delivered to Singapore. Renminbi clearing bank in Singapore: ICBC, designated 8 February 2013. Singapore summit of 12 June 2018: cost S$16.3 million.

Notes

1. Ressos, *Genève, place financière internationale*, partie H, citing the Swiss Confederation and Euronews, 28 February 2022: “À sa séance extraordinaire du 28 février 2022, le Conseil fédéral a décidé de reprendre les sanctions de

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l'UE contre la Russie"; ordinance of 4 March 2022 instituting measures in connection with the situation in Ukraine (RS 946.231.11). ↩

2. Ressos, *Genève, place financière internationale*, partie K, citing SECO, FAQ "Sanctions contre la Russie": as at 13 August 2024 the value of assets frozen in Switzerland under the sanctions against Russia was CHF 7.1 billion, plus CHF 1.3 billion blocked provisionally; *ibid.*, partie H, citing SECO (admin.ch, 1 April 2025): frozen assets of CHF 7.4 billion as at 1 April 2025. ↩
3. Ressos, *Genève, place financière internationale*, partie K, citing *swissinfo.ch*, 11 August 2025, on the relocation of commodity-trading staff from Switzerland to Dubai. ↩
4. Wikipedia, "2020 Hong Kong national security law" (accessed November 2026): passed by the NPC Standing Committee on 30 June 2020 and in force on the same day. ↩

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