

European hubs are fuelling RMB Internationalisation

According to SWIFT's RMB Tracker, Europe now represents 10% of total RMB payments in value worldwide and is leading adoption beyond Asian countries

Singapore, 26 August 2014 – SWIFT's latest RMB Tracker shows that Europe represents 10% of Renminbi payments worldwide in value. For the past year, four European countries have been settling into the top 10, excluding China and Hong Kong. The United Kingdom leads Europe with 123.6% growth between July 2013 and July 2014, followed by France (+43.5%), Germany (+116%) and Luxembourg (+41.9%). Since July 2013, European payments directly exchanged with China and Hong Kong in RMB have increased by 105%, showing a considerable upwards trend in RMB usage.

“For most of these European hubs, Greater China still remains the main trading partner in RMB”, says Michael Moon, Head of Payments and RMB, Asia Pacific at SWIFT. “However, there seems to be a noticeable shift in business for some countries like Luxembourg, with an increasing share of truly offshore flows (e.g. no Greater China leg). In the future, we should see a bigger contribution from truly offshore flows in the internationalisation of the Chinese currency”.

Moon adds, “Over the past year, Chinese authorities and financial institutions announced new partnerships with European countries, making them official clearing centres for the RMB. These announcements have boosted the RMB trading activities in these countries. After the United Kingdom and Germany, we may see similar trends happening in France, Luxembourg and even Switzerland. In July, a bilateral currency swap agreement between the People's Bank of China and the Swiss National Bank could put Switzerland in line to become a new RMB hub in Europe”.

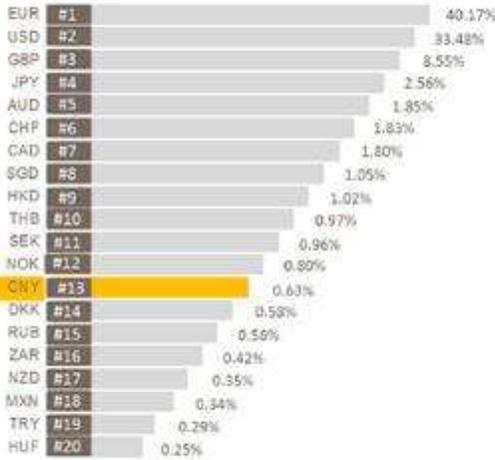
Overall, the RMB strengthened its position as the seventh most used global payments currency and accounted for 1.57% of global payments. In July 2014, RMB payments grew in value by 3.0% compared to June 2014. At a global level, all currencies increased in value by only 2.0% in the same month.

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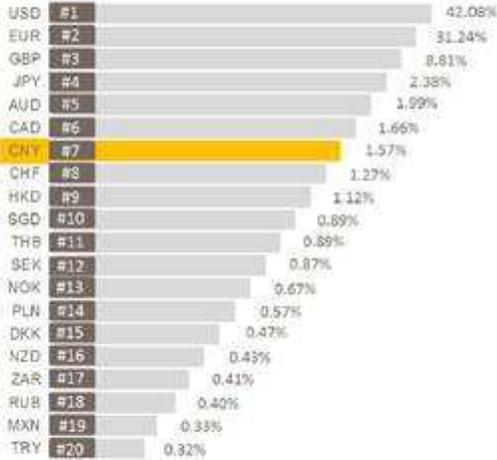
RMB as world payments currency in value

Customer initiated and institutional payments. Inbound + Outbound traffic. Based on value.

Jan 2013



Jul 2014

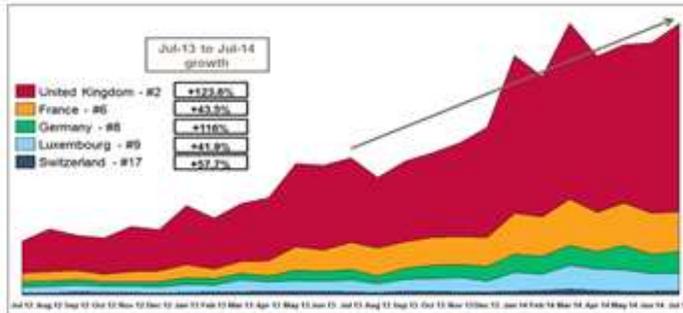


Source: SWIFT Watch

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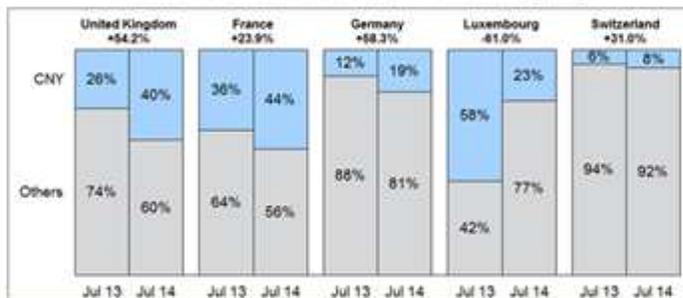
RMB payments value in European hubs

RMB payments sent and received in value, rank excluding China and Hong Kong in July 2014



RMB Payments value weight

International flows sent and received directly with China and Hong Kong



Source: SWIFT Watch

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About SWIFT RMB Tracker & RMB Internationalisation

Launched in September 2011, the SWIFT RMB Tracker provides monthly reporting on key statistics to understand the progress made by RMB towards becoming an international currency. To register for the RMB Tracker in English, Traditional or Simplified Chinese, visit swift.com (select 'Banks on SWIFT') or e-mail swiftforbanks@swift.com.

For more information about RMB Internationalisation, please

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