



Europe is fuelling offshore RMB

After Hong Kong, largest contribution to global RMB payments now comes from Europe

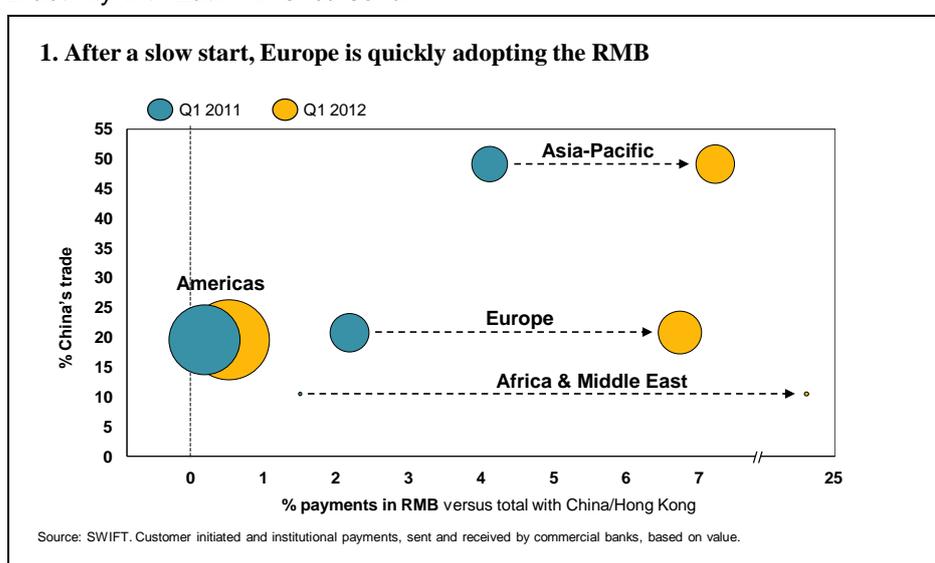
23 April 2012

Hong Kong is still by far the prima ballerina in offshore RMB payments. But who is the next biggest contributor to global RMB transactions? Asia? No. Latin America? No, guess again. It's Europe! This month's SWIFT RMB Tracker shows how Europe quickly adopted the RMB over the past year and -excluding China and Hong Kong- now representing 47% in RMB payments value has overtaken Asia Pacific. Could it be that the crisis in Euroland has given an incentive, or at least an increased inclination, for European-based financial institutions to adopt the RMB? For sure the City of London is actively positioning itself as a next major offshore RMB centre, but the support from Europe for the RMB is broader than that.

- **Up one notch.** March was a good month for payments worldwide, with an average growth of 8.6% versus February 2012. The **RMB** did slightly better and grew by 13.2% to **position #16** and a share of 0.35% (versus #17 and 0.33% share in previous month).
- **Europe is now the biggest contributor with 47% of RMB payments**, beside China and Hong Kong, **using the RMB for 6.7% of all its payments** with China and Hong Kong.

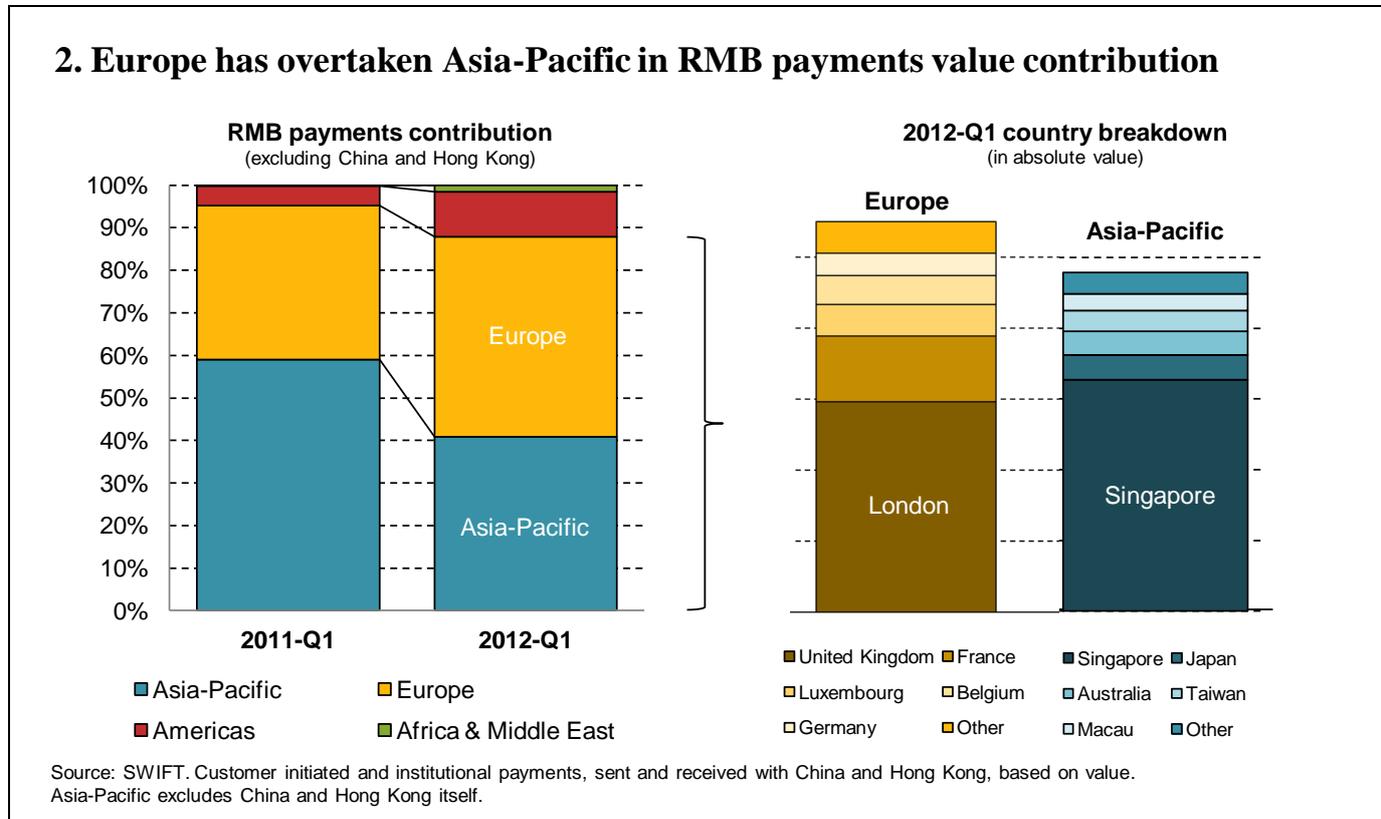
1. After a slow start, Europe is quickly adopting the RMB

Our first chart shows which key regions, besides China and Hong Kong, are adopting the RMB for payments. We look at value of payments in RMB versus total value of payments across currencies between that region and China/Hong Kong. No surprise, Asia Pacific was quick to adopt the RMB, and did 7.2% of all payments with China/Hong Kong in RMB in Q1 2012. Europe had a slower start but is catching up quickly with 6.7%. Africa and the Middle East show strong adoption, mainly driven by Qatar, the UAE and some extent South Africa, but the overall value is pretty small. In the Americas, the RMB needle did not move much: there are some RMB flows with the US and relatively good adoption by Canada but almost no RMB activity with Latin America so far.



2. Europe has overtaken Asia-Pacific (ex Hong Kong & China) in RMB payments value contribution

Our second chart shows that, whilst its adoption rate is slightly below Asia's, Europe is actually contributing more to RMB payments than Asia-Pacific thanks to its bigger absolute payments value. Excluding China and Hong Kong, Europe's share in RMB payments increased from 36% in Q1 2011 to 47% in Q1 2012, whereas Asia-Pacific's share declined from 59% to 41%. Looking closer at a country level, despite often lower adoption rates, the contribution in absolute value to RMB payments from several European countries is bigger than that of many Asia-Pacific countries.



RMB resources from SWIFT

- The new **RMB webpage** helps find out more about the RMB internationalisation and how SWIFT can support you in your RMB development strategy:
<http://www.swift.com/products/renminbi/overview>
- To ensure we fully understand your needs with regard to developing your offshore RMB business, we would like to gather your feedback. Please take a moment to fill in the '[RMB Integration and Consulting Survey](#)', so that we can serve you better.
- The free **white paper** *RMB Internationalisation: Implications for the global financial industry* – created with key contributions from Bank of China, Citi, Deutsche Bank, HSBC, ICBC and Standard Chartered – explores the progress of RMB internationalisation and examines the opportunities and threats that this creates for banks.
- The free **SWIFT RMB Tracker** (2 pages) provides a monthly reporting on key statistics, to understand the progress made in RMB towards becoming an international currency.
- The **SWIFT RMB Business Insights report** (40 pages) provides detailed insights to help banks make informed decisions about where, when and how to pursue business opportunities related to the RMB. This report has been created using information about actual RMB transactions going over the global SWIFT network, combined with market data like GDP and trade flows.
- For even deeper analytics, the **SWIFT Watch Value Analyser** provides detailed data on a monthly basis about your institution's SWIFT traffic and market share – in number of transactions and by transactions value, per currency.
- For insights tailored to your specific needs, **SWIFT's Business Intelligence Services** can for instance provide detailed peer comparisons.

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