

News Release

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RMB IS USED BY OVER HALF OF HONG KONG BUSINESSES, HSBC GLOBAL SURVEY SHOWS

Hong Kong solidifies its position as the Global Hub for RMB Business

Hong Kong, as the leading offshore renminbi (RMB) centre, continues to lead global RMB usage, a new survey from HSBC Commercial Banking shows.

In early 2015, HSBC surveyed 1,610 companies in 14 countries and territories around the world that do business in or from China. The survey found that RMB usage remains primarily driven by the Asia Pacific markets, specifically the Greater China region, and usage levels in the region remain broadly on a par with 2014 figures. In Hong Kong, 52% of businesses currently use RMB for cross-border business, followed by Taiwan (38%) and Mainland China (35%).

The survey also shows that 39% of Hong Kong businesses have undertaken management discussions about the potential opportunities in using RMB. The figure is the highest out of the markets surveyed, showing that business leaders in Hong Kong are well aware of the need to explore RMB business opportunities internationally.

Albert Chan, Head of Commercial Banking, HSBC Hong Kong said, "Hong Kong was recognised as the first offshore RMB centre as early as 2009. The first-mover advantage enables the development of a wide range of RMB products and services. Given the breadth and depth of the RMB liquidity pool, businesses can easily enjoy the benefits of using RMB as a trade currency. RMB internationalization is an inevitable global trend and companies are advised to keep track of the most updated information on the currency so as to maintain their competitive edge."

According to the survey, strong growth forecasts are particularly notable in Mainland China and Hong Kong. 55% of businesses in Hong Kong anticipate RMB cross-border business will increase in Greater China over the course of the next 12 months.

Additionally, 34% of businesses globally foresee that the RMB will become an international trading currency in the next five years. Businesses in Hong Kong have a much stronger belief, at 55%, slightly above last year.

One important finding of this year's survey is that corporate use of the RMB reached a watershed in 2014. The currency revealed its downward adjustment against the US dollar, which marked a new phase in the liberalisation process. This is a sign of the RMB maturing

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as a global currency. In late 2014, RMB became the fifth most-used currency for global payments, according to data from SWIFT.

In response to the reversing appreciation trend of RMB against the USD, 59% of Hong Kong businesses perceive that foreign companies can gain relationship advantages by using RMB, a drop from 67% in 2014. Additionally, 53% believe they can gain financial advantages, a drop from 68% in 2014.

Moreover, only 18% of non RMB users will start using the currency for cross-border business in the future, down from 31% in 2014. This may be as a result from the change in expectations on RMB appreciation.

Chan concluded, "As the world's biggest trade bank, we have taken a leading role in the expansion of RMB trade settlement, and we have helped clients pioneer cross-border cash and liquidity management to improve their treasury efficiency. We are committed to working hand-in-hand with clients to extend their RMB business links with the Mainland and the rest of the world."

HSBC is at the forefront of its internationalization - with RMB trade capabilities in over 50 markets globally, and is the first international bank to settle RMB trade in six continents. The bank has been expanding its network of China desks to all top markets, supporting Chinese businesses in identifying and capitalising on opportunities overseas.

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Notes to editors:

About the RMB Survey

HSBC commissioned Nielsen to conduct a market survey of 1,610 international companies that currently do business with Mainland China or are a business in Mainland China that imports/exports outside of the region. The survey was in field between 7 January and 12 February 2015 and was undertaken to understand clients' attitudes towards using RMB, reasons of using / not using RMB for trade activities, as well as other insights they can offer about the RMB.

The research surveyed international businesses in Australia (n=100), China (n=200), Germany (n=100), Hong Kong (n=200), Singapore (n=100), the UK (n=100), the USA (n=106), Canada (n=100), Taiwan (n=100), France (n=101), the UAE (n=100), Brazil (n=100), Malaysia (n=103) and South Korea (n=100). Of the companies surveyed, approximately 50% had an annual sales turnover between of US\$3M-50M, 40% had a turnover of US\$50M-500M and 10% had an annual sales turnover above US\$500M. (Copyright © 2015, The Nielsen Company)

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