



# RMB Tracker

August 2014

# RMB Tracker – What is it?

Monthly reporting and statistics on renminbi (RMB) progress towards becoming an international currency.

**Press release**

**20% countries crossing the RMB river**

*As volumes continue to rise, 21 countries now use the renminbi for at least 10% of their payments with China. Which are they, and where to focus your next business development effort?*

23 August 2012

The monthly SWIFT RMB Tracker continues to monitor the steady progress of the RMB as international payments currency and a safer asset class. These countries assisting – or not – the RMB for their payments with China and Hong Kong:

- In July 2012, the trend towards use continues to rise and most asset payments currency with a market share of 4.4% (versus 0.4% in June 2012). As per our 2012 RMB Tracker, the renminbi has established the South African Rand, with a share of 0.4%, and also gains ground to the Canadian dollar (0.4%) and the US dollar (0.4%).
- Of the 100 countries that pay with China and Hong Kong in July 2012, 20% of countries had at least 10% of their payments value in renminbi. On average, 4% of all payments, done with China and Hong Kong, are in RMB. Strong partners are the G20 countries, Singapore and the UK, and also Canada and Germany (new good clients, assisted by the US, Japan and Australia remains true).

**RMB moving up one position to #11**

The first graph shows the RMB's market share in July 2011 and July 2012 in customer and multilateral payments versus its immediate neighbours, the South African Rand (ZAR) and the Canadian dollar (CAD). RMB is now #11 with 0.4% market share compared to #10 and 0.3% one year ago. It has overtaken the ZAR remaining at 0.4% market share and getting closer to the CAD with 0.2%.

**10 RMB rankings up one position to #11**

**To be part of the top 10 payments currencies, the RMB market share has to reach 1%. The EUR and USD remain the most frequent currencies with 6.7% and 31% respectively.**

**SWIFT RMB Tracker, July 2012**

**RMB x 17**

*Value of RMB payments increased 17-fold since October 2010, the most spectacular growth of any major currency.*

10 July 2012

This month's SWIFT RMB Tracker takes a look back at the growth of the renminbi for offshore payments since October 2010 when SWIFT began tracking the currency and value of dollar messages. Compared to any other top 25 payments currency, RMB had the most spectacular growth and continues to maintain momentum:

- Chinese RMB payments grew in value by 17.4 times from October 2010 to June 2012. No other currency had such a three-fold increase during the period (except payments across currencies grew by 1.7 times). An Arab RMB jumped from position #12 in October 2010 to #16 in June 2012, at the top of most used send payments currencies, nearly to overtake the South African Rand (ZAR) currently at #11.
- SWIFT also sees a 60% to 80% increase in the number of customer and multilateral processing RMB payments from June 2011 to June 2012. Top RMB payments banks increased the number of RMB relationships by 10% in that same period, from an average of 91 to 115 correspondents. Another good indicator for growing international adoption.

**4. RMB payments spectacular growth by 17.4 times**

The first graph shows the evolution of payment currencies from October 2010 to June 2012. The RMB has grown substantially more than its immediate neighbours in its value grew by 17.4 times compared to an increase of 1.7 times for all currencies on average. The only other major currency with a significant increase was the Russian Ruble (RUB), which grew by 2.2 times in that same period.

**1. RMB payments spectacular growth by 17.4 times**

**SWIFT RMB Tracker, June 2012**

**The yuan-yen tango**

*Ample opportunity for China and Japan to promote their domestic currencies for bilateral trade settlement*

23 June 2012

This month's SWIFT RMB Tracker takes a closer look at payments between China and Japan, following the start of direct trading between their currencies at the end of May. There is a plenty of opportunity for the world's second and third largest economies to promote their respective currencies, since, currently the majority of payments between them is done in a third currency, namely the USD.

- USD is the most used currency between China/Hong Kong and Japan with a share of 52.4% in customer initiated payments in May 2012. 27 currencies account with 43.2%.
- RMB is third with 1.8%, CNY is fourth with 1.3% and EUR is the fifth currency with 0.4%.
- May 2012 was a good month for RMB payments overall, with a growth of 22.2% in value versus April 2012 (payments across all currencies grew by 12.5%), increasing its market share to 4.4% (0.3% in April 2012). RMB is still send payments currency #10.

**1. USD is still the most used currency between China/Hong Kong and Japan**

Our first chart shows that the USD takes a lead as the most used currency between China/Hong Kong and Japan for customer initiated payments in May 2012, with a share of 52.4%. The second most used currency is the yen with 13.2%. From Japan's perspective, the yen is used in 34.2% of exports to China/Hong Kong payments received by Japan, and 25.2% for imports payments sent to Japan. Overall, RMB was only used in 1.7% of customer initiated payments between China/Hong Kong and Japan.

**1. USD is still the most used currency between China/Hong Kong and Japan**

**Customer initiated payments between China/Hong Kong and Japan in value, May 2012**

**China and Hong Kong**

- 1. USD 52.4%
- 2. JPY 13.2%
- 3. RMB 4.4%
- 4. CNY 1.3%
- 5. EUR 0.4%

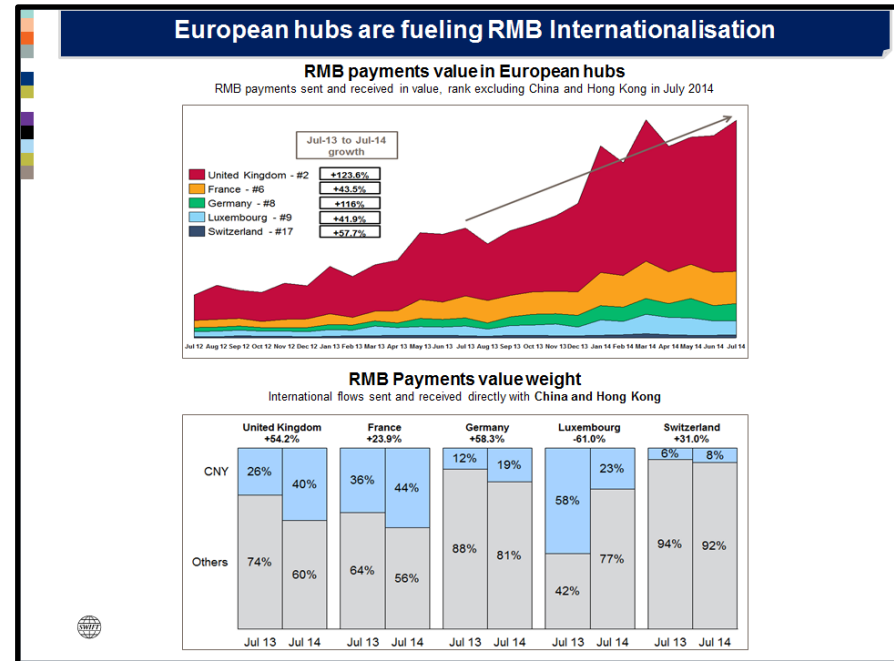
**Japan**

From SWIFT's perspective, customer initiated payments sent to Japan were:



# August RMB Tracker:

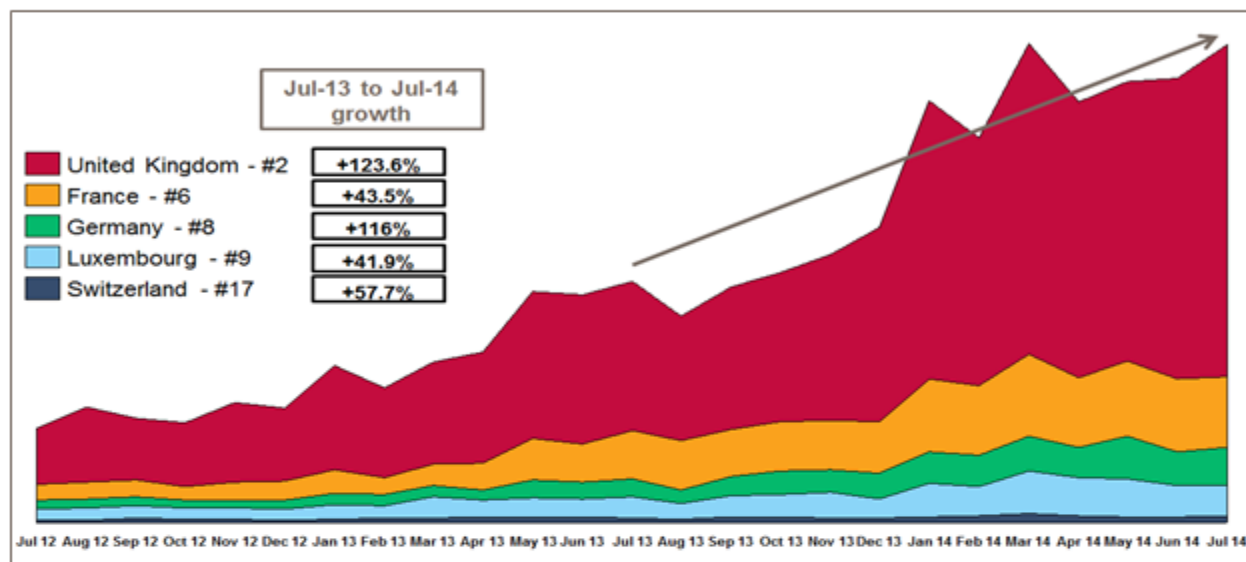
- Europe represents 10% of the Renminbi payments worldwide in value. For the past year, four European countries have been settling into the top 10, excluding China and Hong Kong.
- For most of these European hubs, Greater China still remains the main trading partner in RMB. However, there seems to be a noticeable shift in business for some countries like Luxembourg, with an increasing share of truly offshore flows (e.g. no Greater China leg).
- Announced in July, the 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.
- RMB strengthened its position as the seventh most used global payments currency and accounted for 1.57% of global payments.



# European hubs are fuelling RMB Internationalisation

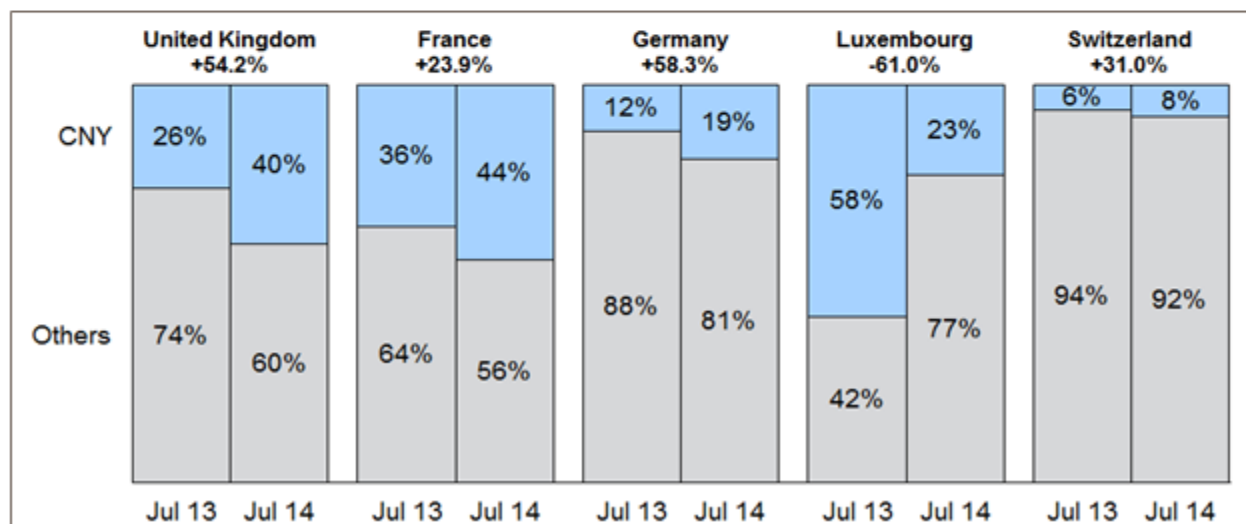
## RMB payments value in European hubs

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



## RMB Payments value weight

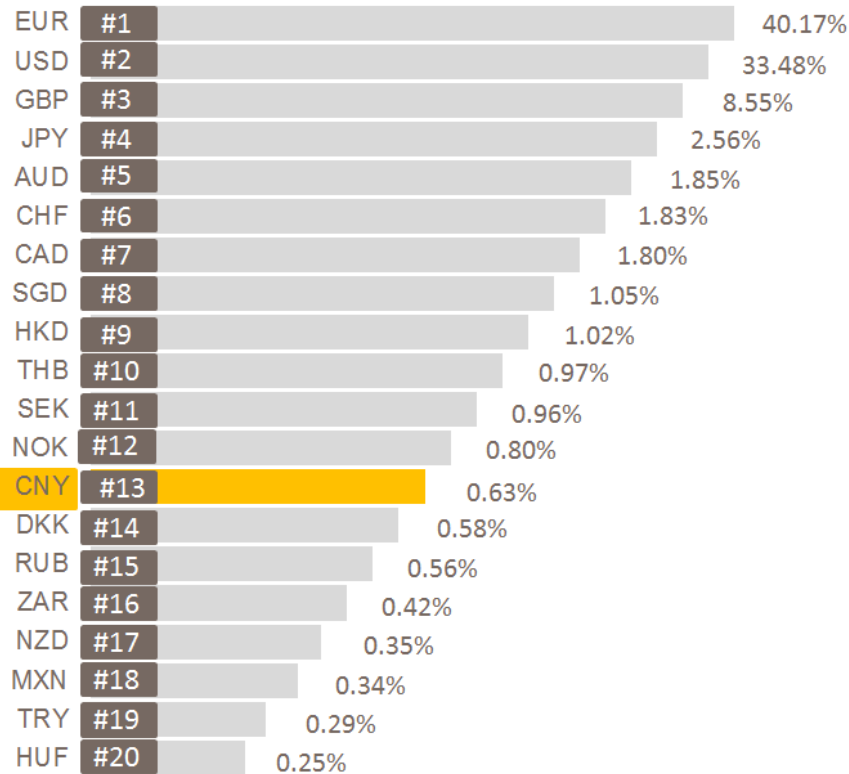
International flows sent and received directly with China and Hong Kong



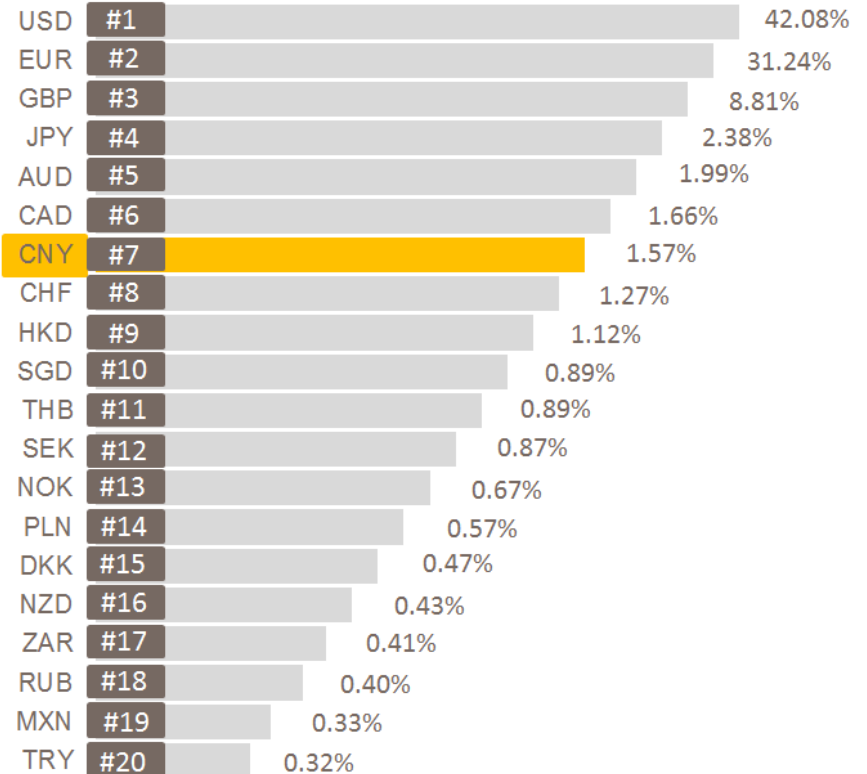
# RMB as world payments currency in value

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

Jan 2013

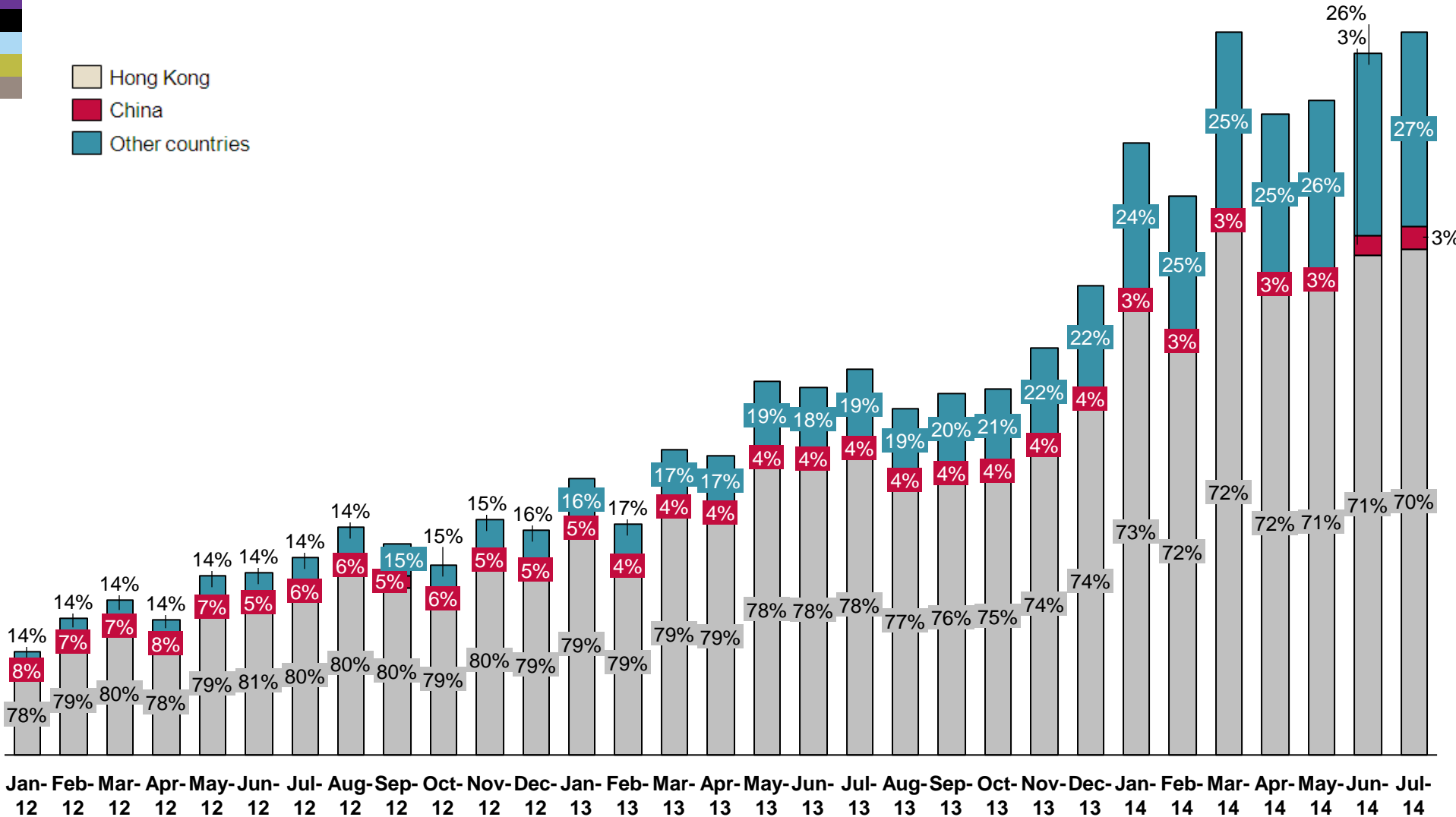
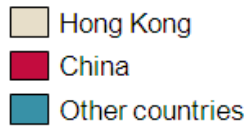


Aug 2014



# RMB payments evolution

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



Source: SWIFT Watch

# Want to know more?

SWIFT enables **YOU** to gain **unique insights** at any time on the RMB progresses in becoming an international currency:

- Market intelligence
- Your financial institution activity
- Your activity share and/or peer benchmark

## Key resources for more information:

- [RMB Package](#)
- [Business Intelligence solutions](#)

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