



# RMB Tracker

May 2016

# 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, 11 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?

13 August 2012

This month's SWIFT RMB Tracker continues to monitor the steady progress of the RMB as international payments currency and takes a closer look at those countries adding, or not yet, the RMB for their payments with China and Hong Kong.

- in July 2012, the RMB moved up one position to 8th most used payments currency with a market share of 2.4% versus 2.4% in June 2012. As per last month's RMB Tracker, the currency has overtaken the South African Rand, which ranked at 24th, it also gets closer to the Canadian dollar at position #14 with 0.7% market share, one of the countries that had payments with China and Hong Kong in July 2012. 28% of all payments total at least 10% of their payments value is renminbi. On average, 4% of all payments value with China and Hong Kong was in RMB. Strong momentum on the old countries, Singapore and the UK. And also, Canada and Germany show good momentum, whereas Australia by the US, Japan and Australia remains low.

**1. RMB moving up one position to 8th**

The first graph shows the RMB's market share in July 2011 and July 2012 in customer and institutional payments value to immediate neighbours, the South African Rand (ZAR) and the Canadian dollar (CAD), made to rise #10 with 0.6% market share compared to #9 and 0.3% one year ago. It has overtaken the ZAR remaining at 0.44% market share and getting closer to the CAD with 0.7%.

To be part of the top 10 payments currencies, the RMB market share has to reach 1%. The EUR and USD remain the main top payments currencies with 43% 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.

13 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 certain messages. Compared to any other top 20 payments currency, RMB had the most spectacular growth and continues its monthly progression.

- Offshore RMB payments grew in value by 17.4 times from October 2010 to June 2012. No other currency has had a steep increase during this period (except payments to/from currencies given by 1.7 times). As a result, RMB jumped from position #10 in October 2010 to #8 in June 2012. One of the most used world payments currencies, RMB is overtaking the South African Rand (ZAR) currency at #10.
- SWIFT also saw a 48% to 56% increase in the number of countries and institutions processing RMB payments from June 2011 to June 2012. Top RMB payments banks increased the number of RMB relationships by 67% in that same period, from an average of 91 to 153 correspondents. Another good indication for growing international adoption.

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

This first graph shows the evolution of payment volumes from October 2010 to June 2012. The RMB has gone spectacularly (mostly driven by institutional payments) as its value grew by 17.4 times compared to its position at 1.1 times for all currencies on average. The only other major currency with a significant increase was the Russian Ruble (RUB), which grew by 3.2 times in that same period.

SWIFT RMB Tracker, July 2012 Page 1

**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 plenty of opportunity for the world's second and third largest economies to promote their respective currencies, their currency. The majority of payments between them is done in a third currency, namely the US dollar.

- 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. JPY comes second with 43.0%, 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 10.2% in value versus April 2012. Payments across all currencies grew by 12.4%, meaning its market share is 0.47% (vs 0.4% in April 2012). RMB is still world payments currency #10.

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

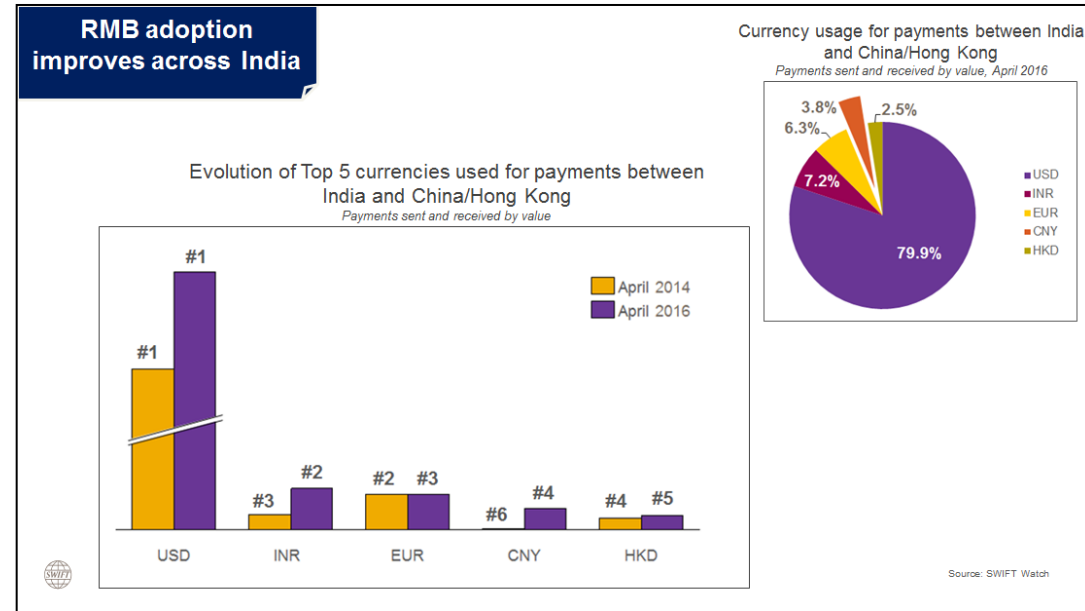
Our first graph shows that the US dollar is the most used currency between China/Hong Kong and Japan for customer initiated payments in May 2012, with a share of 52.4%. The second most used currency is the yen with 43.0%. From Japan's perspective, the yen is used in 54.5% of exports to China/Hong Kong payments received by Japan, and 25.0% for imports/payments sent to Japan. Overall, RMB was only used in 1.3% of customer initiated payments between China/Hong Kong and Japan.

SWIFT RMB Tracker, June 2012 Page 1



# May RMB Tracker:

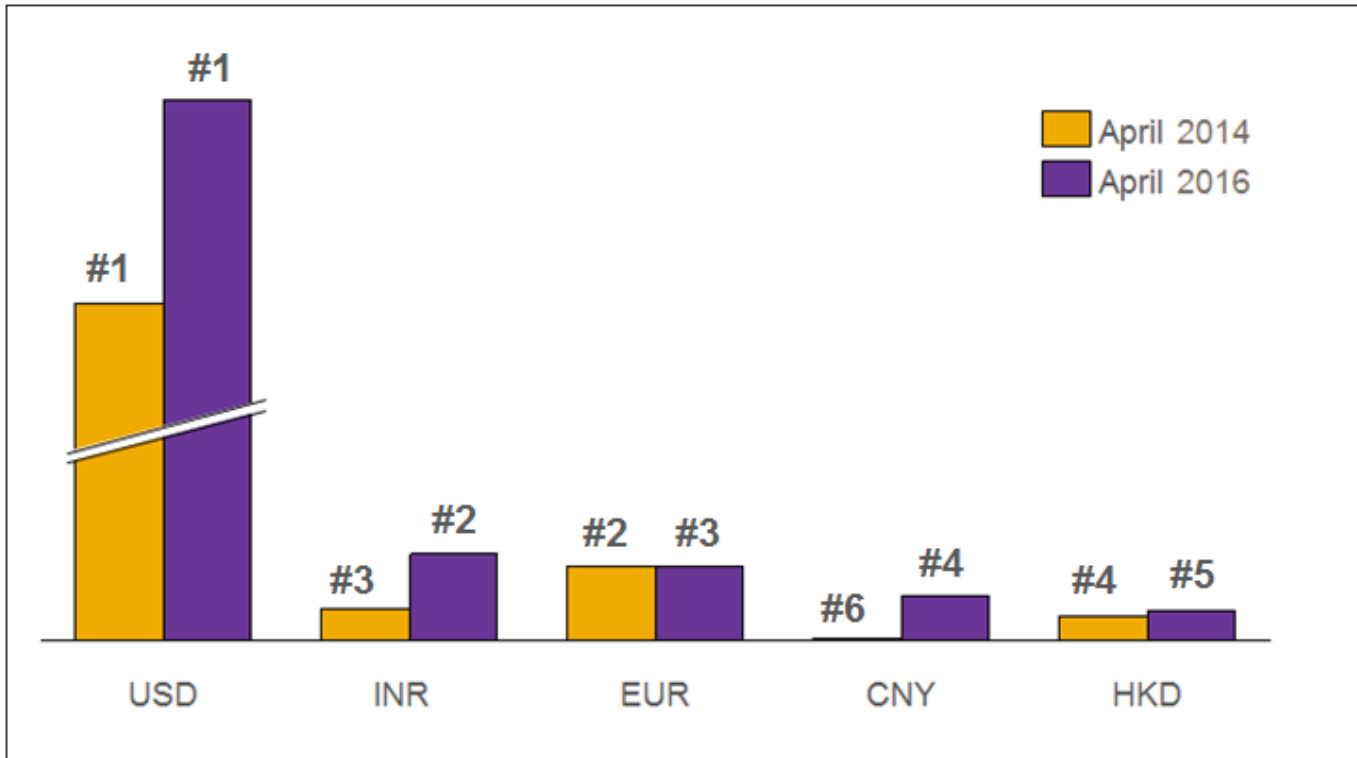
- SWIFT's RMB Tracker shows that the Renminbi is the fourth most active currency for payments between India and China/Hong Kong by value while the US dollar continues to dominate the corridor.
- Recent SWIFT data shows that India's use of RMB for payments in value with China and Hong Kong is on the rise, but the country still shows one of the lowest RMB adoption rates among Asian countries, ranked 38<sup>th</sup> worldwide.
- In April 2016, 3.8% of all payments made between India and China / Hong Kong were exchanged in RMB while this was only 0.2% back in April 2014. Since 2014, the Chinese currency moved from position number six to position four for payments by value overtaking the HK dollar and the British pound.
- China has emerged over the last decade to become India's largest trading partner. As a result, RMB adoption is slowly gaining traction for payments between India and China. Over time, and in line with the growing importance of this emerging trade corridor, we expect to see greater use of the RMB between these two countries.
- In April 2016, the RMB fell to position six as global payments currency by value with a share of 1.82%. The Renminbi is now trailing the Canadian dollar with a share of 1.83%, showing a minor gap between the two currencies. Overall, RMB payments value decreased by 7.73% compared to March 2016, whilst in general all payments currencies decreased by 4.60%.



# RMB adoption improves across India

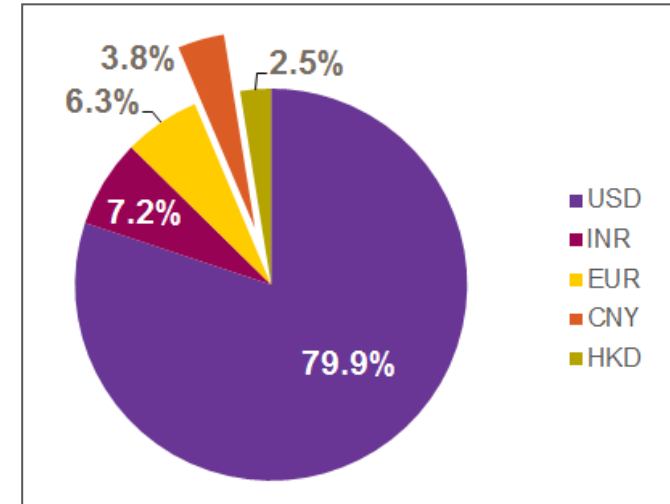
## Evolution of Top 5 currencies used for payments between India and China/Hong Kong

Payments sent and received by value



## Currency usage for payments between India and China/Hong Kong

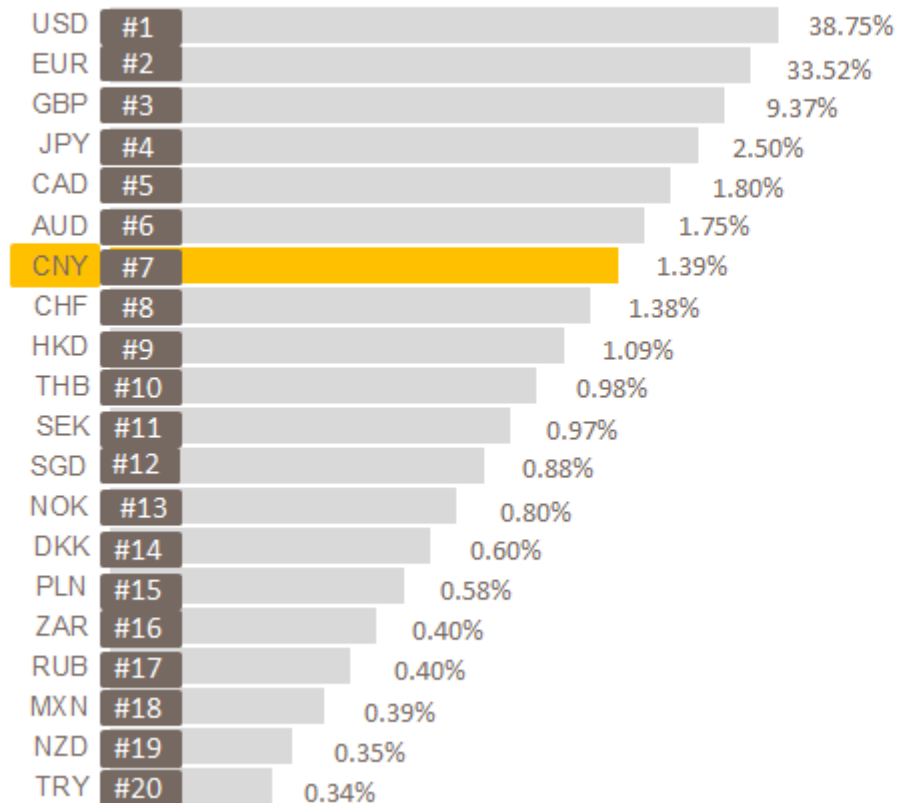
Payments sent and received by value, April 2016



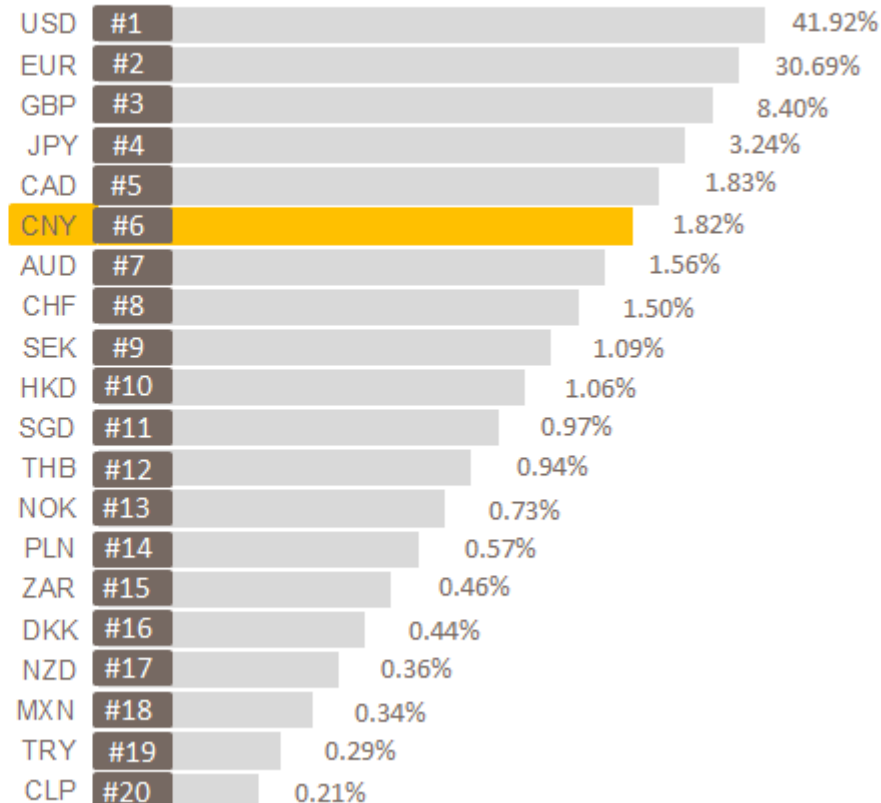
# RMB's share as an international payments currency

Customer initiated and institutional payments. Messages exchanged on SWIFT. Based on value.

January 2014

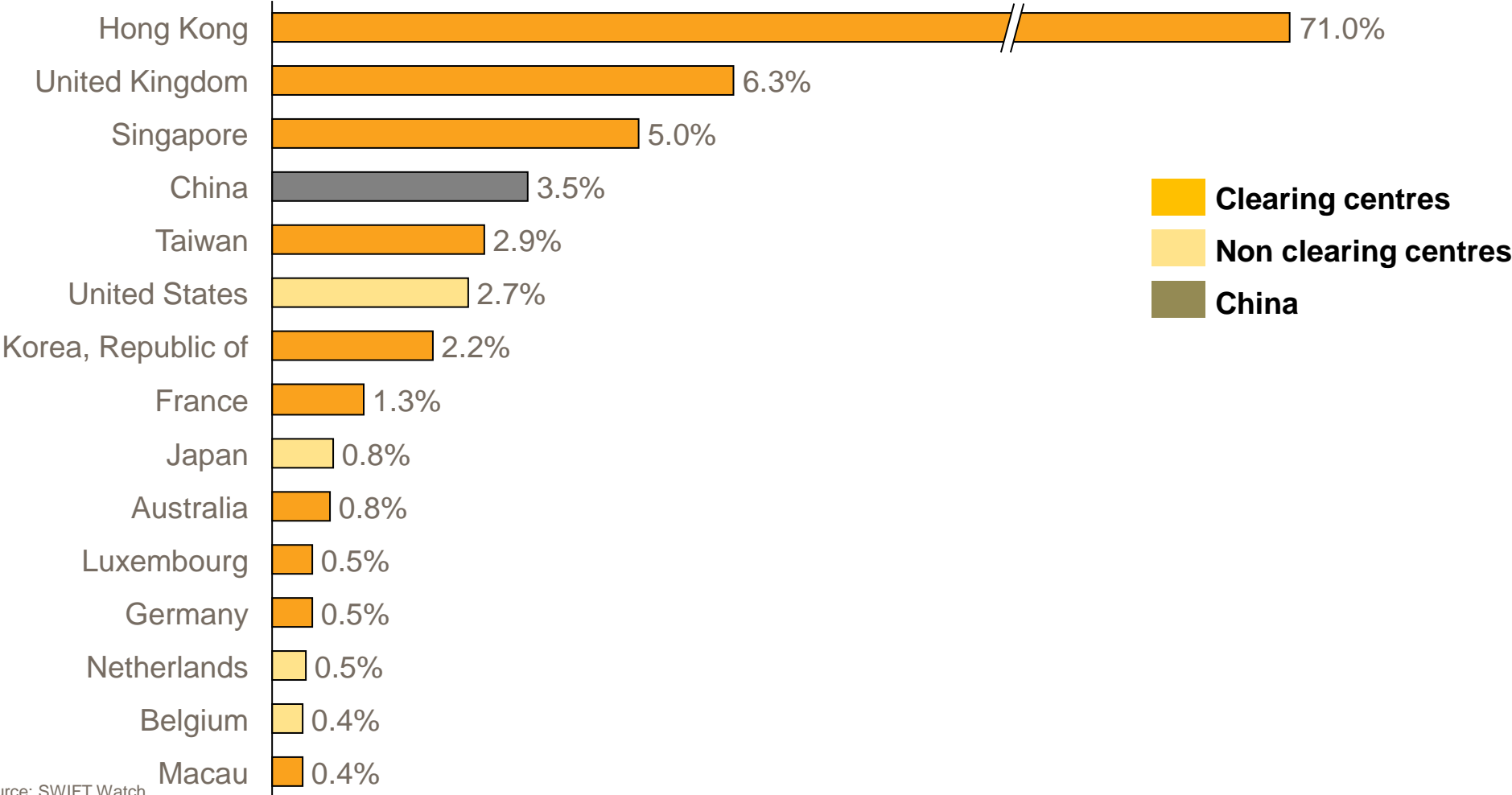


April 2016



# Top 15 RMB economies by weight – April 2016

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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