



## A stellar performance in 2011 positions London as next RMB offshore centre

18 January 2012

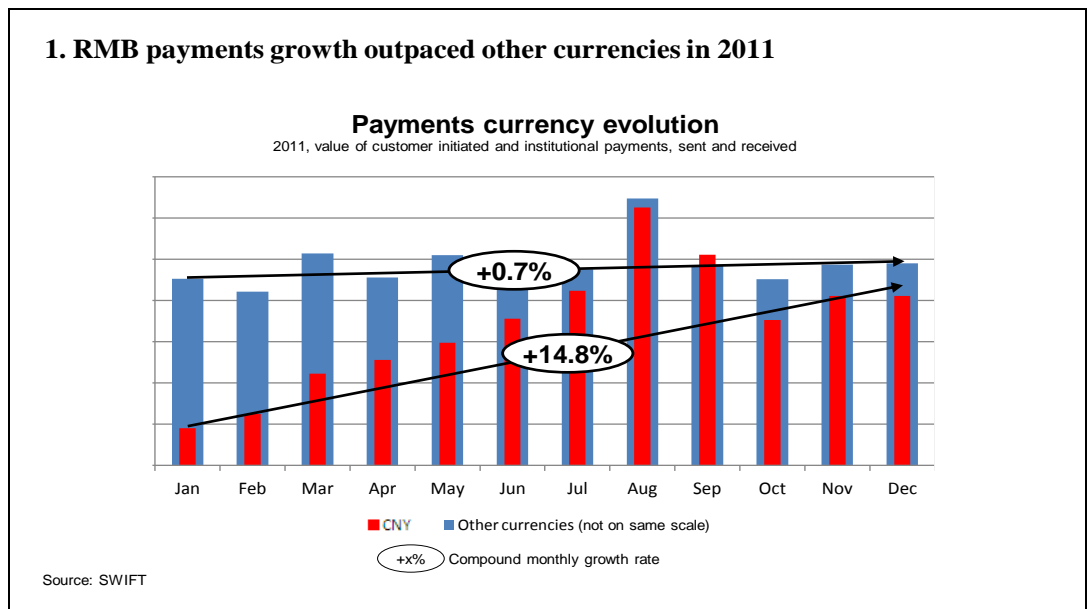
Mr. Osborne should be pleased. In this January edition, we give some perspective on the recent deal signed by the UK chancellor with Hong Kong to turn London into an offshore trading centre for the renminbi as a complement to Hong Kong. According to data from our network, the City is at a better starting point than he may realise. Beyond China and Hong Kong (the world's biggest RMB offshore centre), London did 30% of RMB payments and 46% of RMB FX in Q4 2011, placing it on par with Singapore in RMB payments and first in RMB FX.

Highlights:

- By end 2011, **the renminbi became world payments currency #17**. Whilst its growth outpaced that of other major currencies, the RMB's share of 0.29% in global payments remains small compared to 43% for the euro
- **Hong Kong is the world's biggest RMB offshore centre**, with 78% of all RMB payments sent and received in December 2011
- **The United Kingdom is set to become the next RMB offshore trading centre**. In Q4 2011, it already did 30% of RMB payments (thus levelling with Singapore) and 46% of RMB FX transactions - not considering China and Hong Kong volumes in both cases.

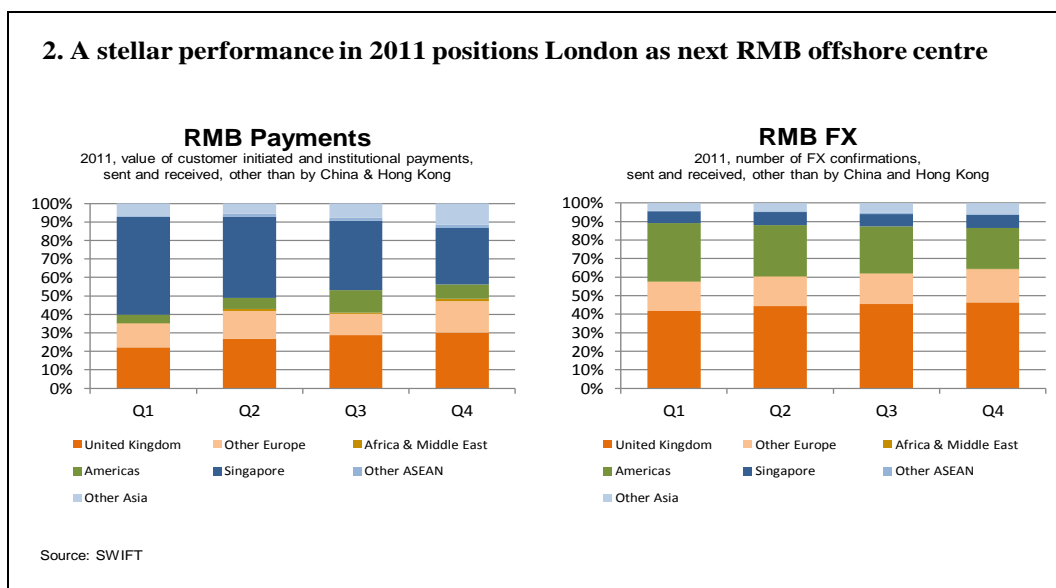
### 1. RMB payments growth outpaced other currencies, became currency #17 in 2011

Our first chart shows how RMB payments growth outpaced other global currencies in 2011. The RMB grew at a compound monthly rate of 14.8% versus an average 0.7% for other currencies. This propelled the RMB as payments currency from position #30 in January to #17 in December 2011. None of the other BRIC countries did better: the Russian Rouble (#13) grew by 7.4%, the Indian Rupee (#51) by 4.1% and the Brazilian Real (#60) by 2.3%.



## 2.A stellar performance in 2011 positions London as next RMB offshore centre

Our second chart reveals that London may well become the next major RMB offshore centre as a complement to Hong Kong. It shows which regions generated most RMB payments and FX transactions in 2011 - other than those sent and received by China and Hong Kong. In RMB payments, Singapore started off strong early 2011 but lost ground and its share declined from 52.9% in Q1 to 30.6% in Q4. The United Kingdom on the other hand had the strongest growth in RMB payments and saw its share increase from 22.1% in Q1 to 30.0% in Q4. In RMB FX transactions, the United Kingdom is already the biggest player (other than China and Hong Kong) with a share of 46.4%. Building on these two facts, the United Kingdom is set to become the next RMB offshore trading centre in 2012 after Hong Kong.



### About SWIFT

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 9,700 banking organisations, securities institutions and corporate customers in 209 countries. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.

Disclaimer: This report is provided for information only. If the customer or any third party decides to take any course of action or omission based on this report and/or any conclusion contained therein, they shall do so at their own risk and SWIFT shall not be liable for any loss or damage, arising from their acts or omissions based on this report and/or any recommendations contained therein.

For more information, please contact:

Addy Ching  
Associate Marketing Communications Specialist  
 ☎ +852 2107 8862  
 ✉ [addy.ching@swift.com](mailto:addy.ching@swift.com)

Bite Communications  
Rosemary Merz  
 ☎ +852 2973 0222  
 ✉ [rosemary.merz@bitecommunications.com](mailto:rosemary.merz@bitecommunications.com)