



## A bronze medal for RMB in Trade Finance

*The renminbi is the 3<sup>rd</sup> biggest currency in the global issuance of Letter of Credits by value, after the US dollar and the euro*

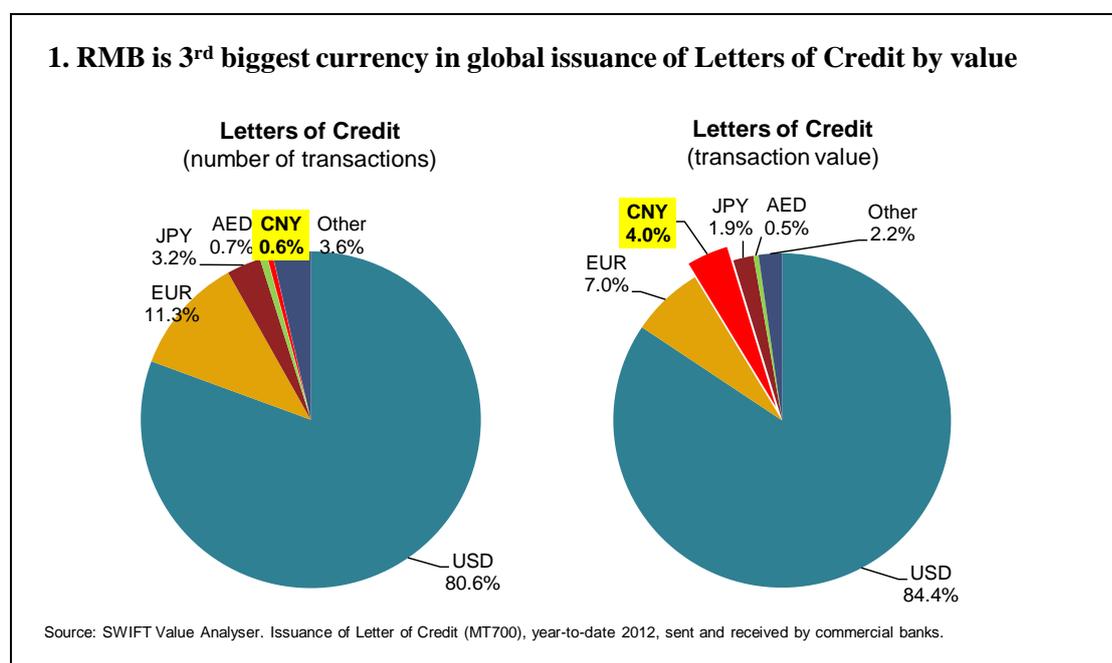
23 May 2012

So far, the focus of the SWIFT RMB Tracker has been predominantly on payments -- high time to have a closer look at another key market: RMB for Trade Finance. The news is significant: even more important than its steady climb up the ladder as world payments currency (with a market share of 0.34%), the renminbi now has a 4% market share in the global issuance of letters of credit by value. This makes it one of the world's top 3 currencies in this space – it's quite an Olympic achievement.

- With a market share of 4.0%, **RMB is the world's 3<sup>rd</sup> biggest currency in the global issuance of Letters of Credit by value** in April 2012 (year-to-date), after the US dollar (84.4%) and the euro (7.0%).
- There's not much movement on the payments front, **RMB remained world payments currency # 16** in April 2012, with a market share of 0.34%.

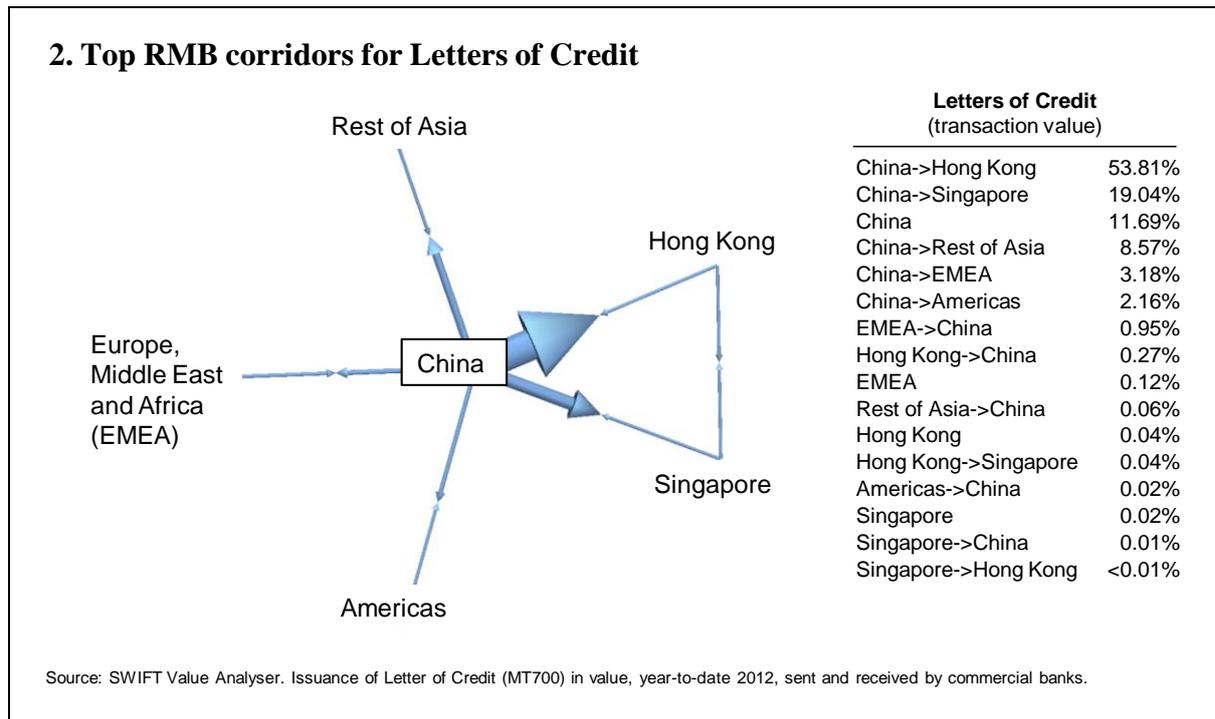
### 1. RMB is 3<sup>rd</sup> biggest currency in global issuance of Letters of Credit by value

Our first chart shows the most used currencies in the global issuance of letters of credit – both in number of transactions and in transaction value (year-to-date 2012). With a share of over 80% in both cases, the US dollar is the dominant currency for this type of trade finance. With a share of 4.0%, the renminbi is the 3<sup>rd</sup> biggest currency for the issuance of letters of credit in transaction value, after the US dollar (84.4%) and the euro (7.0%) and before the yen (1.9%).



## 2. Top RMB corridors for Letters of Credit

Our second chart shows the biggest corridors where the renminbi is used in the issuance of letters of credit. The business is clearly concentrated in Asia Pacific, with well over 50% of all letters of credit in transaction value being sent by banks in China to Hong Kong and nearly 20% going from China to Singapore.



For more statistics and insights on market developments in Trade Finance, please see the annual Trade Finance Survey recently published by the ICC.

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