

Press Release

For business desks
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New Commerzbank survey: Renminbi continues to establish itself

- **Client interest in renminbi steadily growing in payment transactions**
- **Invoicing of Chinese business in renminbi has benefits**
- **The internationalisation of the renminbi continues**

With the increasing integration of China into the global financial system, the renminbi is progressively gaining in significance in Europe. This has been confirmed by a survey of more than 200 companies which was conducted by Commerzbank and the Forsa institute. In 2015 only 25% of the surveyed companies were actively engaged on the topic of renminbi, in 2016 this figure had grown to 33%.

To date 17% of surveyed participants are processing invoices for Chinese business activities in renminbi and a further 16% of the companies surveyed are planning to convert their invoicing next year. The fundamental reasons stated for this move are benefits with price negotiations (56%), the preferences of Chinese trading partners (53%), as well as safeguarding against exchange rate risks (47%) and advantages in market development on the Chinese mainland (41%).

Since the conversion of invoicing to renminbi, primarily standard products have been used. For example, 97% of the surveyed companies process their payment transactions in renminbi, 94% utilise renminbi accounts and a further 67% rely on exchange rate hedging for the purposes of risk management.

“The internationalisation of the renminbi has continued in the past year,” said Michael Rugilo, Asia Expert Corporates & Markets at Commerzbank, adding: “This is despite a downturn in currency reserves and muted growth forecasts for China.”

When safeguarding against exchange rate risks companies generally utilise standard products: the clear leaders, favoured by 80% of companies, are spot exchange transactions and forward exchange transactions. Approximately 50% also use electronic platforms to process their renminbi exchange rate hedging. Renminbi is particularly in demand in the manufacturing sector. China is one of the most important trading partners for importers and exporters, who as part of their trade relationships are progressively utilising the renminbi.

The survey confirmed that Germany's SME sector uses and recognises the growing and international presence of the renminbi. "Corporate clients are increasingly using risk management products to utilise opportunities in an ever more challenging renminbi market environment or to reduce risks due to higher volatility," said Martin Keller, Head of Product Management at Commerzbank Mittelstandsbank.

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