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## **Korean companies growing optimistic about RMB's future as an international trade currency, HSBC's global RMB survey shows**

According to HSBC's Global RMB survey, 15% of the Korean companies said that they currently use RMB for business with China while 35% of the non RMB users expect to adopt RMB in the future. Both figures are the highest outside the Greater China (China, Taiwan and Hong Kong) area among the 14 markets covered in the survey. This indicates that Korean companies have become increasingly aware of the opportunities the rise of the Chinese currency will bring to their business. Considering that the RMB development is only at a beginning stage in Korea, the results show an encouraging sign that Korean government efforts are bearing fruits.

HSBC's Global RMB survey was undertaken to understand the international companies' preference about using RMB for cross-border business as well as other insights they can offer about the RMB. The survey which was started in early 2015 polled more than 1,600 decision-makers from Australia, Brazil, Canada, mainland China, France, Germany, Hong Kong, Malaysia, Singapore, Korea, Taiwan, the UAE, the UK and the US who represent companies that conduct international business with or from China. Korea, Brazil and Malaysia were added this year. Of the 100 Korean companies surveyed, approximately 53% had an annual sales turnover between of 3-50 million dollars, 35% had a turnover of 50-500 million dollars and 12% had an annual sales turnover above 500 million dollars.

31% of all Korean participants foresaw that RMB will be used in the next 5 years to settle trade deals that have no connection to China, which was similar to the level of all market average of 34%. This optimism of RMB's future is backed up by most positive (68%) expectation of China business growth in the next 12 months among Korean businesses (54%, 14 market average)

When it comes to the benefits of RMB use, more Korean participants chose relationship advantages (22%) over financial advantages (14%). This means Korean businesses believe that they gain more from meeting the request of China counterparts by using RMB is than from saving FX costs.

Martin Tricaud, President & CEO, HSBC in Korea, said, "Korea is one of the three new markets included in this year's survey, which signifies the importance of Korea as an emerging RMB hub. As a RMB thought leader, HSBC will continue to take the lead in enhancing the knowledge of Korean customers on RMB internationalization and its benefits so that they can make the best use of the opportunities it connects to them."

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**The Hongkong and Shanghai Banking Corporation Limited**

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**HSBC in Korea**

HSBC has had a continuous presence in South Korea for over 115 years entering the Korean market in 1897 in Jemulpo (Incheon). HSBC is the leading provider of global banking and market services in Korea, and is one of the largest investors amongst foreign banks in Korea with total assets of 22,495 billion won as of 30 September 2014. HSBC Korea was awarded 'Best Foreign Commercial Bank' in Korea by FinanceAsia in 2013, and was voted the 'Best Domestic Cash Management Bank' in Korea for the fifth consecutive year in Euromoney Cash Management Survey in 2014.

**About the RMB Survey**

HSBC commissioned Nielsen to conduct a market survey of 1,610 international companies that currently do business with Mainland China or are a business in Mainland China that imports/exports outside of the region. The survey was in field between 7 January and 12 February 2015 and was undertaken to understand the international companies' preference about using RMB for cross-border business, reasons of using / not using RMB for trade activities, as well as other insights they can offer about the RMB.

The research surveyed international businesses in Australia (n=100), China (n=200), Germany (n=100), Hong Kong (n=200), Singapore (n=100), the UK (n=100), the USA (n=106), Canada (n=100), Taiwan (n=100), France (n=101), the UAE (n=100), Brazil (n=100), Malaysia (n=103) and South Korea (n=100). Of the companies surveyed, approximately 50% had an annual sales turnover between of US\$3M-50M, 40% had a turnover of US\$50M-500M and 10% had an annual sales turnover above US\$500M. (Copyright © 2015, The Nielsen Company)"

**About Nielsen**

Nielsen N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands.

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