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HSBC Corporate Banking Ireland Launches Chinese Currency Accounts

HSBC Corporate Banking Ireland has become the first bank in Ireland to offer its business customers a Chinese currency (Renminbi) account. The new service will be a significant boost to Ireland's exporters and importers, allowing them to compete on more favourable terms with their global competitors.

The account will allow Irish companies buying from China to make payments directly to their Chinese suppliers in the local currency, thus achieving better pricing terms and access to a wider base from which to buy. Irish companies selling into China gain access to a wider base of customers, are able to repatriate the currency back into euros from Renminbi (RMB) and also get paid a rate of interest on any RMB balance they hold.

Trade between Ireland and China is already worth €5bn annually and is expected to grow quickly. China is the world's second largest economy (US\$5.9trn GDP in 2010), the largest exporter (US\$1.5trn total exporters in 2010) and the fifth largest source of foreign direct investments (expected annual growth of 40-50%).

Alan Duffy, Head of HSBC Corporate Bank, Ireland says this is a very positive move for Ireland's export sector, *"The implications for Ireland's thriving exporters in particular are significant as it removes a very real barrier to doing business in China. It improves the trade terms that Irish exporters will be able to do business on and it allows them to control the currency risk and transfer their profits back to euros. More importantly it vastly opens up the target market as they will be able to offer goods and services in the local currency."*

Mr. Duffy says he expects a high uptake of the new offering; *"Progressive businesses are increasingly looking east for opportunities and we would expect the vast majority of clients who are serious about doing business in China to open up Chinese currency accounts. It will make doing business much easier and open up a wider base of suppliers and customers. It will also give Irish companies greater control over their cashflows in and out of China."*

Previous restrictions on the movement of Chinese currency meant that trades by Irish exporters could not be conducted in the local currency and Chinese currency could not leave the country.

Until June 2010, settlement in RMB for cross border trades was only permitted between five pilot cities in mainland China, Hong Kong, Macau and the member countries of the Association of Southeast Asian Nations. However, last year the People's Bank of China, China's central bank, opened the programme up to a further 20 provinces as well as countries around the world.

In February, HSBC Corporate Banking Ireland completed its first cross border Chinese Renminbi (RMB) trade transaction, becoming the first bank to announce such a transaction in Ireland.

HSBC believes that RMB will become a top three international currency if it becomes fully convertible, with Asia and the emerging markets leading RMB trade and investment.

The Chinese currency account is available to corporate customers by contacting HSBC's Dublin office.

Ends

HSBC in Ireland

HSBC Ireland provides a full range of corporate banking, global banking and markets, private banking and insurance products and services. It is Ireland's leading international bank with a wealth of global expertise delivered locally.

Further information on HSBC's operations in Ireland can be found at www.hsbc.ie

HSBC Holdings plc

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