

2025 Renminbi Internationalisation Report

New opportunities drive
new growth momentum



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PREFACE

According to the Book of Changes, "When a series of changes has run all its course, another change ensues. When it obtains a free course, it will continue long." In 2025, China Construction Bank (CCB), in collaboration with The Asian Banker, conducted a survey on RMB internationalization, covering 2,191 enterprises and financial institutions across 23 countries and regions worldwide. The survey reveals that in the first half of 2025, against a backdrop of increasingly complex external conditions, uncertain global growth, rising trade protectionism, and divergent economic performances among major economies, the internationalization of the RMB has demonstrated remarkable resolve and growing relevance.

As China continues to improve its cross-border RMB usage mechanisms and financial infrastructure, and advances high-standard two-way opening-up of the financial market, the breadth and depth of RMB usage in cross-border settlement, investment, and financing have steadily expanded, with consistent upward trends across internationalization metrics. The RMB is gradually becoming a significant pillar in the international monetary system, with substantial progress in offshore RMB market development. Key offshore RMB centres, including Hong Kong, Singapore, and the UK, have seen diversified RMB products. Notably, in 2024, China for the first time allowed foreign investors to access onshore bonds through the mechanism of China-UK over-the-counter bond business, marking a new milestone in financial opening-up.

Just as a giant tree grows from a tiny sprout and a nine-story tower rises from a mound of earth, the internationalization of the RMB is a systematic process built through sustained effort. Currently, new growth drivers, such as cross-border e-commerce, have emerged in Belt & Road and RCEP regions. In 2024, cross-border RMB receipts and payments reached RMB 64.1 trillion, a year-on-year increase of 23%, solidifying RMB's position as the world's third-largest trade finance currency. The RMB plays an increasingly important role in investment and financing, and the panda bond market has reached new heights. In 2024, foreign-funded financial institutions and corporations issued nearly RMB 200 billion in such bonds, up 32% year on year, while offshore RMB bond issuance surged by 150%. Bilateral currency cooperation has reached new heights. The People's Bank of China has signed swap agreements with monetary authorities in 32 countries and regions, reflecting robust market vitality and institutional resilience.

CCB remains firmly committed to implementing national strategies, serving the real economy, and pursuing high-quality development. The Bank continues to optimize financial services while promoting integration and mutual reinforcement across the "Five Priorities" of the financial sector. The share of credit allocated to key areas such as technology, green development, inclusive finance, the elderly care industry, and the digital economy increased steadily. In 2024, CCB prudently and steadily promoted RMB internationalization, providing cross-border RMB services to nearly 70,000 clients, with settlement volume exceeding RMB 5 trillion. Leveraging its RMB clearing banks in the UK, Chile, and Switzerland, along with a global network of overseas commercial banking institutions across 28 countries and regions spanning six continents, the Bank has continued to support the development of the offshore RMB market. CCB has actively promoted high-standard opening-up by introducing innovative financial products and services and expanding RMB usage scenarios. As the first financial institution authorized to conduct China-UK over-the-counter bond business, it has created new channels for overseas entities to invest in China's bond market. In addition, the Bank facilitated the world's first cross-border RMB settlement in an international aviation reinsurance transaction, exploring practical pathways for RMB application in the aviation sector.

As Tao Te Ching advises, "All things are produced by the Dao, and nourished by its outflowing operation. They receive their forms according to the nature of each, and are completed according to the circumstances of their condition." RMB internationalization is not only an inevitable choice in China's financial opening up but also a significant contribution to a more diversified, stable, and inclusive global monetary system. CCB will remain adaptive and resilient and bridges China and the world. We will continue to enhance the depth and breadth of our cross-border financial services, strengthen our competitiveness in international markets, and improve our integrated onshore-offshore multi-currency operational capabilities, fully supporting high-standard opening-up. We look forward to working with global partners in pursuit of a shared vision: building a more open, equitable, diversified, and sustainable international financial landscape.

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Executive Summary

In 2025, China Construction Bank and The Asian Banker jointly conducted a comprehensive survey on the international use of the RMB across trade, payments, investment, and financing. This year's survey drew responses from 2,191 senior executives representing three categories of institutions—financial institutions (FIs), Chinese companies, and overseas companies—across 23 markets worldwide.

The 2025 survey results confirm that the RMB has strengthened its role across trade settlement, financing, investment and payments, supported by deeper market access, expanding overseas operations of Chinese enterprises, and rapid advancements in RMB infrastructure and digital innovation. Despite global economic and geopolitical uncertainties, the survey shows that institutions are not only maintaining but expanding RMB usage across their core business lines.

Stronger momentum in RMB-based trade settlement

China's economy today is shaped by global shifts in trade, finance and technology. Despite the United States–China tensions and tariffs, China's trade surplus remains large as exporters pivot towards the Global South and Belt and Road Initiative (BRI) countries. In 2024, the Global South accounted for 44% of China's exports (up from 35% in 2015) and contributed 54% of its overall trade surplus.

Against this backdrop, RMB's use in trade settlement continued to expand. SWIFT reported that as of February 2025, the RMB accounted for 4.33% of global payments by value. Trade settlement remains the most widely used RMB product; 81% of Chinese companies reported using RMB for cross-border trade, while uptake among overseas companies jumped from 55% to 70% year on year. Financial institutions (FIs) also reported a pronounced rise in RMB trade flows.

Continued growth in demand for RMB-based financing

Demand for RMB-denominated financing is also rising, driven by China's lower interest-rate environment and growing corporate RMB revenue streams. Among financing types, trade finance saw the most momentum. SWIFT data showed that by February 2025, the RMB had overtaken the euro to become the world's second-largest currency for trade finance, with a 6.34% share of global transactions.

RMB bond issuance also increased. In 2024, foreign FIs and enterprises issued nearly RMB 200 billion (\$28.2 billion) in Panda bonds in China, up 32% year on year, while offshore RMB bond issuance rose 150%. Survey findings echo this trend, with 45% of overseas companies increasing their use of RMB financing (up by two percentage points from last year's results) and more global FIs allocating to RMB debt instruments. Lower interest rates remained the key driver of rising RMB financing, cited by 72% of both Chinese and overseas companies, followed by expectations of future RMB revenue streams, cited by 66% of overseas companies and 72% of Chinese companies.

Steady increase in foreign holdings of onshore RMB assets

Since 2024, China has continued liberalising access to its onshore capital markets and simplified cross-border arrangements. Reforms such as Qualified Foreign Investor (QFI) rule changes, expanded Bond Connect quotas and the establishment of over-the-counter (OTC) bond arrangements in London have increased foreign access to onshore bonds and reduced time and cost burdens for corporates.

As a result, foreign holdings of onshore Chinese bonds reached about RMB 3.35 trillion (\$471.8 billion), and foreign holdings of China A-shares stood at approximately RMB 3 trillion (\$422.5 billion), both up steadily from end-2023. The trend is expected to continue in 2025. Survey results show that global FIs are deepening their allocation to RMB-denominated assets. Notably, 50% of FIs expect their RMB bond holdings to exceed 40% of their total bond portfolios by 2025—double the share in 2024. Interest in A-share allocations also showed an upward trend.

Chinese enterprises' global expansion drives RMB adoption

China's outward expansion is emerging as a durable catalyst for international RMB usage. In 2024, China's total outbound direct investment (ODI) reached RMB 1.159 trillion (\$163.2 billion), up 11.3% year on year, with notable investment in ASEAN and rising interest in the European Union and the United Kingdom. As these companies build global footprints, they generate sustained demand for RMB liquidity, hedging tools and payment services.

Survey results show that Chinese companies going global displayed a higher-than-average use of nearly all RMB products. Some 45% of these firms held offshore RMB deposits, 40% used offshore RMB financing and 41% engaged in RMB-denominated cross-border direct investments. Their use of RMB for cross-border securities investment and offshore wealth management also exceeded overall survey results. However, RMB usage for cross-border cash management among these firms was slightly lower than average, suggesting room for growth as operations scale.

Infrastructure upgrades and digital innovation unlock new RMB use cases

In 2024, CIPS, the key infrastructure for RMB settlement, continued to attract new participants and volumes, with 168 direct and nearly 1,500 indirect participants across more than 100 jurisdictions. CIPS processed an estimated RMB 175 trillion (\$24.6 trillion) of transactions in 2024, a year-on-year increase of roughly 43%. Survey responses show global FIs routing more RMB flows through CIPS, and 53% of FIs expecting it to handle more than 40% of their RMB transactions by 2025. SWIFT usage remained steady but grew more at a slower rate.

At the same time, digital innovation is opening new corridors. The multi-CBDC platform mBridge reached its minimum viable product (MVP) stage in 2024, enabling real-value cross-border CBDC transactions between participating authorities. Meanwhile, digital RMB (e-CNY) pilots and cross-border trials are expanding. These digital rails promise faster settlement, lower fees and new liquidity channels for banks and corporates.

A durable and expanding trajectory for the RMB

The RMB Internationalisation Report 2025 shows steady expansion in the RMB's global use in 2024, with momentum expected to accelerate through 2025–2026. Growth in RMB-based trade settlement, widening adoption of RMB-denominated financing, deeper foreign participation in onshore capital markets, the global expansion of Chinese enterprises and rapid development of cross-border financial and digital-currency infrastructure are together reinforcing the currency's long-term internationalisation path. These structural trends position the RMB for a more prominent role in the evolving global financial system.

1. Emerging trends and highlights of RMB internationalisation

1.1 Revamped policy, liberalised domestic capital market and development of offshore RMB markets drive cross-border usage of RMB

Latest policy issued to facilitate RMB cross-border transaction and investment

Since 2024, the People's Bank of China (PBoC) has continued to refine policies to facilitate cross-border RMB usage and expand channels for capital market access. Key measures include promoting the use of RMB in overseas project financing and expanding the quota for Southbound Bond Connect. These initiatives are helping extend the RMB's role from trade settlement to long-term adoption in global corporate operations and capital markets.

In July 2024, regulators revised the Qualified Foreign Investors (QFIs) fund management rules by removing prior approval requirements for foreign exchange (FX) derivatives trading, allowing prime brokerage participation in the RMB options market, improving account-opening efficiency by 50%, and easing restrictions on the repatriation of investment principal and returns in RMB. During the year, 127 new offshore institutions entered China's bond market, with Bond Connect accounting for 68% of total inflows.

From December 2024, the integrated domestic and foreign currency cash pool pilot for multinational companies was enhanced in Guangdong and ten provinces and municipalities. Key adjustments included the introduction of cross-currency lending, simplified registration and payment review procedures, greater flexibility in the allocation between external debt and outbound lending, and support for domestic master accounts to centralise payments and collections on behalf of overseas affiliates. Over the year, the scheme facilitated \$466.9 billion in cross-border fund transfers, benefiting 3,188 companies, while cutting filing time by 40%. By March 2025, the pilot was expanded to 16 provinces and municipalities, further liberalising cross-border RMB receipts and payments, as well as capital account changes, with banks authorised to process these transactions directly.

One year into the implementation of Cross-Boundary Wealth Management Connect 2.0, the Southbound scheme has expanded to include green bonds and structured deposits, while the Northbound scheme has incorporated STAR Market ETFs. As of end-February 2025, 145,000 individuals had participated, with cross-boundary fund transfers exceeding RMB 100 billion (\$14.1 billion).

In April 2025, six government departments jointly issued the Compliance Guidelines for Cross-Border Data Flows in the Financial Sector. The guidelines specify the scenarios in which cross-border data flows are permitted, with eligible datasets managed through a whitelist mechanism, supporting the safe and efficient cross-border flow of financial data.

Penetration to China's capital market further increased

In 2024, China's financial market liberalisation made notable progress, offering global investors broader and deeper access to RMB-denominated assets. By the end of 2024, the total amount of Chinese interbank bonds held by overseas institutions reached RMB 4.16 trillion (\$585.9 billion), accounting for 2.4% of total bond custody. The number of QFIs rose to 1,156, with more than half entering the market via direct investment channels, while participation through Bond Connect continued to climb steadily.

Over the same period, overseas participation in China's futures market saw a significant increase. According to the China Futures Market Monitoring Center, the number of active overseas clients rose by 17% year-on-year, while their open interest increased by 28%. In the first quarter of the year, the range of domestic futures products

accessible to QFIs was significantly expanded—from 46 to 75 contracts—covering key sectors of the national economy, including agricultural commodities, metals, energy, and financial instruments.

It is worth noting that regulatory reforms continue to enhance the accessibility and attractiveness of China's capital markets. In 2024, the PBoC, for the first time, allowed overseas investors to purchase bonds through over-the-counter (OTC) channels. China Construction Bank, as the world's first bank to launch OTC bond services, has introduced this business exclusively in the United Kingdom, marking an important step in aligning China's financial markets with international practice.

Offshore RMB markets continue to grow

In 2024, offshore RMB centres became increasingly mature and diversified, further strengthening the RMB's role as a medium for trade, investment and financing outside Chinese mainland. Hong Kong SAR maintained its leading position, with RMB deposits surpassing RMB 1 trillion (\$140.8 billion)^③ the highest level in nearly two years, and cross-border loan balances reaching almost RMB 700 billion (\$98.6 billion), a record high. Offshore RMB bond issuance (including certificates of deposit) in Hong Kong SAR exceeded RMB 1 trillion (\$140.8 billion) in 2024, up 36.7% year-on-year. On the financial innovation front, Hong Kong SAR and the Chinese mainland piloted cross-border e-CNY payment projects, with cumulative transactions exceeding RMB 50 billion (\$7 billion), and achieved wallet interoperability through the Faster Payment System (FPS), improving the efficiency of cross-border retail payments.

London retained its role as the world's largest offshore RMB FX trading centre. By end-December 2024^④, London's share of RMB FX trading rose by 5.77 percentage points from the end of 2023 to 43.07%, consolidating its global leadership. Offshore RMB deposits in London reached RMB 155 billion (\$21.8 billion)^⑤, up 73% year-on-year, while RMB loan balances increased 30% to RMB 118.6 billion (\$16.7 billion). Meanwhile, China-UK regulatory cooperation made a significant breakthrough, with both sides agreeing to include RMB bonds as eligible collateral in the UK market and establishing a cross-jurisdictional collateral recognition mechanism, significantly enhancing the liquidity management function of RMB assets.

Special Column 1: The impact of the China-UK OTC bond business on the international use of RMB

In recent years, financial cooperation between China and the United Kingdom has continued to expand, with 'bond market connectivity' incorporated into the bilateral cooperation agenda. The outcomes of the 11th UK-China Economic and Financial Dialogue, held in January 2025, explicitly welcomed the official launch of the China-UK over-the-counter (OTC) bond business as the next step in connectivity. On 13 January 2025, the first RMB cash bond OTC transaction was executed in the United Kingdom, opening a new channel for overseas investors to participate in China's interbank bond market through London.

The OTC bond business represents a typical OTC trading model. Unlike centralised exchange-based matching, transactions are carried out primarily through one-to-one inquiries or market-maker quotations. Compared with on-exchange transactions, the OTC model offers more flexible pricing mechanisms and lower costs, while not being constrained by fixed trading sessions. As a supplement to the interbank market, it provides investors with a more diversified set of trading channels.

The RMB bond market itself offers significant potential advantages. As the currency of the world's second-

③ https://www.hkma.gov.hk/gb_chi/key-functions/international-financial-centre/bond-market-development/

④ SWIFT RMB Tracker

⑤ London RMB business annual report, Issue 18, April 2025

largest economy, China possesses a vast bond market. By the end of 2024, the size of China's bond market had reached RMB 177 trillion(\$24.9 trillion), up 12.3% year-on-year, dominated by government and policy bank bonds with strong safety and liquidity features. At the same time, China's relatively stable economic growth and low inflation rate provide RMB assets with an attractive yield advantage, strengthening the confidence of international investors. In recent years, foreign institutions' appetite for RMB bonds has clearly increased. By the end of the first quarter of 2025, overseas institutions and individuals held approximately RMB 4.4 trillion(\$0.62 trillion) in RMB bonds, up RMB 681.4 billion(\$95.9 billion) from the end of 2023.

The launch of the China–UK OTC bond business has expanded the range of RMB international investment tools and enhanced market depth. Previously, overseas investors had to access China's interbank bond market through channels such as Bond Connect or the Qualified Foreign Institutional Investor (QFI) scheme. The OTC bond business now provides investors in the European time zone with a more convenient "local entry" channel. Investors can open an account directly with the hosting bank and participate in the Chinese interbank bond market through a one-stop process, without the need for complex admission procedures. This reduces transaction costs and lowers entry barriers, while diversifying sources of offshore RMB assets. With this new channel, the pool of RMB assets has gained new inflows, enabling global investors—including financial institutions(FIs), hedge funds, pension funds and wealth managers—to incorporate RMB bonds into their portfolios, achieve currency diversification and broaden return profiles, while expanding the overall investor base of the Chinese bond market.

In addition, the OTC bond business helps to promote the use of the RMB in cross-border financing and global asset allocation. RMB bonds, as relatively high-credit and stable-yield assets, offer global investors both a safe haven and an income source. Enterprises and FIs can raise low-cost RMB funding through London as an RMB hub, while using RMB-denominated assets as collateral for financing. In their economic and financial dialogue, China and the UK also discussed the potential inclusion of RMB bonds as eligible collateral in the UK market. If realised, this would enable UK FIs to accept RMB bonds for pledging purposes, thereby further expanding the international financial functions of the RMB. Moreover, an increasing number of foreign central banks and sovereign wealth funds are beginning to allocate RMB assets. According to the International Monetary Fund (IMF), by the end of the second quarter of 2024, global central banks held \$245.2 billion in RMB reserves, accounting for 2.14% of global reserves, underscoring the RMB's steadily rising international influence. Against this backdrop, the China–UK OTC bond business provides a new channel for incorporating RMB assets into global portfolios, further strengthening the role of RMB assets in international allocation.

Thirdly, the OTC bond business is expected to generate spill-over effects across the broader RMB asset landscape. Both sides have agreed to support qualified Chinese institutions in issuing RMB bonds in the UK and to promote the inclusion of RMB-denominated bonds in global indices such as the FTSE WGBI, thereby boosting investor confidence. In April this year, the Ministry of Finance successfully issued the first RMB-denominated green sovereign bond in London, broadening the application scenarios of RMB bonds. At the same time, more Chinese asset managers are listing RMB-denominated ETFs and bond funds in London, while both sides are exploring the possibility of an ETF connectivity mechanism to facilitate the overseas circulation of RMB products.

In recent years, London's offshore RMB market has expanded rapidly. In 2024, London's average daily RMB foreign exchange spot trading volume reached approximately \$172.7 billion, up 43.2% year-on-year. Cross-border RMB receipts and payments between China and the UK totalled RMB 3.7 trillion (\$521.1 billion) in the same year, representing a 20.5% increase year-on-year.

Overall, the launch of the China–UK OTC bond business is of far-reaching significance. It not only forms part of the broader China–UK bond market connectivity framework but also provides additional channels for promoting the RMB as an international currency. This development will enhance the diversity and resilience of the global financial system and further establish RMB assets as an important component of international investment portfolios.

1.2 Global monetary system gradually shifts towards a multipolar currency system with RMB strengthen its position in global payment and financing

RMB secures a stronger foothold in international payments and trade finance

Between 2024 and 2025, the use of the RMB in global payments has continued to rise, reflecting growing international confidence in the currency's reliability and efficiency. According to data from the PBoC, the total value of cross-border RMB payments reached RMB64 trillion(\$9 trillion) in 2024. SWIFT data showed that by February 2025, the RMB accounted for 4.33% of global payment value, maintaining its position as the fourth most used global payment currency for ten consecutive months—an indication of its increasing practical relevance in international transactions.

At the same time, the RMB's role in global trade finance continued to expand. In February 2025, the RMB surpassed the euro and became the world's second most-used trade finance currency, reaching a record high share of 6.34%. This growth was mainly driven by the accelerated use of RMB in commercial loans, commodity trading, and supply chain finance across Asia, the Middle East, and Africa—underscoring its growing acceptance as a settlement and financing instrument.

The expansion of the RMB bond market has further supported the currency's financing role. In 2024, panda bond issuance reached RMB194.8 billion(\$27.4 billion), up 26.1% year-on-year. Over 50% of this issuance came from non-financial corporates, and regulatory easing—such as more flexible rules for repatriation—enhanced the attractiveness of panda bonds to foreign issuers seeking onshore funding. The total outstanding volume of panda bonds rose to RMB319.2 billion (\$45 billion), representing a 31.2% annual increase. Additionally, total offshore RMB bond issuance—including RMB275 billion(\$38.7 billion) of PBoC bills in Hong Kong SAR—reached RMB680 billion in 2024, up 30.5% from the previous year. The rapid growth of RMB-denominated fixed income instruments further consolidates the RMB's status as a global financing currency, opening new channels for international issuers and offering a broader range of investment products.

CIPS expands global reach and enhances efficiency

The expansion of RMB usage has been underpinned by continuous improvements to cross-border payment infrastructure. In 2024, CIPS saw sustained growth. The number of direct participants increased by 29 to reach 168, while indirect participants approached 1,500, covering 119 countries and regions. Annual transaction value surged to RMB175 trillion(\$24.6 trillion)^⑥, representing a 43% increase year-on-year.

CIPS significantly enhances the efficiency and autonomy of RMB cross-border settlements by reducing transaction time, lowering costs, and offering seamless integration with China's domestic payment systems. The system's rapid expansion has been particularly prominent in Belt and Road countries and markets favouring local currency settlement. Notably, in June 2025, the Central Bank of Nigeria joined CIPS as a direct participant—the first such case in Africa.

Bilateral currency swaps and reserve role further strengthened

The PBoC has also advanced the use of bilateral currency swap agreements to promote RMB internationalisation. From 2024 to June 2025, the PBoC renewed or established swap lines with central banks in Mauritius, Pakistan, Japan, Nigeria, and Indonesia. Among these, the RMB190 billion(\$26.8 billion) swap with the Central Bank of Brazil, signed in May 2025, was the largest ever in Latin America. As of end-May 2025, China had signed bilateral currency swap agreements with 32^⑦ countries and regions—four more than at the end of 2024—covering 85% of global GDP. The outstanding balance of RMB utilised by overseas central banks and monetary authorities stood at RMB81.8 billion(\$11.5 billion).

Alongside this, the RMB's role as a reserve currency has continued to solidify. Its share in the International Monetary Fund (IMF)'s Special Drawing Rights (SDR) basket, as well as in the FX reserves of central banks and sovereign wealth funds, has steadily risen. These developments further entrench the RMB's position as an emerging reserve currency and lend momentum to the evolution of a diversified global monetary system.

⑥ <https://www.peopleapp.com/column/30047900697-500006027990>

⑦ <http://www.pbc.gov.cn/huobizhengceersi/214481/5546061/5738275/index.html>

1.3 Global use of local currency in cross-border transaction creates new opportunities

Global south economies reduce dependence on the US dollar

Driven by geopolitical uncertainty, rising tariff barriers, and the volatility of the US interest rate cycle, many emerging market economies are gradually reducing their reliance on the US dollar in international transactions. This structural shift has accelerated the use of local and regional currencies for trade and investment settlements, creating favourable conditions for increased adoption of the RMB in cross-border transactions.

This trend is particularly pronounced among Global South economies. Countries in Southeast Asia, the Middle East, Africa, and Central Asia are increasingly embracing the RMB as a settlement currency. Key drivers include reduced exposure to exchange rate volatility, improved access to Chinese funding channels, and stronger alignment with China's Belt and Road Initiative (BRI). For these countries, reducing reliance on dollar-denominated trade not only lowers transaction costs but also enhances resilience to external financial shocks. According to IMF data, the share of US dollars in the FX reserves of Global South countries fell to 58%—down seven percentage points from 2020 and the lowest level in two decades.

RMB breakthrough in commodity and energy trade

The dominance of the US dollar in global commodity trade is undergoing a gradual rebalancing, with a growing number of energy and resource-exporting countries actively diversifying their currency exposure. According to the PBoC, from January to August 2024, the volume of commodity transactions settled in RMB reached RMB1.5 trillion (\$211.3 billion), a year-on-year increase of 22.7%. This growth was underpinned by China's efforts to promote RMB-denominated futures contracts for crude oil and gold, as well as growing acceptance of the RMB as a trade settlement currency by global commodity suppliers.

In 2025, the RMB achieved a significant breakthrough in energy trade. In April, Saudi Arabia completed its first RMB-settled crude oil transaction for 1 million tonnes. This followed the 2023 signing of a bilateral local currency swap agreement worth RMB50 billion (\$7 billion) between China and Saudi Arabia. Meanwhile, China continued to advance the use of RMB-denominated commodity pricing mechanisms. In 2025, the Shanghai International Energy Exchange (INE) launched RMB-denominated liquefied natural gas (LNG) futures, attracting participation from QatarEnergy and Malaysia's Petronas for hedging purposes.

The expansion of local currency settlement mechanisms in bilateral trade agreements is further increasing the frequency of RMB use as a settlement currency. According to the PBoC, the total volume of RMB settlements between China and BRI countries reached an estimated RMB11.7 trillion (\$1.6 trillion) in 2024, representing a robust year-on-year growth of 45%.

Special Column 2: The impact of expanding direct exchange of local currencies on the RMB internationalisation

In recent years, the Chinese government has actively taken measures to enhance the use of the renminbi (RMB) in global trade and finance, with one important pillar being the expansion of local currency settlement arrangements. Local currency settlement refers to the direct use of the RMB and a trading partner's domestic currency for international exchange and pricing, without conversion via a third currency such as the US dollar.

The development of local currency settlement mechanisms represents a strategically significant institutional innovation in the internationalisation of the RMB. China has now established a broad coverage of local currency settlement and swap networks with major economies across six continents, while the institutional and market foundations for direct settlement are being rapidly strengthened.

The expansion of local currency settlement has been driven by a dual approach: bilateral currency swap agreements between central banks and the establishment of direct trading mechanisms. On one hand, the People's Bank of China has signed bilateral local currency swap agreements with multiple countries and regions. As of 31 May 2025, the PBoC had signed bilateral currency swap agreements with 32 central banks or monetary authorities, with a total value of nearly RMB 4.5 trillion (\$633.8 billion). This network spans markets in Asia, Africa, Latin America and Europe, providing the basic channels to support the cross-border use of the RMB. On the other hand, China has worked to broaden the range of currencies directly traded against the RMB. In both onshore and offshore foreign exchange markets, the RMB has established direct trading pairs with currencies such as the Japanese yen, the euro, the British pound, the Australian dollar, the New Zealand dollar and the Malaysian ringgit. An increasing number of trading partners are therefore able to settle trade directly in their domestic currency and RMB, bypassing the intermediate step of conversion into US dollars.

The expansion of local currency settlement has had multiple implications for RMB internationalisation. Firstly, it reduces cross-border transaction costs. Enterprises conducting foreign trade and investment can directly settle in RMB and the local currency, without repeated conversions into US dollars, thereby lowering spreads and fees. At the same time, it provides effective hedging against exchange rate risk, insulating firms from the volatility of the US dollar and helping them to lock in costs. Moreover, swap agreements provide liquidity support, broadening overseas access to RMB. Partner central banks or monetary authorities can draw on RMB liquidity via these swap lines to support their domestic firms' exports to or investment in China.

Beyond facilitating bilateral trade and investment, the expansion of local currency settlement also carries broader implications for the international monetary system. On one hand, by enabling counterparties to settle directly in their domestic currencies, the mechanism promotes a more diversified and stable global monetary architecture. On the other hand, the growing use of the RMB in direct exchange arrangements enhances both the market orientation and the international profile of the currency.

Despite the significant progress achieved, challenges remain for RMB internationalisation through local currency settlement. These include the need to further enhance the degree of RMB convertibility, strengthen market confidence and supporting mechanisms, and manage the potential impact of shifts in the global political and economic landscape on the pace of progress.

1.4 Expansion of Chinese companies abroad, and innovations in the cross-border application of the digital RMB continue to inject fresh momentum

In 2024, Chinese companies accelerated their global expansion, not only tapping into new overseas markets but also promoting the wider use of RMB in cross-border scenarios. According to the Ministry of Commerce, China's non-financial outbound direct investment (ODI) reached RMB10.24 trillion (\$1.4 trillion) in 2024, marking an 11.7%[®] increase from 2023. Chinese domestic investors invested in 9,400 overseas enterprises across 151 countries and regions. ASEAN emerged as a key growth region, with investment volumes rising by 12.6% year-on-year, led by strong flows into Singapore, Indonesia, and Thailand.

This new wave of outbound investment aligns closely with China's "Go Global" strategy and the BRI, with a notable rise in the use of RMB for cross-border investment transactions. An increasing number of investments are being denominated and settled in RMB, including intercompany lending, cross-border payments, and supplier contracts conducted by Chinese firms with overseas subsidiaries. As Chinese companies expand globally in strategic sectors such as energy, infrastructure, telecommunications, and advanced manufacturing, their demand for RMB usage has grown

[®] https://www.mofcom.gov.cn/tjsj/gwjzhztj/art/2025/art_044cb9f995184b4e88970994c22a7881.html

significantly—stimulating adoption of the currency in partner emerging markets and developing countries.

At the same time, China's continued leadership in digital currency innovation is opening new frontiers for RMB internationalisation. In June 2024, the mBridge project officially entered its Minimum Viable Product (MVP) stage, marking the operational debut of the world's first multilateral CBDC settlement platform. Built on distributed ledger technology, the platform connects the real-time gross settlement systems of participating jurisdictions, reducing cross-border transfer times from 2–3 days under the traditional SWIFT system to under 10 seconds, with transaction fees cut to 0.03%. According to the BIS, the mBridge platform has lowered comprehensive cross-border clearing costs for emerging markets by 47%.

As of October 2024^⑨, mBridge had connected the central banks and monetary authorities of Thailand, the UAE, Saudi Arabia, Chinese mainland, and Hong Kong SAR, with more than 20 additional central banks and international organisations participating as observers.

⑨ https://www.bis.org/about/bisih/topics/cbdc/mcbdc_bridge.htm

2. Status, impact and changes of RMB in cross-border payments

In this report, unless explicitly mentioned, "Chinese Mainland" is simply referred to as "China." The terms "offshore" and "overseas" refer to Chinese Hong Kong, Macau, Taiwan, and the rest of the world, while "onshore" refers to Chinese Mainland.

Despite the global macroeconomic uncertainties and diverging monetary policy paths among major economies, the international use of the RMB continued to grow steadily in 2024. According to SWIFT, the RMB retained its position as the world's fourth most-used payment currency for most of the year, accounting for 4.33%^⑩ of global payments as of February 2025.

This year's survey results reaffirm the sustained growth in the adoption of RMB cross-border products. In addition to the traditional use of RMB-based cross-border trade settlement, RMB cross-border cash management remained one of the most widely adopted tools, while RMB trade and investment financing demonstrated a structural uptrend. Notably, the use of RMB trade finance rose sharply across all respondent groups.

On the other hand, the use of RMB in non-trade and other areas declined slightly. For example, the adoption of RMB in wealth management, offshore deposits and financing has decreased compared to last year's survey. Investment in RMB-denominated bonds and equities also experienced a modest reduction.

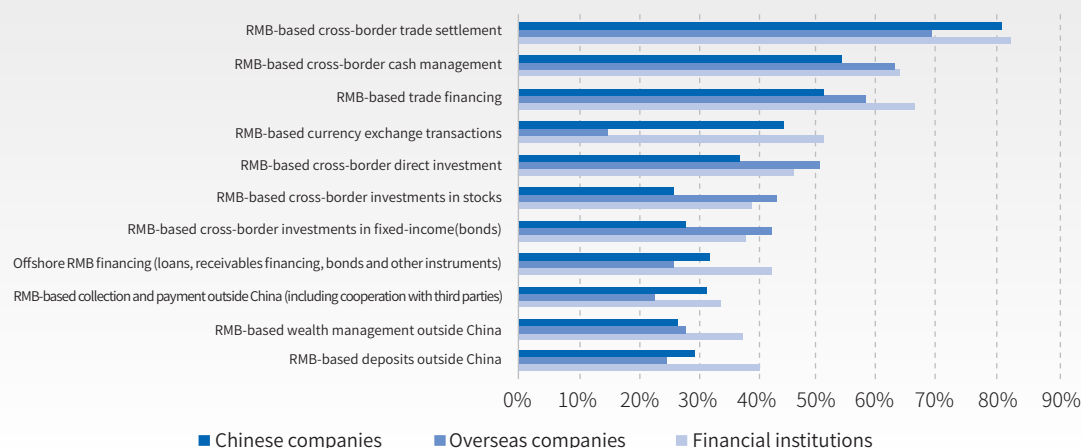
Overall, the findings suggest that RMB internationalisation continues to be underpinned by real economic activity, particularly in trade, treasury, and cross-border operations. Investment-related usage of RMB products remains sizeable, but is more sensitive to market cycles and macroeconomic expectations—especially among overseas companies and FIs.

2.1 Use of RMB-based cross-border products

Survey findings show that the overall use of RMB cross-border products remained broadly stable in 2024. Compared to last year's results, usage of RMB cross-border trade settlement and RMB trade finance increased markedly, while RMB cash management held steady. Usage of other RMB product categories declined.

70% of overseas companies and 82% of FIs used RMB cross-border trade settlement, marking a significant increase from last year

Figure 2.1 Use of RMB Cross-Border Products and Services



Source: TABInsights

⑩ <https://www.swift.com/swift-resource/252389/download>

For Chinese companies, RMB cross-border trade settlement, cash management, and trade finance remained the most widely used products, with usage rates of 81%, 54%, and 51%, respectively. These figures represent slight year-on-year increases from the previous year's results. Although RMB-denominated direct investment declined slightly from 41% to 37%, it continued to be widely adopted. Usage of offshore RMB financing dropped to 31%, a decrease of 4 percentage points. Meanwhile, investment in RMB bonds and equities fell to 28% and 26%, respectively, from 37% each in the previous year.

Among overseas companies, the use of RMB in cross-border trade settlement surged from 55% last year to 70% this year, making it the most frequently adopted RMB product. RMB cash management and trade finance followed closely, with usage rates of 63% and 59%, respectively, compared to 64% and 47% in the previous year. Usage of offshore RMB financing decreased significantly, from 48% to 26%. Similar declines were observed in RMB bond and equity investments, which dropped to 42% and 43%, down 19 and 9 percentage points year-on-year. Offshore RMB deposits and wealth management products also declined to 25% and 28%, down 18 and 9 percentage points, respectively. Additionally, usage of RMB acquiring and payments, as well as RMB FX transactions, declined from 38% and 24% in last year's survey to 22% and 15% this year, respectively.

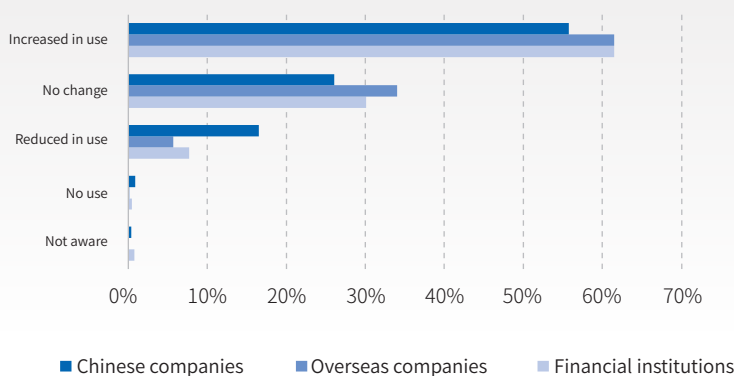
FIs also showed strong growth in RMB trade settlement, with usage increasing from 66% in last year's survey to 82% this year. RMB cash management remained stable at around 64%. Usage of RMB trade finance rose sharply from 52% to 66%, while RMB FX transactions increased from 40% to 51%. However, adoption of investment-related RMB products declined across the board. Usage of RMB-denominated bonds, equities, and direct investments decreased from 54%, 49%, and 55% in last year's survey to 37%, 39%, and 46% this year, respectively.

2.2 Use and status of RMB in cross-border trade

As the volume of RMB cross-border trade settlement continued to expand, the use of RMB in cross-border trade remained elevated in 2024 across all respondent groups. According to the latest survey results, 82% of Chinese companies, 95% of overseas companies, and 91% of FIs reported either an increase or no change in the share of RMB used for trade settlement compared to last year's results. This marked a 9-point increase among FIs and a 3-point increase among Chinese companies, while overseas companies maintained their already high level. The proportion of respondents in each group reporting a decline in RMB usage was low, underscoring the resilience of RMB usage in trade despite global market fluctuations.

The vast majority of Chinese and overseas companies and financial institutions reported increased or stable use of RMB for trade settlement

Figure 2.2 Change in use of RMB-based cross-border trade settlement

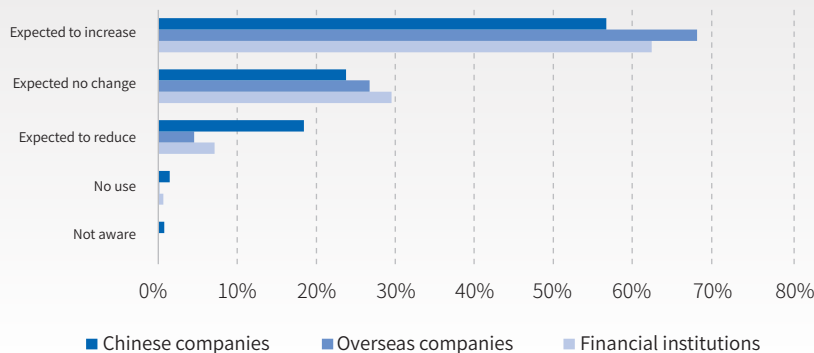


Source: TABInsights

All three respondent groups expressed optimism for 2025. Among Chinese companies, 57% expected to increase their use of RMB for cross-border trade settlement, 23% expected no change, and only 18% anticipated a decline. Among overseas companies, 69% expected increased use, 27% expected no change, and only 5% anticipated a decrease. Among FIs, 63% expected to increase usage and only 7% foresaw a reduction. These expectations suggest that the use of RMB in cross-border trade is likely to continue rising in the year ahead.

All respondent groups expect to increase their use of RMB in cross-border trade in the coming year

Figure 2.3 Expected change in use of RMB-based cross-border trade settlement



Source: TABInsights

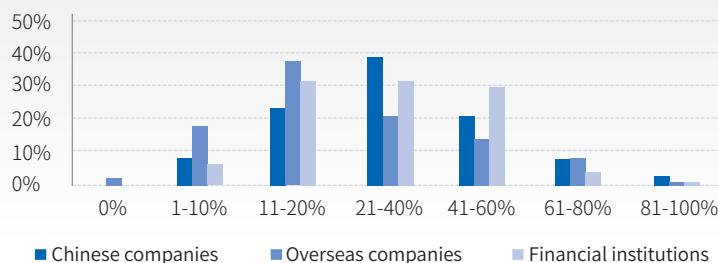
In terms of the share of trade settled in RMB, Chinese and overseas companies showed divergent trends. For Chinese companies, the most common range for RMB trade settlement was 21–40%, cited by 39% of respondents—up 3 percentage points from last year. The share of companies reporting more than 60% of trade settled in RMB also rose by 2 points, while those reporting less than 10% fell from 11% to 7%. This suggests a steady increase in the share of RMB usage in trade among Chinese companies.

Among overseas companies, the proportion of trade settled in RMB declined. The share of companies reporting RMB usage in the 21–40% and 41–60% ranges fell by 10 and 6 percentage points respectively, to 22% and 15%. Although the proportion of companies reporting RMB usage above 60% remained unchanged, the share reporting less than 20% jumped significantly from 38% to 56%. This shift indicates that while more overseas companies are adopting RMB for trade settlement, the depth of usage still has room to grow.

RMB usage among FIs showed more consistent gains. In 2024, 29% of FIs reported that RMB accounted for 41–60% of their trade settlement, up 14 percentage points from 2023. A majority (62%) reported RMB usage in the 11–40% range, slightly down from last year, while those reporting less than 10% dropped from 11% to just 5%. These findings suggest that RMB is becoming a core currency for FIs' cross-border trade services.

Chinese companies are steadily increasing their share of RMB usage in trade settlement, while overseas companies show a decline

Figure 2.4 Proportion of RMB-denominated cross-border trade settlements

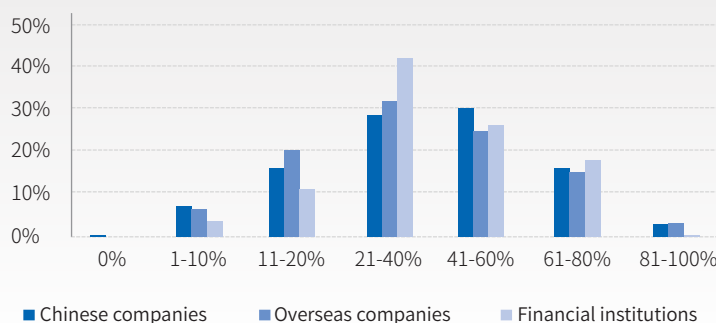


Source: TABInsights

Looking ahead to 2025, Chinese and overseas companies as well as FIs expect RMB to account for a larger share in cross-border trade settlement. Among Chinese companies, 30% and 16% expected RMB to account for 41–60% and 61–80% of trade settlement respectively—up significantly from 21% and 7% in 2024. Overseas companies also projected higher RMB usage, with 33%, 24%, and 15% expecting RMB to account for 21–40%, 41–60%, and 61–80% of their trade settlement respectively—up 11, 9, and 8 percentage points from 2024. Among financial institutions, 44% expected RMB to account for more than 40% of trade settlement, up from 33% this year.

RMB is expected to account for a larger share in cross-border trade settlement

Figure 2.5 Expected proportion of RMB-denominated cross-border trade settlements



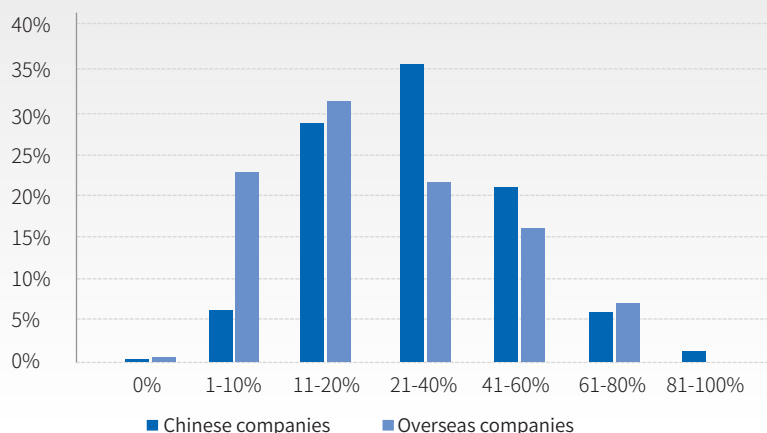
Source: TABInsights

In line with the broader increase in RMB usage for trade, the use of RMB as a pricing currency in trade contracts also rose. As in previous years, RMB contract pricing remained more prevalent among Chinese companies. In 2024, 29% and 36% of Chinese respondents reported that RMB accounted for 11–20% and 21–40% of their contract values, respectively—up from 27% and 35% in last year's survey. Another 22% reported that RMB accounted for 41–60% of contracts, unchanged from last year, while those reporting less than 10% dropped from 11% to 7%.

Among overseas companies, RMB pricing remained more limited. The majority of responses were in the 1–10% and 11–20% ranges. The share of companies reporting RMB pricing in the 21–40% range dropped significantly from 36% to 22%. However, the proportion reporting 41–60% rose by 3 points to 17%.

RMB contract pricing is more prevalent among Chinese companies

Figure 2.6 Proportion of RMB denominated contract in cross-border transactions

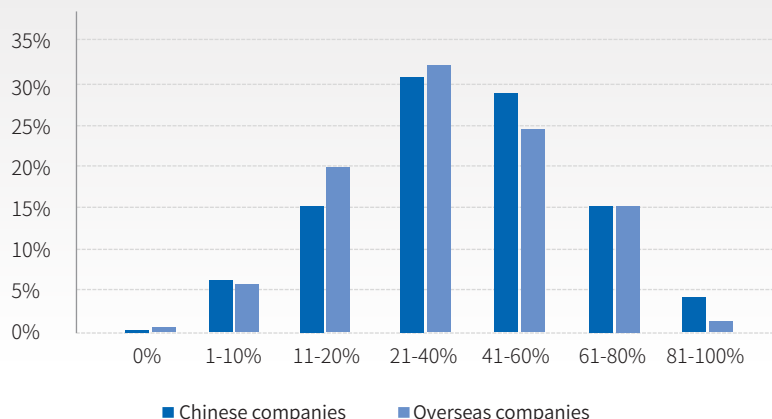


Source: TABInsights

Expectations for 2025 indicate further growth in RMB contract pricing. Some 47% of Chinese companies and 41% of overseas companies anticipated that more than 40% of their trade contracts would be priced in RMB, up from 29% and 24% in 2024. This suggests a growing willingness among businesses to adopt RMB as the pricing currency in commercial negotiations.

The proportion of RMB denominated contract is expected to increase further

Figure 2.7 Expected proportion of RMB denominated contract in cross-border transactions

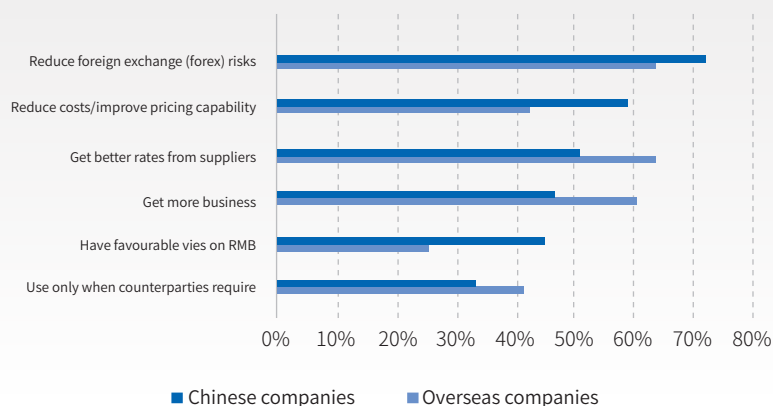


Source: TABInsights

When asked about the key reasons for using RMB in cross-border trade settlement, Chinese companies continued to cite exchange rate risk mitigation as the top driver—selected by 72% of respondents. Other key motivations included reducing costs or enhancing pricing power (60%), and securing more favourable terms from suppliers (51%).

Exchange rate risk mitigation is the primary reason cited by Chinese and overseas companies for using RMB in cross-border trade

Figure 2.8 Main reasons for using RMB in cross-border trade settlement transactions



Source: TABInsights

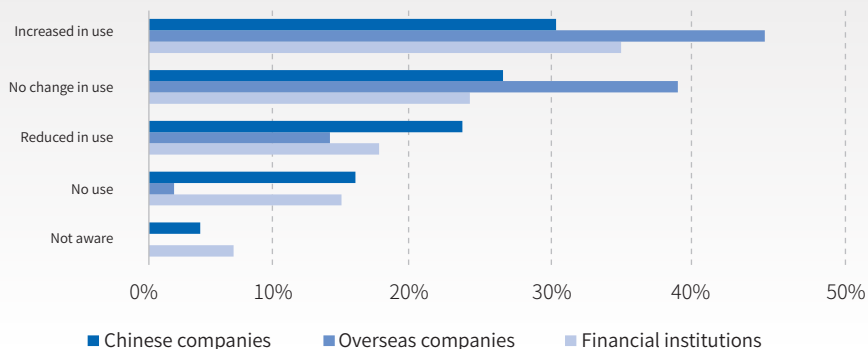
In contrast, overseas companies were equally focused on FX risk mitigation and securing better rates from suppliers, both selected by 64% of respondents. A further 61% believed that using RMB facilitated more business opportunities.

2.3 Use and status of RMB in cross-border direct investments

In 2024, China's outward direct investment (ODI) maintained its growth momentum. According to data from the Ministry of Commerce and the State Administration of FX, non-financial ODI totalled RMB 1.024 trillion (\$144.2 billion) for the year, representing an increase of 11.7% year-on-year. These investments spanned 9,400 overseas enterprises across 151 countries. When including financial investments, China's total ODI reached RMB 1.159 trillion (\$163.2 billion), also up 11.3% from the previous year.

Use of RMB in cross-border direct investment remained stable or improved among surveyed companies

Figure 2.9 Change in use of RMB-based cross-border direct investments



Source: TABInsights

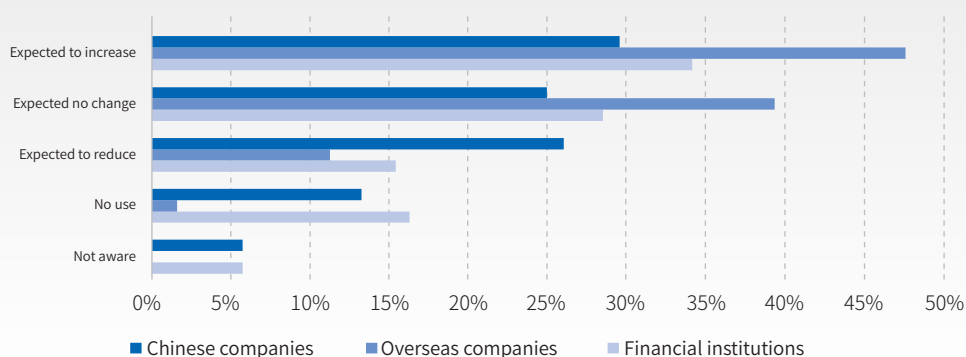
Survey findings indicate that the use of RMB in cross-border direct investment remained generally stable or improved across respondents. Among Chinese companies, 57% reported either increasing or maintaining their use of RMB, a proportion largely consistent with the 58% recorded in last year's results. Those reporting a decrease in usage fell from 29% last year to 23% this year.

Among overseas companies, RMB usage in cross-border direct investment showed further improvement. A total of 84% indicated they had increased or maintained usage, up 2 percentage points from last year, while those reporting a reduction rose slightly from 12% to 14%. Notably, the share of respondents not using RMB at all declined from 5% to 2%.

By contrast, FIs showed a slight pullback in engagement. Only 35% reported increasing RMB usage in direct investment, compared to 44% in 2023. While 24% maintained their current level, the proportion that reduced usage dipped slightly from 20% to 18%. However, the share of respondents reporting no participation in RMB-denominated direct investment rose from 8% to 15%.

88% of overseas companies expect to increase or maintain RMB usage in cross-border direct investment in 2025

Figure 2.10 Expected change in use of RMB-based cross-border direct investments



Source: TABInsights

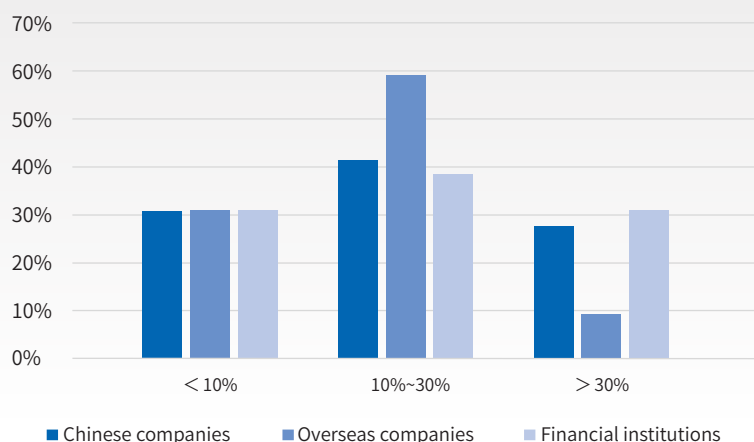
Looking ahead to 2025, expectations varied across respondent groups, although the overall tone was somewhat more cautious. Among Chinese companies, 30% expect to increase their use of RMB in cross-border direct investment—unchanged from 2024—while 26% foresee a reduction, up from 23% last year. Another 25% expect no change, slightly down from 27%.

Overseas companies were more optimistic, with 48% planning to increase usage, up 3 percentage points from 2024, 40% expecting to remain unchanged (up 1 point), and just 12% forecasting a reduction, compared to 14% in 2024.

Expectations among FIs were relatively balanced. Some 34% of respondents plan to increase usage, while 29% foresee no change and 15% expect a decrease.

Chinese companies and financial institutions remain more proactive in using RMB for outbound direct investment

Figure 2.11 Percentage of RMB used in cross-border direct investment



Source: TABInsights

When asked about the share of RMB in their overall direct investment activities, 27% of Chinese companies reported that RMB accounted for more than 30% of their outbound investment—a 2 percentage-point increase from last year. A further 43% placed the share between 10% and 30%, while 31% reported a share of less than 10%, roughly on par with 2023.

Overseas companies were more conservative. Only 10% reported that RMB made up more than 30% of their direct investment—down sharply from 26% last year. Another 59% reported a share between 10% and 30%, while 32% stated it was less than 10%, up 15 percentage points from 2023. These figures suggest a cautious attitude among overseas companies, with RMB still comprising a relatively small portion of their direct investment volumes.

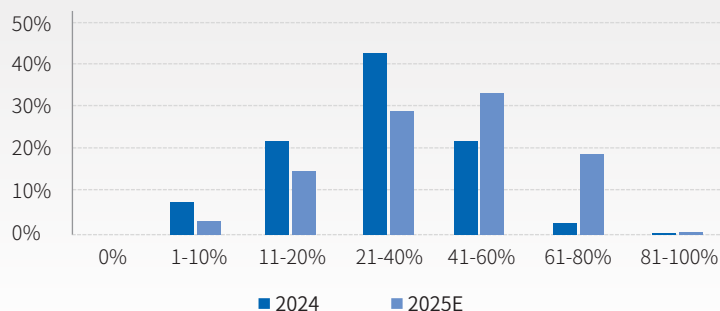
Among FIs, usage was more evenly distributed. Some 31% said RMB accounted for more than 30% of their cross-border direct investments, compared to 25% last year. A further 38% placed it between 10% and 30%, down from 50% in 2023. Meanwhile, 31% reported a share of less than 10%, up from 25% last year.

2.4 RMB cross-border payment and settlement

The development of China's cross-border payment infrastructure has played a pivotal role in supporting the growing international use of the RMB. Since its launch in 2015, CIPS has emerged as a critical infrastructure for the settlement of global RMB transactions. According to the latest survey results, both CIPS and SWIFT saw an increased share of RMB payments in 2024, with CIPS experiencing notably stronger growth.

The share of FIs using CIPS for cross-border RMB transactions increased significantly from last year

Figure 2.12 Percentage of RMB cross-border transaction done through CIPS by FIs



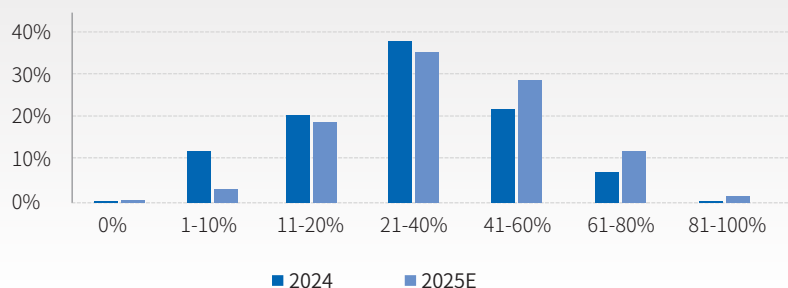
Source: TABInsights

A key structural shift this year was the substantial rise in CIPS adoption among FIs. In 2024, 44% and 22% of FIs reported that RMB cross-border transactions processed via CIPS accounted for 21–40% and 41–60% of their total RMB cross-border transactions respectively. These figures represent increases of 18 and 10 percentage points from last year's survey results. The proportion of FIs reporting a share of over 60% remained stable at around 5%, compared to 7% last year. Meanwhile, the proportion of FIs whose RMB transactions processed via CIPS accounted for less than 10% dropped significantly from 24% in last year's survey to just 7% this year.

SWIFT also remains widely used in RMB transactions, although the growth in its share has been more moderate. In 2024, 36% and 24% of FIs indicated that 21–40% and 41–60% of their RMB cross-border transactions were processed via SWIFT, up from 27% and 15% respectively in last year's survey.

SWIFT remains widely used for RMB transactions, although its growth is more moderate

Figure 2.13 Percentage of RMB cross-border transaction done through SWIFT by FIs



Source: TABInsights

Looking ahead to 2025, both systems are expected to play an increasingly important role in RMB transactions, though CIPS is anticipated to outpace SWIFT in growth. The proportion of FIs expecting CIPS to handle more than 40% of their RMB cross-border transactions is projected to surge from 27% in 2024 to 53% in 2025. Notably, 18% of respondents anticipate that CIPS will process between 61% and 80% of their RMB cross-border transactions in 2025, a sharp increase from just 4% in 2024.

Expectations for SWIFT usage in 2025 remain positive, albeit more tempered. The proportion of FIs projecting that more than 40% of their RMB transactions will be processed via SWIFT is expected to rise from 30% in 2024 to 43% in 2025. However, this growth rate and absolute proportion remain lower than those for CIPS.

As CIPS continues to expand its network of participants and product coverage, its role in supporting the use of RMB across trade, investment, and capital market activities is expected to become increasingly prominent.

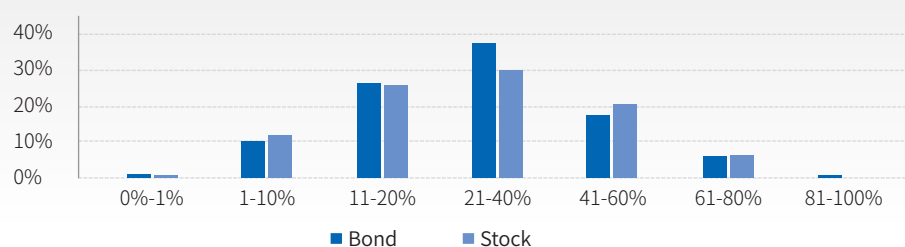
3. Status, impact and changes in RMB financial market

3.1 Changes in RMB financial market

RMB-denominated financial assets have continued to attract growing interest from global investors, despite ongoing macroeconomic uncertainty and adjustments in China's domestic market. By the end of 2024, foreign holdings of Chinese onshore bonds had reached RMB 3.35 trillion(\$471.8 billion), a moderate increase from RMB 3.3 trillion(\$464.8 billion) in 2023, according to data from ChinaBond[®]. Meanwhile, foreign holdings of China A shares stood at approximately RMB 3 trillion(\$422.5 billion), up from RMB 2.8 trillion(\$394.4 billion) a year earlier, supported by enhancements in capital market revitalization. Although the pace of foreign inflows was slower than in previous years, the underlying trend remains positive, driven by China's market depth, diversification benefits, and continued inclusion of RMB assets in global indices.

Holdings of RMB denominated bonds and stocks by FIs increased steadily from last year

Figure 3.1 Percentage of RMB denominated bond and stock to total holdings of bond and stock portfolio by FIs



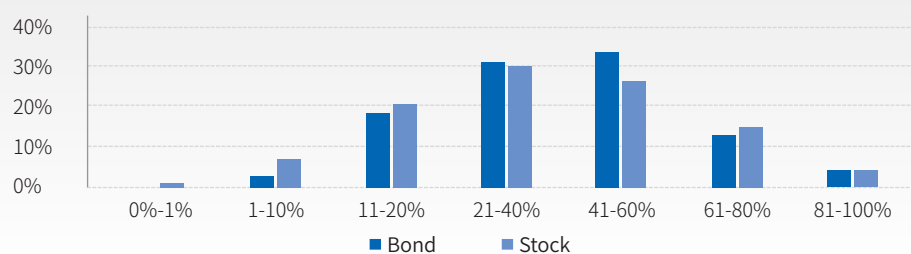
Source: TABInsights

The 2024 survey results reflect this upward shift. When asked about the share of Chinese stocks in their total stock portfolios, 32%, 22% and 7% of FIs reported allocating Chinese stocks in between 21-40%, 41-60% and 61-80% respectively, 2, 4, and 4 percentage higher than last year's survey results respectively. The share of respondents allocating below 20% decreased from last year's 49% to 41% this year.

A similar trend is seen in China bonds allocations. In 2024, 36%, 18% and 6% of FIs reported allocating China bonds in between 21-40%, 41-60% and 61-80% respectively, increased by 2, 5 and 3 percentage points compared to 2023. The share of respondents allocating below 20% decreased from last year's survey results 49% to 39% this year.

FIs expected to increase holdings of RMB denominated bonds and stocks in 2025

Figure 3.2 Expected percentage of RMB denominated bond and stock to total holdings of bond portfolio by FIs



Source: TABInsights

^① Source: <https://www.chinabondconnect.com/en/Resource/Market-Data.html>

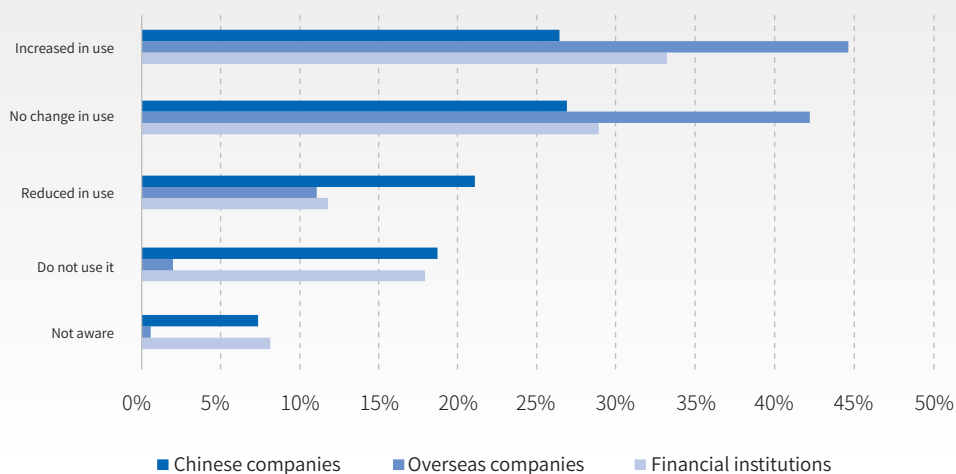
Looking ahead, expectations for 2025 remain consistently positive for both Chinese stocks and bonds. 44% of respondents expect to hold more than 40% of their stock portfolio in RMB instruments in 2025, up from 29% in 2024. Expectation for Chinese bond assets are even more positive, 50% of FIs anticipate holding more than 40% of their bond portfolio in Chinese bonds in 2025, double the share in 2024.

3.2 Development in RMB based financing

RMB-denominated financing continues to offer global companies and FIs a diversified channel for raising capital. Over the past year, changes in macroeconomic conditions and monetary policy—particularly the contrast between China's stable interest rate environment and tightening cycles elsewhere—have made RMB financing relatively more attractive. Expectations of future RMB revenues, especially for companies with operations in China, have further supported this appeal. As regulatory frameworks and market mechanisms continue to mature, the use of offshore RMB loans, trade finance, and bond issuance in global corporate financing is steadily increasing.

87% of surveyed overseas companies reported an increase or no change in offshore RMB financing

Figure 3.3 Change in use of RMB-based offshore financing



Source: TABInsights

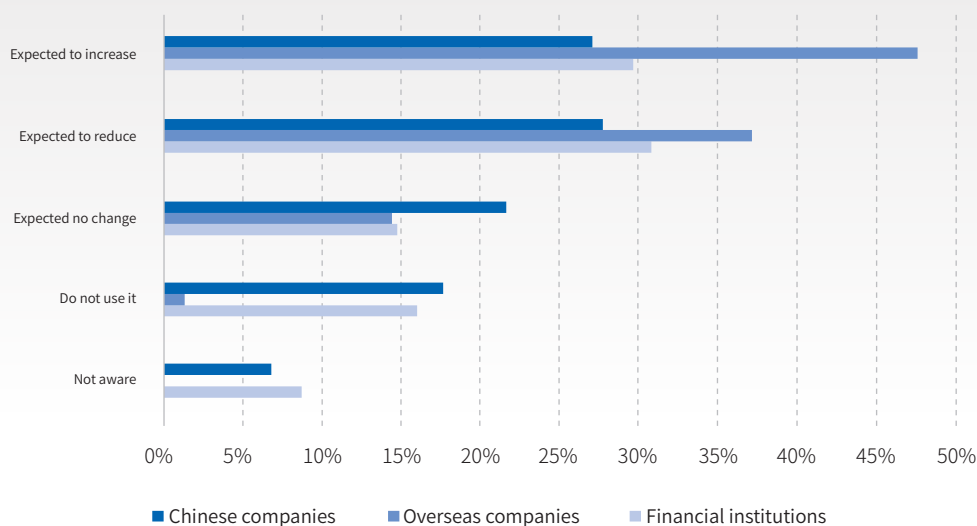
Survey results this year show a rise in RMB financing usage among overseas companies. A total of 45% of respondents indicated an increase in usage compared to the previous year, while 42% reported no change—both figures up by 2 percentage points year-on-year. 11% reported a decrease in usage, down from 13% in last year's survey.

Usage by Chinese companies remained relatively stable. While 26% reported an increase—2 percentage points lower than the previous year—the share reporting a decline dropped from 27% to 21%.

The picture for FIs was more mixed. The proportion reporting an increase in RMB financing dropped 7 percentage points to 33%, but those reporting a decrease also fell, from 20% to 12%. Meanwhile, 29% reported no change, slightly higher than 27% in last year's results.

Outlook for RMB financing in 2025 remains uncertain for overseas companies and FIs

Figure 3.4 Expected change in RMB-based offshore financing



Source: TABInsights

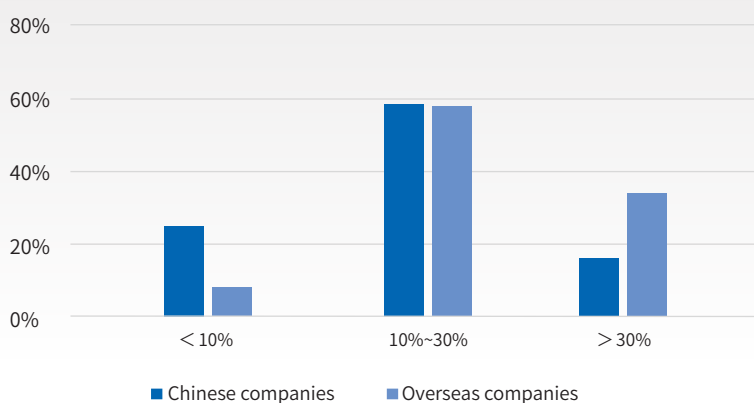
Looking ahead to 2025, demand expectations for RMB financing are more uncertain. While 48% of overseas companies expect to increase usage, the share expecting to reduce usage is 15%, increased by 3 and 4 percentage points respectively. Other 37% plan to maintain current levels, a 5 percentage point drop.

Chinese companies maintained stable expectations. Survey results showed that 27% expect an increase and 27% expect no change, same with 2024. 22% expect a decrease—up 1 percentage point from 2024.

FIs were the most conservative. Only 30% plan to increase usage in 2025, down 3 percentage points from 2024, while 15% expect a reduction, up 3 points.

The share of RMB financing among global FIs increased significantly in 2024

Figure 3.5 Percentage of RMB-based financing for FIs

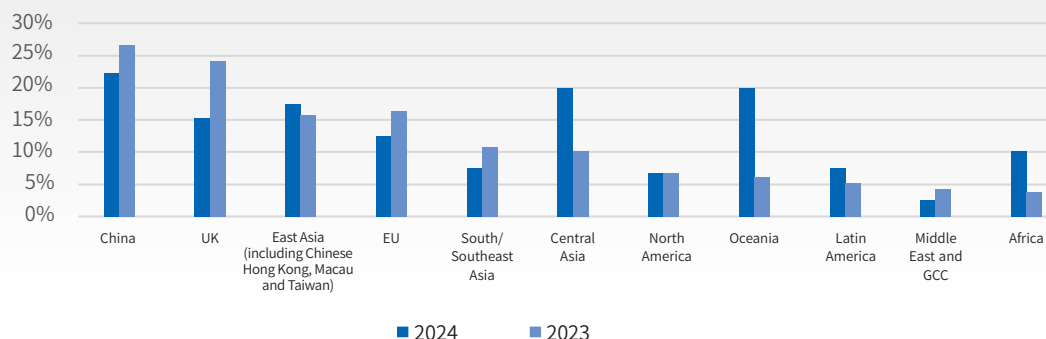


Source: TABInsights

In terms of share of RMB in total financing, both onshore and offshore FIs reported increases. Among Chinese FIs, 16% said RMB financing accounted for more than 30% of their total, up 2 points from last year; 58% reported a 10%–30% share, unchanged from last year's results. For overseas institutions, 35% reported a share above 30%, consistent with last year, while 58% indicated a 10%–30% share, a 13-point increase.

Central Asia and Australia–New Zealand saw rapid growth in RMB based cross-border financing

Figure 3.6 Key markets for RMB based cross-border financing for FIs



Source: TABInsights

Survey findings also reflected a shift in major RMB cross-border financing markets. China remained the largest market, selected by 23% of FIs, though this was down from 27% in last year's survey results. Rapid growth was noted in Central Asia and in Australia and New Zealand, selected by 20% of respondents—up 10 and 13 points respectively. Other major markets included East Asia (18%), the UK (15%), and the EU (13%). While East Asia held steady year-on-year, the UK and EU saw declines from 24% and 17% respectively. South Asia and Southeast Asia declined further, with the share dropping 3 points to 8%.

Trade finance remains the most commonly used RMB financing for both Chinese and overseas companies

Figure 3.7 Percentage of RMB-based financing for Chinese companies

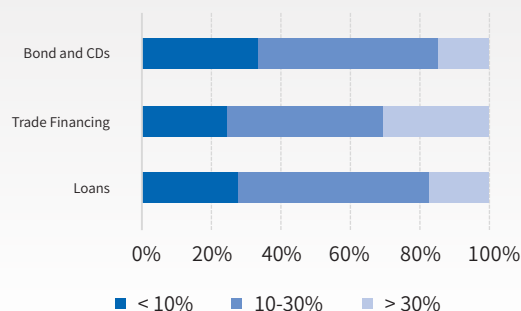
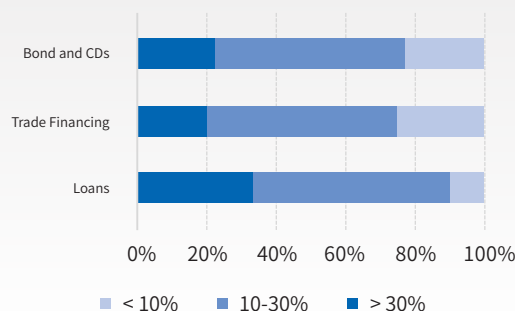


Figure 3.8 Percentage of RMB-based financing for overseas companies



Source: TABInsights

In terms of instruments, trade finance remains the most commonly used form of RMB financing for both Chinese and overseas companies. Chinese firms show a greater preference for RMB loans, while overseas firms favour bonds and certificates of deposit.

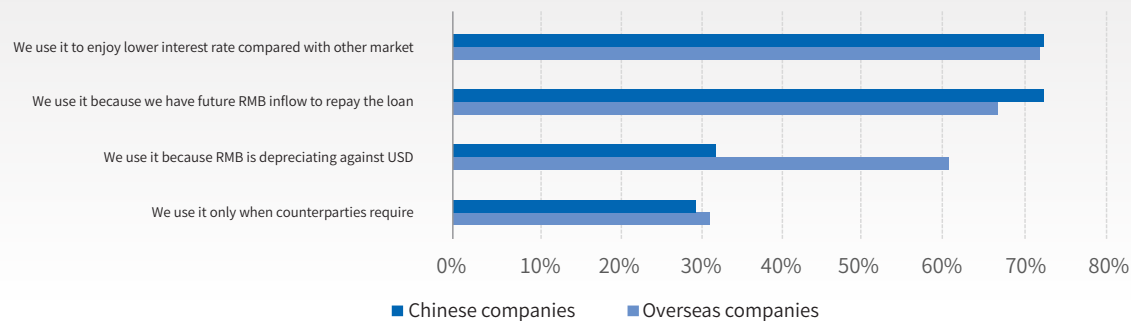
Among Chinese companies, 44% said trade finance accounted for 10%–30% of their total financing, while 30% reported it exceeded 30%. RMB loans also remain important: 54% reported a 10%–30% share, and 17% exceeded 30%. Usage of

bonds and certificates of deposit declined slightly, with only 17% reporting these accounted for over 30%, down by 5 percentage points from last year's survey results.

For overseas companies, RMB trade finance was the most frequently used tool - 55% reported a 10%–30% share, and 25% reported over 30%. Bonds and certificates of deposit followed, with 57% reporting a 10%–30% share and 22% reporting over 30%. Use of RMB loans declined, with 35% of overseas companies saying loans accounted for less than 10%, up from 28% last year.

Chinese and overseas companies cite lower interest rates as the main reason for using RMB in cross-border financing

Figure 3.9 Main reason to use RMB financing by companies



Source: TABInsights

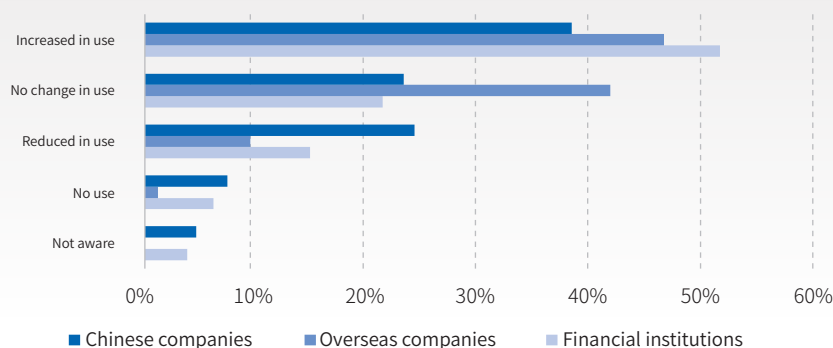
When asked about the reasons for using RMB financing, the top responses mirrored those from last year. Among Chinese companies, 72% cited future RMB inflows to repay loans, and another 72% pointed to lower interest rates compared to other markets. Similarly, 72% of overseas companies selected lower borrowing costs, followed by 66% citing future RMB inflows. Only 29% of Chinese and 31% of overseas companies said they used RMB financing only when required by counterparties—down from 35% last year—suggesting a growing preference to adopt RMB financing proactively.

3.3 Developments in RMB currency exchange transactions

The continued advancement of RMB internationalisation has driven growing activity in the RMB foreign exchange (FX) market. According to SWIFT data, as of December 2024, the RMB remained the fifth most actively traded currency in the global FX spot market, accounting for 3.6% of total global FX transactions.

RMB FX usage diverged with increased adoption by FIs

Figure 3.10 Change in RMB-based currency transactions



Source: TABInsights

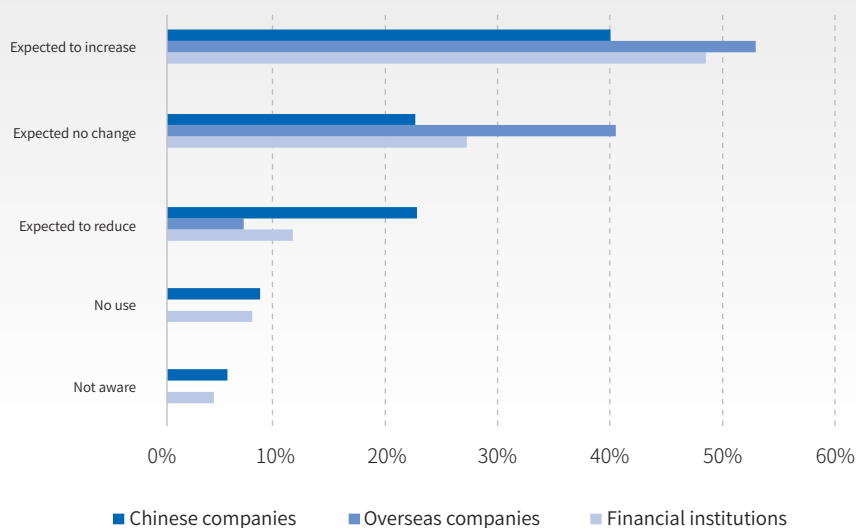
Among Chinese companies, the use of RMB in FX transactions showed a slight retreat. The proportion reporting increased usage fell from 47% in 2023 to 39% in 2024, while those indicating reduced usage rose to 24%, a 3-percentage point increase.

In contrast, usage among overseas companies remained broadly stable. A combined 90% of respondents reported either increased usage or no change—up slightly from 88% last year. Only 10% of overseas companies reported a decline in RMB FX usage, up 2 percentage points from last year's results.

For FIs, RMB FX activity continued on a steady upward trend. The proportion reporting increased use rose to 51%, up from 46% the previous year. Those noting reduced usage decreased slightly from 16% to 15%, while the proportion reporting no change dropped from 31% to 22%.

Chinese and overseas companies, as well as FIs, expect to increase RMB FX usage in 2025

Figure 3.11 Expected change in RMB-based currency transactions



Source: TABInsights

Looking ahead to 2025, both Chinese and overseas companies anticipate greater use of RMB in FX transactions. Among Chinese firms, 40% expect to increase their usage of RMB FX, a slight rise from 2024. Among overseas companies, 52% anticipate increased usage in 2025—3 percentage points higher than in 2024—while only 8% expect a decline, down from 10% the previous year.

FIs also expressed strong expectations for continued RMB FX growth. A total of 76% indicated they expect to either increase or maintain their level of usage in 2025. Meanwhile, the proportion anticipating a decrease dropped from 15% in 2024 to 12%.

3.4 Developments in RMB-denominated derivative market

In 2024, amid heightened global exchange rate volatility and divergent monetary policy cycles, the RMB-denominated derivatives market experienced accelerated development. This year's survey results indicate a notable expansion in hedging activities, particularly among FIs and overseas companies. Active hedging of RMB exposures was reported by 83% of overseas companies, 70% of FIs, and 58% of Chinese companies—up 19, 12, and 3 percentage points respectively from the previous year.

More than half of surveyed Chinese and overseas companies, as well as FIs hedge RMB risk exposures

Figure 3.12 Hedge RMB exposure

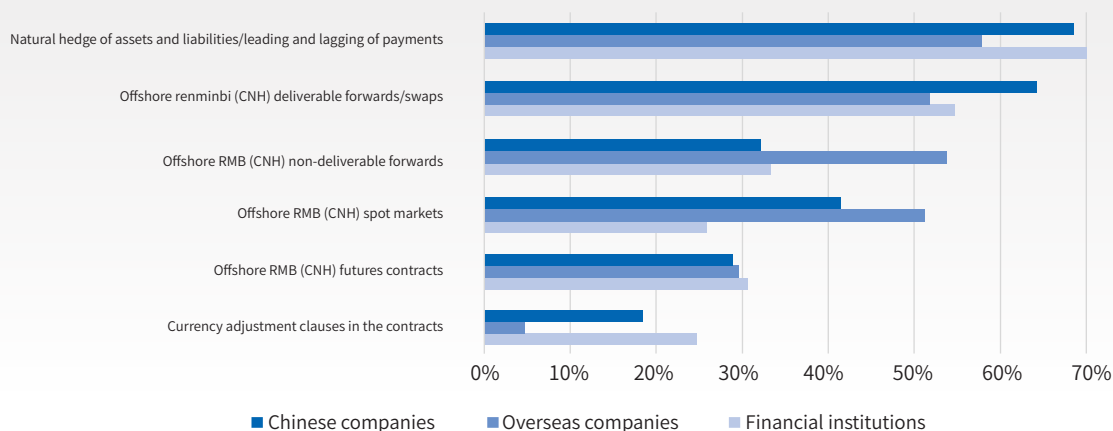


Source: TABInsights

The share of unhedged overseas companies fell from 32% in 2023 to 16% in 2024, while for FIs the figure dropped from 33% to 19%. Conversely, the proportion of Chinese companies not hedging increased by 7 percentage points to 26%.

Natural hedge of assets and liabilities/leading and lagging of payments emerged as the top hedging strategy

Figure 3.13 Preferred way to hedge RMB exposure



Source: TABInsights

The survey results showed shifts in preferred RMB hedging strategies.

Among Chinese companies, the most preferred approach remained natural hedge of assets and liabilities/leading and lagging of payments, selected by 69% of respondents. This was followed by offshore RMB deliverable forwards and swaps (64%), and the offshore RMB spot FX market, selected by 41% of respondents. Notably, use of offshore RMB non-deliverable forwards (NDFs) declined significantly, with only 32% of companies indicating preference for this tool, compared to 43% the year before. Around 29% of respondents used RMB futures, while those using contractual currency adjustment clauses rose modestly from 14% to 19%.

For FIs, there was a marked shift in preference towards natural hedging strategies. Three-quarters (75%) reported relying on natural hedge of assets and liabilities/leading and lagging of payments, up from 49% the year before. Notably, the use of offshore RMB spot FX dropped significantly from 53% in 2023 to just 26% in 2024.

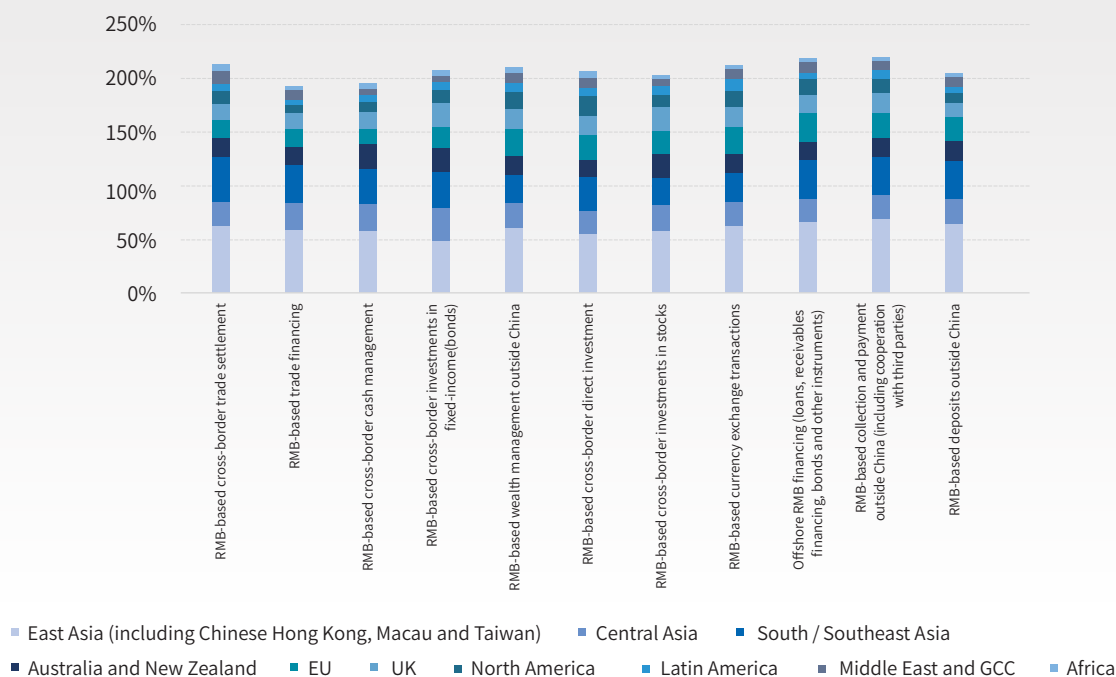
4. Development of offshore RMB market

4.1 Use of RMB in regions outside China

In 2024, the usage of RMB cross-border products outside Mainland China continued to expand, although patterns varied across regions and types of institutions. Usage remained heavily concentrated in East Asia, which maintains deep trade and investment linkages with China. Meanwhile, usage in Europe declined significantly. In contrast, RMB activity showed modest growth among overseas companies and FIs in South Asia and Southeast Asia, particularly in specific segments such as wealth management and FX. These patterns reflect the reshaping of the offshore RMB landscape by geopolitical uncertainty, shifting investment strategies, and regional connectivity initiatives. The pivot towards Asia aligns closely with the BRI and regional trade integration, while usage in Europe and North America has contracted sharply.

Use of RMB by Chinese companies in the EU and UK decline

Figure 4.1 RMB-based cross-border product and service geographic distribution - Chinese companies



Source: TABInsights

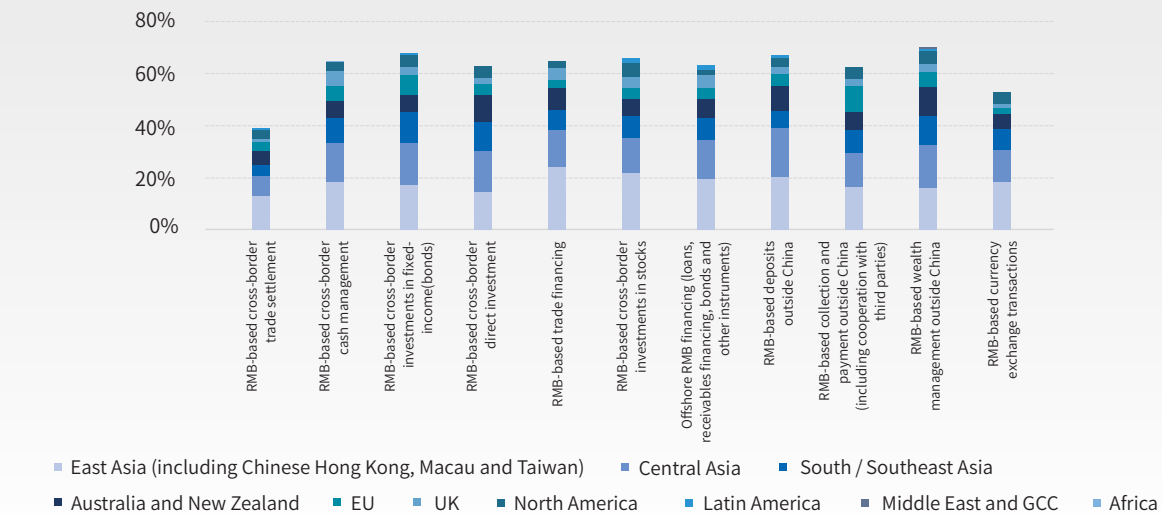
Among Chinese companies, survey results in 2024 showed that RMB usage remains highly concentrated in East Asia (including Chinese Hong Kong, Macao and Taiwan), with usage levels across most product categories exceeding 60%. Specifically, 68% of respondents reported using offshore RMB deposits in East Asia, 71% used RMB acquiring/payment services, and 66% used RMB for cross-border trade settlement. These figures represent a significant rise from 2023 levels of 44%, 49%, and 45%, respectively—underscoring East Asia's continued role as the core offshore RMB ecosystem.

In contrast, usage in the EU and UK declined markedly. Chinese companies' use of offshore RMB deposits fell from 48% to 21% in the EU, and from 62% to 18% in the UK. Similar declines were observed across trade finance, FX, wealth management, cross-border investments in securities and direct investment. For example, the use of RMB for fixed-income investments in the UK dropped from 56% to 22%.

Meanwhile, the significance of South and Southeast Asia increased. The use of RMB for cross-border trade settlement rose from 30% in 2023 to 40% in 2024, accompanied by growth in RMB deposits, financing, and direct investment in the region.

Moderate increase in RMB product usage by overseas companies in Central and South/Southeast Asia

Figure 4.2 RMB-based cross-border product and service geographic distribution - overseas companies



Source: TABInsights

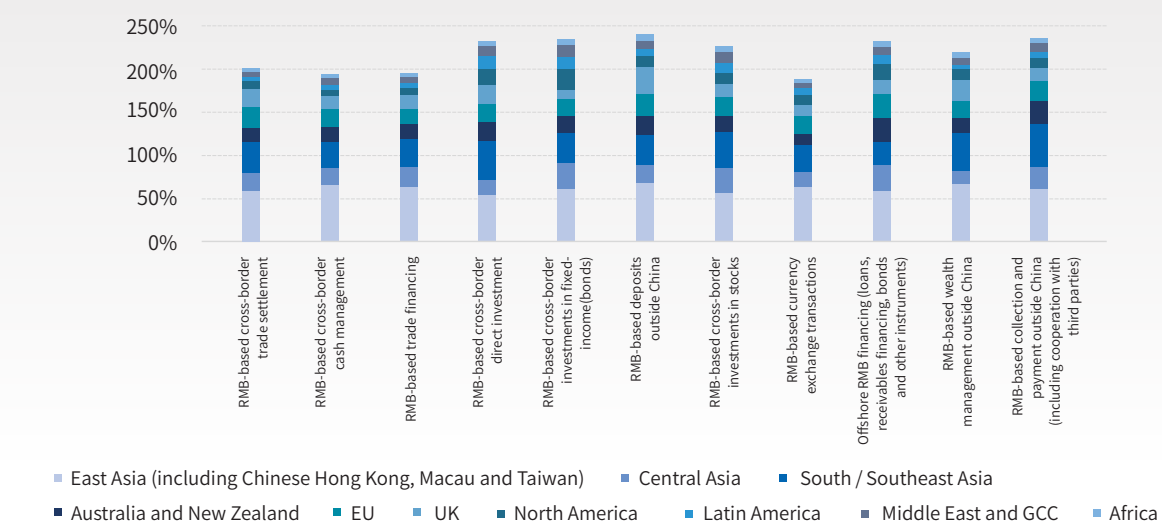
Among overseas companies, East Asia remained the primary region for offshore RMB product usage in 2024, although usage levels remained lower compared with Chinese companies. The most widely used RMB products in the region included trade finance (26%), equity investments (22%), and offshore RMB financing (20%), reflecting the region's integration with Chinese capital and trade flows.

Notably, moderate increases were recorded in Central Asia and South/Southeast Asia. In Central Asia, the use of RMB deposits rose from 7% to 19%, RMB financing increased to 14%, and usage of RMB in wealth management jumped from 4% to 16%.

In North America and the EU, RMB usage remained marginal. Only 4% of overseas companies used RMB deposits in North America, and usage of RMB for trade finance, cash management, or wealth management in the UK and EU remained below 5%—indicating that RMB activity among overseas companies outside Asia remains at an early stage.

RMB investment and financing activities by financial institutions in the EU rose compared to last year

Figure 4.3 RMB-based cross-border product and service geographic distribution - FIs



Source: TABInsights

Among FIs, RMB product usage was also most widespread in East Asia, where over 60% of respondents reported participation across most product categories. Specifically, 71% used RMB in wealth management, 70% in offshore RMB deposits, and 69% in cross-border cash management—all reflecting robust growth from 2023.

South and Southeast Asia also gained importance, with the use of cross-border RMB direct investment increasing from 12% in 2023 to 42% in 2024. The use of RMB for acquiring/payment and equity investment in the region also rose to 52% and 42%, respectively. These trends are aligned with the expansion of RMB cash pooling in ASEAN markets and the outward investment of Chinese companies, and reflect deepening financial collaboration between China and Southeast Asian economies.

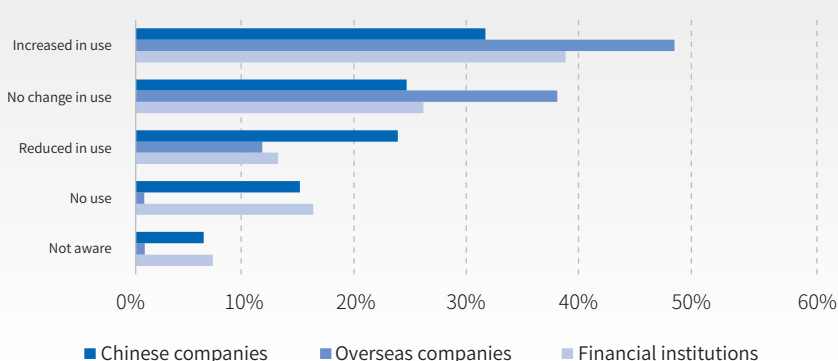
FIs' use of RMB products in the EU and UK showed a more mixed picture. In the UK, the use of RMB for offshore deposits and wealth management increased from 21% last year to 28% and 27% respectively in 2024, while RMB acquiring/payment rose slightly from 18% to 23%. However, usage in other RMB product categories declined. In the EU, RMB use in direct investment and financing rose to 24% (up 7 percentage points from last year), while offshore RMB deposit usage climbed from 14% to 26%. Other product categories remained largely stable. Overall, FIs continued to report low RMB usage in the Middle East, Latin America, and Africa—consistent with patterns in previous years.

4.2 Use of RMB offshore deposits

In recent years, offshore RMB deposits have played a pivotal role in facilitating RMB usage beyond Mainland China by providing liquidity for settlement, financing, and investment purposes. Survey results from 2024 indicate a steady increase in the use of offshore RMB deposits, particularly among overseas companies and FIs, while usage among Chinese companies remained relatively stable.

Offshore RMB deposit usage remained broadly stable across all three respondent groups

Figure 4.4 Change in use of RMB-based deposits outside China



Source: TABInsights

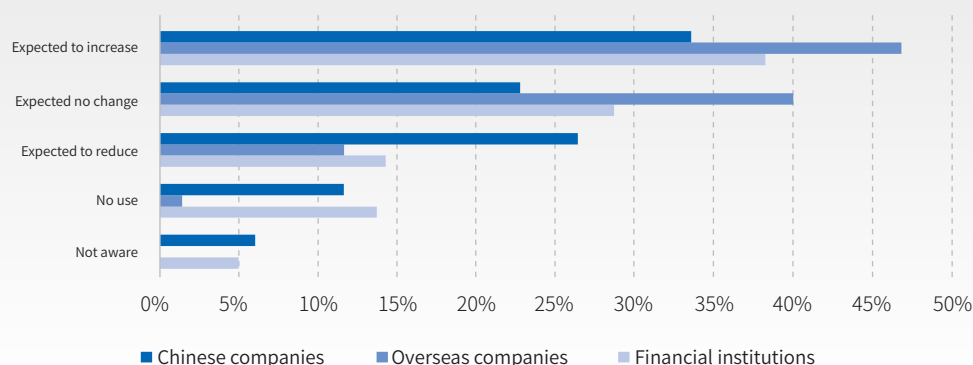
For overseas companies, the use of offshore RMB deposits in 2024 saw a modest increase compared to the previous year. Specifically, 49% of respondents reported increased usage (up from 46% in 2023), 12% reported a decrease (unchanged from last year), and 39% reported no change in usage.

Among Chinese companies, usage remained largely stable. In 2024, 31% of respondents reported increased use of offshore RMB deposits (30% in 2023), 24% reported decreased use (28% in 2023), and 25% reported no change (26% in 2023).

For FIs, usage patterns also showed slight changes. In 2024, 39% of respondents reported increased use of offshore RMB deposits, while 13% reported a decrease—down from 18% in 2023. The proportion of respondents maintaining a stable level of use declined from 33% to 26%. Notably, the percentage of FIs reporting no offshore RMB deposits rose to 15%, up by 8 percentage points from the previous year.

Usage of offshore RMB deposits is expected to continue rising in 2025

Figure 4.5 Expected change in use of RMB-based deposits outside China



Source: TABInsights

Looking ahead to 2025, expectations point to continued growth in offshore RMB deposit usage. Among overseas companies, 47% expect to increase their use of offshore RMB deposits, 40% expect no change, and only 12% anticipate a decrease.

Among Chinese companies, 33% plan to increase usage, 23% expect it to remain stable, and 26% expect a decrease.

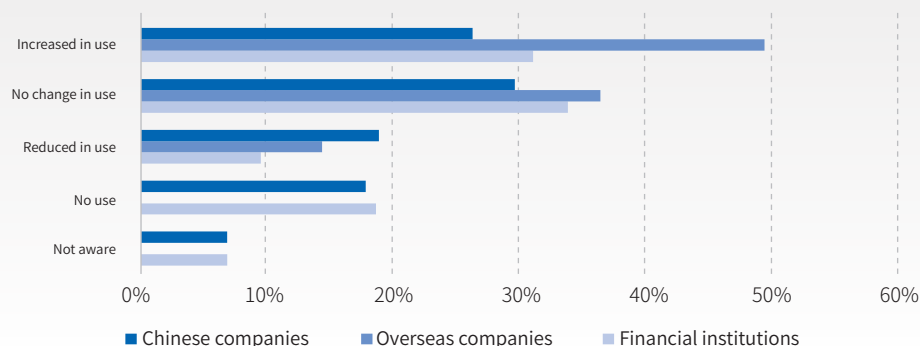
For FIs, expectations are broadly consistent with usage in 2024. 38% plan to increase their use of offshore RMB deposits in 2025, 29% expect no change, and 14% foresee a reduction.

4.3 Development of offshore RMB wealth management market

In recent years, driven by growing investment demand, regulatory facilitation, and the progressive opening of cross-border investment channels, the offshore RMB wealth management market has continued to expand. Initiatives such as the Cross-boundary Wealth Management Connect Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area, the extension of mutual recognition of funds, and the introduction of new RMB-denominated offshore investment products have helped channel offshore RMB deposits into offshore investment. Nevertheless, market uncertainties persist. In 2024, the offshore RMB wealth management market demonstrated notable resilience. Overseas companies steadily increased participation, while Chinese companies and FIs remained relatively cautious. All respondent groups maintained a broadly positive outlook for 2025.

Participation of overseas companies in offshore RMB wealth management continues to rise steadily

Figure 4.6 Change in use of RMB-based offshore wealth management



Source: TABInsights

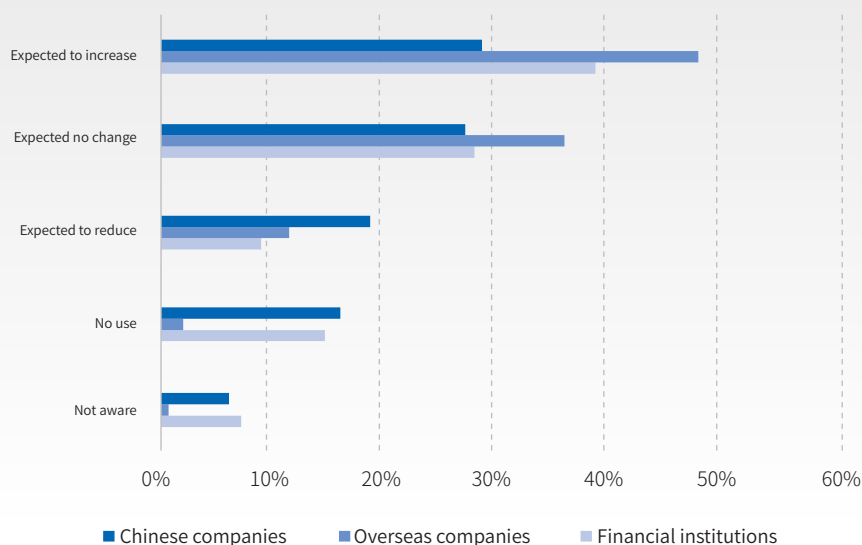
Among overseas companies, usage of offshore RMB wealth management products continued to rise. In 2024, 50% of respondents reported increased use (up from 47% in 2023), 36% reported no change, and only 15% reported a decline. Notably, the proportion of respondents who either did not use or were unaware of offshore RMB wealth products fell from 6% in 2023 to 0% this year.

Chinese companies remained more conservative. In 2024, 26% of respondents increased their usage of RMB wealth management products (23% in 2023), while 30% reported no change. The proportion reporting reduced use fell modestly from 23% to 19%. A quarter of Chinese companies still indicated that they had not used or were unaware of offshore RMB wealth management products.

FIs remained conservative as well. In 2024, 31% reported an increase in offshore RMB wealth product usage—down from 38% the previous year—while the share reporting decreased usage fell significantly from 19% to 10%. Those reporting no change rose from 30% to 33%. As with Chinese companies, 25% of FIs indicated they had not used or were unaware of offshore RMB wealth products.

Adoption of offshore RMB wealth management products is expected to increase in 2025

Figure 4.7 Expected change in RMB-based offshore wealth management



Source: TABInsights

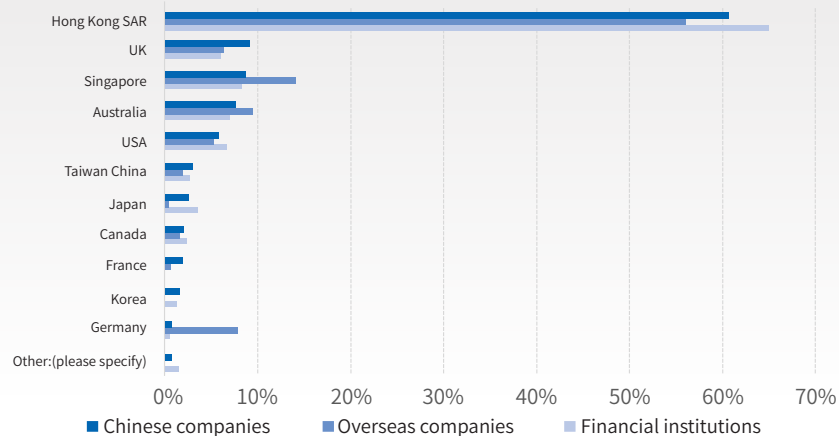
Looking ahead to 2025, expectations remain positive. Among overseas companies, 49% anticipate further increases in offshore RMB wealth management products, 37% expect usage to remain stable, and 12% foresee a decline. For Chinese companies, 29% expect to increase usage of offshore RMB wealth management products, 27% expect no change, and 20% expect a decrease. FIs remain optimistic, with 39% anticipating an increase, 28% expecting no change, and only 10% expecting a reduction.

4.4 Status of key offshore RMB centres

In 2024, Hong Kong SAR remained the dominant offshore RMB centre. It was selected by 60.4% of Chinese companies, 56% of overseas companies, and 65% of FIs as their primary location for cross-border RMB transactions. Hong Kong's sustained leadership underscores its deep market liquidity, sophisticated financial infrastructure, and close integration with the mainland via interconnectivity mechanisms and clearing services.

Australia's activity as an offshore RMB centre rebounded in 2024

Figure 4.8 Key offshore RMB centre used by respondents



Source: TABInsights

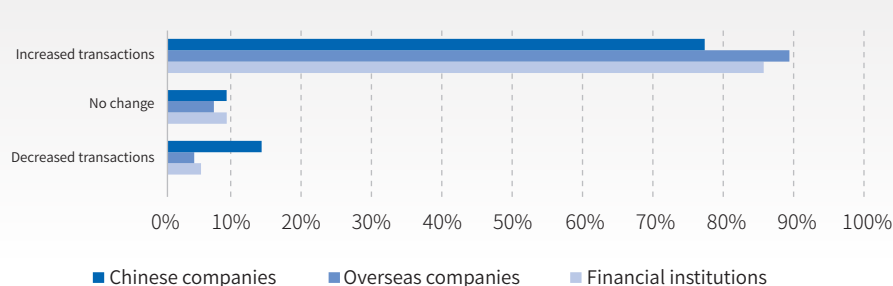
The United Kingdom retained its position as the most important offshore RMB centre outside Asia, although its share declined from 2023. It was chosen by 9% of Chinese companies, 6% of overseas companies, and 6% of FIs as their primary offshore hub. Despite the decline from last year's peak, the UK continues to serve as a key RMB hub in Europe, supported by strong bilateral financial ties with China, an established RMB clearing bank, and a growing investor base in RMB-denominated assets. Its advantageous time zone and open regulatory framework continue to attract global FIs and multinational corporates.

Singapore maintained its role as a pivotal RMB centre within ASEAN. The share of overseas companies selecting Singapore rose from 7% in 2023 to 14%, while usage among Chinese companies and FIs remained steady at 8%—up by 2 and 1 percentage points respectively. Singapore's proximity to China, robust banking infrastructure, and strategic position within the BRI continue to bolster its status as a regional RMB hub.

Australia made noticeable gains across all respondent groups. In 2024, 10% of overseas companies, 7% of Chinese companies, and 6% of FIs identified Australia as their preferred offshore RMB centre—up from just 2%, 3%, and 3% respectively in the previous year. This reflects the recovery of bilateral trade flows between China and Australia, as well as increased institutional usage of RMB products in the Australian market.

Transaction activity in offshore centres continued to grow or remain stable across all respondent groups

Figure 4.9 Change in transactions at the key RMB centre



Source: TABInsights

Across all respondent types, trading activity in offshore centres either increased or remained stable. In 2024, 90% of overseas companies, 76% of Chinese companies, and 86% of FIs reported growth in RMB transaction volumes at their selected offshore centres. This steady growth underscores the ongoing momentum of RMB internationalisation and the strengthening infrastructure supporting global RMB usage.

Special Column 3: Prospects for the development of the offshore RMB market in terms of institutional innovation

The development of the offshore renminbi (RMB) market has been closely linked to the process of RMB internationalisation, progressing through stages of initial exploration, expansion and deepening. In 2003, Hong Kong SAR took the lead in piloting personal RMB business, followed by the designation of an RMB clearing bank by the People's Bank of China, which laid the foundation for the development of the offshore RMB market. In 2007, mainland FIs were permitted to issue RMB bonds in Hong Kong SAR; in 2009, the PBoC and the Hong Kong Monetary Authority signed a bilateral currency swap agreement and launched the cross-border RMB trade settlement pilot scheme. In 2011, the RMB Qualified Foreign Institutional Investor (RQFII) mechanism was introduced, facilitating the return of offshore RMB to invest in onshore securities markets, while spurring the emergence of offshore RMB-denominated bonds such as "dim sum bonds". Subsequent initiatives such as Stock Connect and Bond Connect established further channels for offshore RMB to access China's domestic capital markets. Through institutional innovations such as currency swap agreements, the designation of clearing banks and the opening of cross-border investment channels, the Chinese government has provided strong policy support for the development of the offshore RMB market.

At present, three major offshore RMB centres—Hong Kong SAR, London and Singapore—have been established outside mainland China, serving as crucial bridges for the international use of the currency. Specifically, Hong Kong SAR, as the largest offshore RMB centre, has leveraged its advanced financial system to establish the world's first RMB real-time gross settlement (RTGS) system, achieving global leadership in offshore RMB clearing capacity. It offers tax advantages such as exemption of offshore income and low domestic tax rates, reducing business costs; and through Stock Connect and Bond Connect, it has facilitated overseas investors' access to China's capital markets. London, by issuing RMB sovereign bonds, signing swap agreements and establishing RMB clearing banks, has rapidly developed offshore RMB foreign exchange and financing businesses. With its robust legal and regulatory framework, it has consolidated its status as the largest offshore RMB centre outside Asia, and by capitalising on its time zone advantage, it complements Hong Kong SAR and Singapore to cover global trading hours. Singapore, with its tax incentives, exemption of financial transaction taxes and well-established legal system, has created a stable environment for offshore RMB business. The Singapore Exchange has launched RMB futures and other products, supporting steady growth in offshore RMB deposits and bond markets.

Domestically, given that China has yet to fully liberalise its capital account, the use of pilot free trade zones (FTZs) for financial reforms has become a key strategy in advancing RMB internationalisation. Since China's interest rate and exchange rate mechanisms are still being improved and capital account opening must proceed prudently, specific zones have been designated for controlled experimentation in financial innovation. Since the establishment of the Shanghai FTZ in 2013, the Free Trade Account (FTA) system has been pioneered, allowing RMB funds within the zone to be freely convertible and flow cross-border in both directions within defined parameters, while successive rounds of financial liberalisation initiatives have been launched. The Hainan Free Trade Port Law explicitly permits approved FIs to conduct offshore financial business through designated accounts or regions. With the gradual liberalisation of China's capital and onshore markets, a new "dual-engine" pattern is expected to emerge through positive interaction between domestic and offshore markets, further strengthening the RMB's role as both an investment and reserve currency.

Looking ahead, the institutional development of the RMB market will require coordinated efforts across legal frameworks, infrastructure, product connectivity, business environment and risk management—simultaneously enabling business innovation while ensuring risk remains under control. Efforts should be accelerated to build a high-efficiency and secure offshore clearing and settlement system and a multi-time-zone RMB trading network, while upgrading the Cross-Border Interbank Payment System (CIPS) to improve payment efficiency and reinforce autonomy and resilience. In terms of product and market connectivity, it will be important to further enrich the range of offshore RMB-denominated financial products such as bonds and derivatives, encourage mainland entities to raise funds in offshore markets, and expand connectivity with centres such as Hong Kong SAR, Singapore and London, to create an RMB offshore network that spans global trading hours. Finally, through the establishment of robust macro-prudential regulation and cross-border risk warning mechanisms, alongside enhanced information sharing and cooperation with major financial centres, the international recognition and competitiveness of the offshore RMB market can be further elevated, laying a stronger institutional foundation for RMB internationalisation.

5. Development of RMB usage in Chinese companies going global

In recent years, the globalisation of Chinese companies has become a defining force in international trade and investment, bringing new momentum to RMB internationalisation. From manufacturing and infrastructure to digital services and green industries, Chinese enterprises have accelerated their presence across Asia, Europe, the Middle East, Africa and Latin America through the establishment of overseas operations, mergers and acquisitions, and strategic partnerships. This outward movement is not only reshaping global supply chains but also reinforcing the RMB's role as a currency for payment and financing.

Policy initiatives such as the Belt and Road Initiative (BRI), the Regional Comprehensive Economic Partnership (RCEP), and various Free Trade Agreements (FTAs) have significantly reduced barriers to RMB settlement. At the same time, the improvement in offshore RMB liquidity and the growing availability of tailored RMB financial services by banks have further supported Chinese companies in their international strategies.

As more Chinese companies transition from product exports to establishing overseas entities, the demand for efficient and seamless RMB cross-border financial services and infrastructure has grown more urgent. This shift is also fuelling wider adoption of the RMB in international markets.

Against this backdrop, this year's report included a dedicated section focused on Chinese companies going global (referred to in this section as "companies going global"), exploring their use of RMB in trade, investment, and other financial activities.

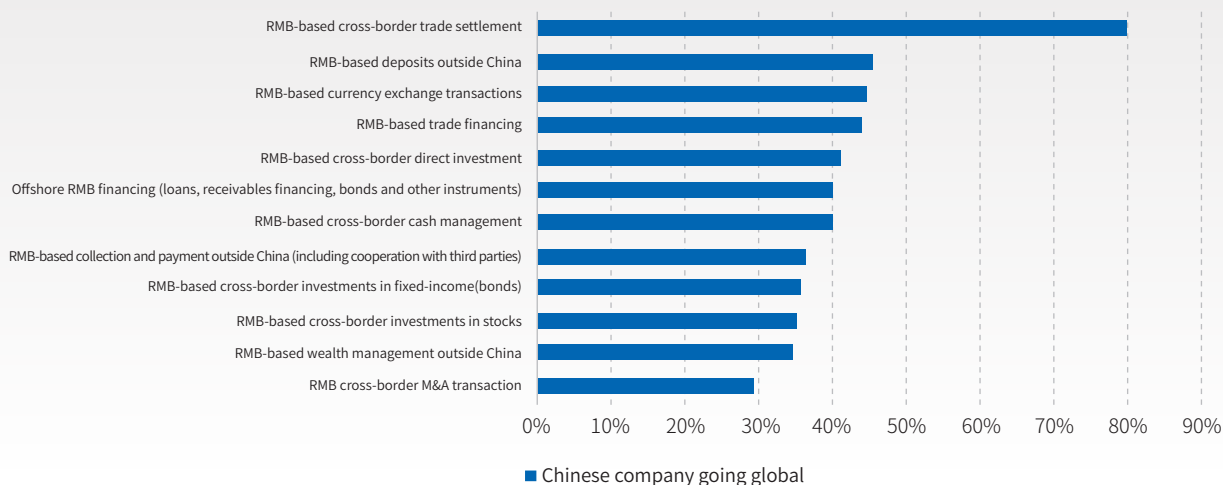
Survey findings show that companies going global make broader use of RMB cross-border products compared to the overall sample of Chinese companies, with particularly high engagement in financing, cash management, and FX transactions.

5.1 Use of RMB cross-border products Chinese companies going global

According to the 2024 survey, companies going global demonstrate higher levels of RMB cross-border product usage than Chinese companies overall. Cross-border trade settlement in RMB remains the most widely adopted product, used by 80% of these companies—closely aligned with the 81% observed across the broader sample.

Chinese companies going global demonstrate significantly higher use of offshore RMB deposits and RMB financing than the overall average

Figure 5.1 Most used RMB products for Chinese companies going global



Source: TABInsights

Use of offshore RMB deposits and RMB financing was significantly higher among companies going global. 45% reported holding offshore RMB deposits and 40% accessed offshore RMB financing, compared to 30% and 31% respectively among all Chinese companies. This suggests a heightened focus by globally active firms on managing offshore balance sheets and enhancing financing efficiency.

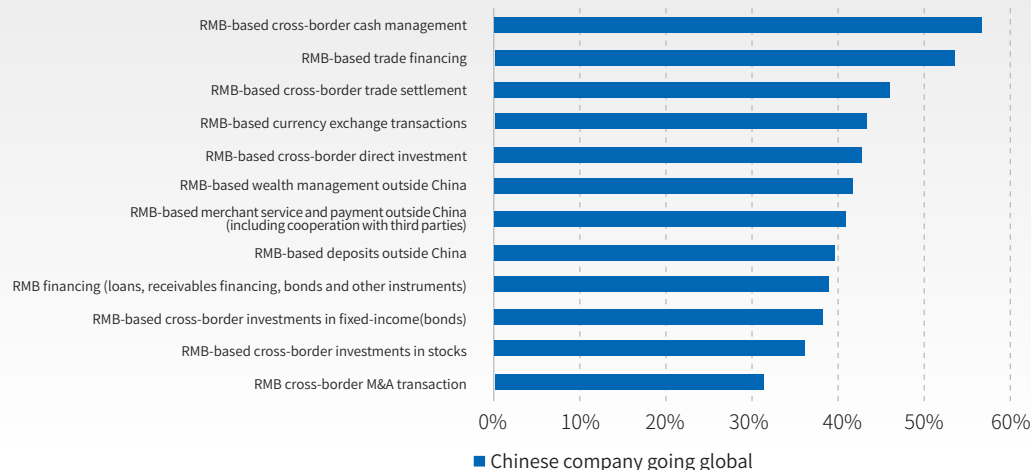
These companies also exhibited stronger participation in RMB-denominated investment activities. 41% engaged in cross-border direct investment using RMB, 4 percentage points above the overall sample. 30% of these companies reported that they involved in RMB cross-border mergers and acquisitions.

Higher engagement was also observed in offshore RMB-denominated stock investments (35% vs. 26% overall), fixed income investments (36% vs. 28% overall), and RMB-linked wealth management (35% vs. 26% overall). These trends underscore companies going global's growing interest in offshore RMB investment tools, diversified asset allocation, and deeper capital market participation as they expand globally.

Notably, usage of RMB cross-border cash management among companies going global remains slightly below the overall average. 40% of these companies reported using such services, compared to 54% of all surveyed Chinese companies. This indicates room for growth as they scale their international operations.

Chinese companies going global expect increased adoption across nearly all categories of RMB products

5.2 Expected change of most used RMB product for Chinese companies going global

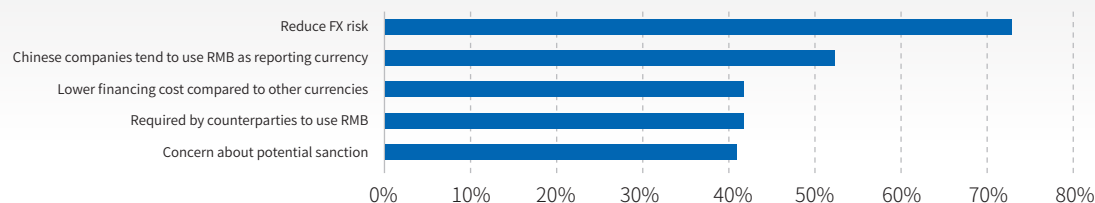


Source: TABInsights

Looking ahead to 2025, companies going global anticipate increased adoption across nearly all categories of RMB products. The strongest expected growth areas include RMB cross-border cash management (from 40% to 57%) and trade finance (from 43% to 53%).

Reducing FX risk and using RMB as the accounting currency are the main drivers for Chinese companies going global to adopt RMB in cross-border transactions

5.3 Main reason to use RMB for Chinese companies going global



Source: TABInsights

The report also examined the main reasons companies going global choose to use RMB in cross-border transactions. The most prominent driver was the desire to reduce FX risk—cited by 73% of respondents. The use of RMB as the accounting currency is another key factor. More than half (53%) of these companies indicated that they typically use RMB for preparing financial statements.

Special Column 4: The impact of Chinese companies going global on the international use of the RMB in terms of supply chain

In recent years, Chinese companies "going global" have demonstrated a sustained expansion in scale and a continual optimisation of structure, steadily increasing their influence on the global economic stage. The internationalisation of Chinese companies can be divided into five distinct phases. The first phase, from 2001 to 2010, marked a decade of "riding the waves abroad". The second phase, from 2011 to 2018, saw many enterprises accelerating internationalisation through mergers and acquisitions, or "borrowing ships to go overseas". The third phase, from 2019 to 2021, was characterised by a surge in "e-commerce going global", which helped build global competitive advantages and business footprints. The fourth phase, from 2022 to 2023, witnessed an increasing number of small and medium-sized enterprises entering international markets through the internet and platform-based tools. The fifth phase, from 2024 to the present, has seen Chinese companies' global expansion become an irreversible trend, evolving from simple export activities to comprehensive overseas investment and operational layouts.

In 2024, the scale of Chinese companies' overseas expansion reached \$2.17 trillion, an increase of 18.3% year-on-year, equivalent to 1.6% of China's GDP. These figures underscore the strong vitality of Chinese enterprises investing in overseas markets. From the perspective of participants, both state-owned enterprises and private companies are now working in tandem, forming a collaborative development pattern.

At the same time, global supply chains are undergoing profound restructuring. The traditional focus on cost efficiency is giving way to greater emphasis on security and resilience. Chinese companies "going global" have shifted from traditional product exports to full industrial chain deployment, building overseas supply chain networks and creating new opportunities for the international use of the RMB. Increasingly, companies are also acquiring core technologies and brand resources through cross-border mergers and acquisitions.

In this context of global supply chain restructuring, many companies are choosing to "build chains overseas" to reduce dependence on single markets and intermediary links. This involves investing in factories, warehousing, logistics and sales networks abroad to create localised industrial and supply chains. Such deeply embedded overseas operations have generated an urgent demand for RMB settlement, making the use of RMB in cross-border transactions a strategic option for Chinese companies to enhance supply chain security and efficiency.

To meet the growing demand for cross-border RMB business, Chinese companies are actively leveraging a variety of supply chain finance instruments and offshore RMB arrangements to expand the scenarios for RMB international use.

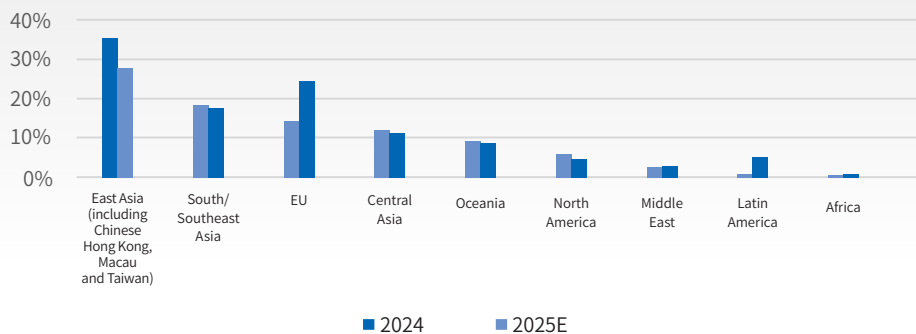
In the era of supply chain restructuring, the globalisation of Chinese companies has injected powerful momentum into RMB internationalisation. The use of the RMB is extending from trade settlement into broader financing and investment domains. Looking ahead, provided that institutional foundations continue to be strengthened and obstacles and challenges effectively addressed, the RMB is poised to play an increasingly pivotal role on the global economic stage, advancing from a regional settlement currency to a mainstream international reserve and invoicing currency. In this process, the global footprint and practical experience of Chinese companies will serve as an important catalyst for RMB internationalisation.

5.2 Key destination for Chinese companies going global

As the globalisation of Chinese companies continues to deepen, their destination markets are undergoing significant shifts. While East Asia remains a key destination for companies going global, interest in the European Union (EU) and the United Kingdom is clearly rising.

East Asia remains the top destination for Chinese companies going global, while attention to the EU and UK is rising

Figure 5.4 Key destination for Chinese companies going global



Source: TABInsights

In 2024, East Asia (including Chinese Hong Kong, Macao and Taiwan) remained the top destination, selected by 36% of respondents. Hong Kong SAR's role as a key offshore RMB hub continues to make it a preferred entry point for many companies going global. This was followed by South Asia and Southeast Asia, chosen by 18% of respondents, underscoring the importance of RCEP in promoting regional trade and investment flows. Meanwhile, 15% of respondents selected the EU and the UK, as more companies sought entry into mature and developed markets in line with their upgrading in technology and product sophistication. Other destinations included Central Asia (12%) and Australia and New Zealand (9%), where cooperation in resource and agricultural products remains strong.

Looking ahead to 2025, the most notable shift is the rising interest in the EU and the UK, with the proportion of companies planning outbound activity to this region increasing from 15% to 24%. In contrast, the proportion of respondents selecting East Asia fell to 26%, while interest in South Asia and Southeast Asia remained stable at 18%.

5.3 Choose financial service providers for Chinese companies going global

As Chinese companies expand globally, selecting the right financial partners to support their RMB-denominated cross-border activities has become increasingly critical. This year's survey finds that over half (54%) of companies going global prefer to work with the overseas branches of Chinese banks. These institutions are regarded as being well-positioned to provide seamless RMB services across onshore and offshore markets, with a deep understanding of Chinese regulatory requirements and the ability to deliver customised RMB financial solutions tailored to the needs of Chinese corporates.

Over half of Chinese companies going global prefer to work with the overseas branches of Chinese banks for cross-border activities

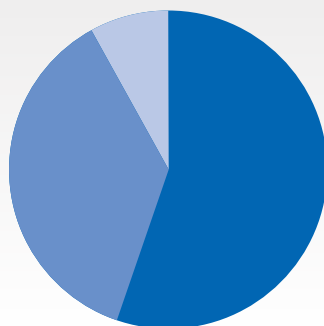


Figure 5.5 Preference of banking partners for Chinese companies going global

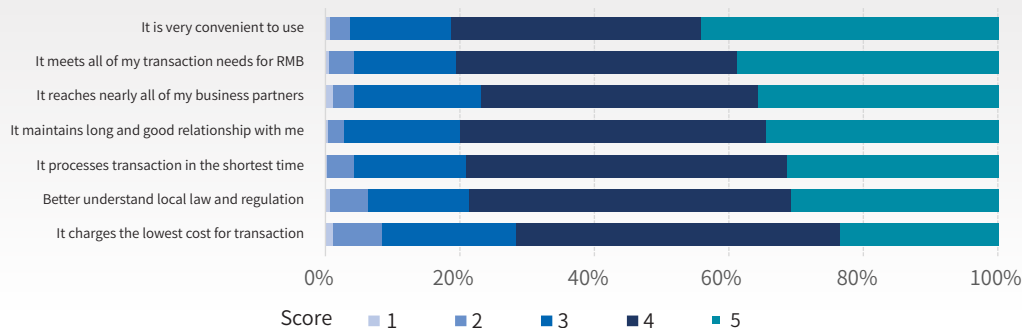
- Local branches of Chinese banks
- Local branches of global banks
- Domestic banks

Source: TABInsights

Meanwhile, 38% of respondents prefer local branches of global banks, while only 7% of companies still rely on onshore banks in China to manage their cross-border transactions in RMB.

Convenience and service comprehensiveness are the key factors in selecting financial partners

Figure 5.6 Main reason to choose banking partner for RMB transactions



Source: TABInsights

When asked about the key decision factors in choosing financial service providers, convenience ranked highest. A total of 44% of respondents rated it as the most important consideration. Convenience factors included efficient account opening, digital transaction capabilities, and responsiveness in processing cross-border capital flows.

This was followed by the ability of banks to meet the company's full spectrum of RMB transaction needs - 39% of respondents rated this as most important, underscoring the strategic value of offering comprehensive RMB services across trade settlement, FX, financing, and treasury management.

Another high-ranking factor was the bank's ability to reach nearly all of the company's trading counterparties, rated highest by 36% of respondents. Long-standing relationships with banks also remain a major consideration, with 35% ranking it top.

For companies going global, transaction costs were a lower priority. Only 24% of companies ranked cost as their top consideration, while a larger proportion (8%) rated it just 2 out of 5. This suggests that while Chinese companies still value competitive pricing, they place greater emphasis on service reliability, functional coverage, and operational efficiency when selecting financial partners to support their international activities.

Special Column 5: The positive role of the RMB clearing bank network in supporting Chinese enterprises

As the internationalisation of the RMB advances, the People's Bank of China has continued to expand the number of offshore RMB clearing banks, creating a foundational financial bridge for cross-border trade and investment. Whether through correspondent banking arrangements or direct connection models, these clearing banks can process RMB cross-border payments and settlements directly, reducing the time and costs associated with currency conversion. This not only facilitates RMB trade settlement and financing but also provides Chinese companies "going global" with a more diversified set of cross-border financial support channels.

Owing to differences in geographic location, industrial structure and stages of development, the modes of cross-border transactions conducted between China and the host markets of RMB clearing banks also vary. Chile and Switzerland provide illustrative examples. In Chile, RMB clearing is centred on resource development and trade, while in Switzerland the focus lies in global commodity trading and financing, offshore wealth management, and asset allocation. This diversified clearing bank network brings a broader spectrum of opportunities for companies going global.

Chile, as a resource-driven economy, conducts its trade with China primarily in commodities such as copper and lithium. Between 2014 and 2023, bilateral trade rose from \$34.1 billion to \$56.9 billion. In recent years, Chinese companies such as State Grid Corporation of China and China General Nuclear Power Corporation have participated in Chile's energy sector through acquisitions. Data shows that the share of RMB settlement in Latin America has been

steadily increasing, reaching 14% of cross-border settlements in 2024—nearly five times higher than in 2019. RMB clearing banks have played a pivotal role in this process. The clearing bank established in Santiago allows bilateral corporates to settle large-value transactions directly in RMB, thereby reducing secondary conversion costs and time delays. This has significantly lowered transaction costs and accelerated settlement in project financing, engineering payments and commodity procurement. The clearing bank also provides local RMB liquidity and financing support, optimising cash flow management and reducing foreign exchange exposure.

Switzerland, meanwhile, is home to the headquarters and hubs of global commodity trading firms, as well as being a world centre for wealth and asset management. The Swiss financial regulator has noted that "the availability of RMB clearing services will facilitate and promote the use of RMB in cross-border transactions between corporates and FIs." The Zurich RMB clearing bank is well placed to provide specialised services for global commodity companies in areas such as trade, financing and cash management. It also extends the RMB's use from trade settlement to trade finance, commodity pricing and risk hedging, leveraging China Construction Bank's global network to support international commodity transactions. Moreover, the clearing bank facilitates the participation of Swiss FIs in China's capital markets and supports cross-border mergers and acquisitions, offshore financing, RMB asset custody and wealth management services for high-net-worth clients. Located in the heart of Europe, Switzerland also benefits from a stable political and business environment, which enhances Zurich's role as an RMB clearing centre serving the wider European market.

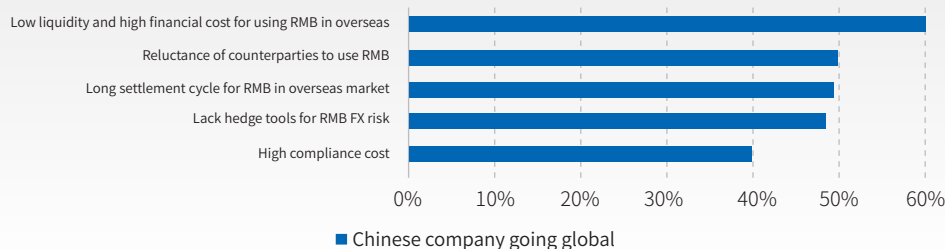
Overall, the steady expansion of the RMB clearing bank network translates into lower transaction costs, faster fund turnover, stronger liquidity and more diversified cross-border financial channels. Looking ahead, as RMB clearing banks are established in more markets, the range of local RMB-denominated products and services will continue to broaden, providing Chinese companies with firmer financial support for their overseas expansion.

5.4 Key challenges to use RMB for Chinese companies going global

As Chinese companies accelerate their global footprints, many continue to encounter operational and structural barriers to the seamless use of RMB in overseas markets. This year's survey identifies the key challenges Chinese companies going global face when adopting RMB in cross-border transactions.

Low liquidity and high financial costs are the main challenges faced by Chinese companies going global in using RMB

Figure 5.7 Key challenges to use RMB for Chinese companies going global



Source: TABInsights

The top concern cited by 60% of respondents is the low offshore RMB liquidity and high financial cost. This highlights that, in some markets, RMB instruments remain underdeveloped or illiquid, making it difficult for companies to access RMB funding at competitive cost and scale.

Half of the surveyed companies also reported that their trading counterparties are unwilling to use RMB, and 49% of respondents noted that RMB settlement cycles in overseas markets tend to be lengthy, adding friction and execution risks to transactions.

Another 48% of companies pointed to the lack of instruments for hedging RMB FX risks.

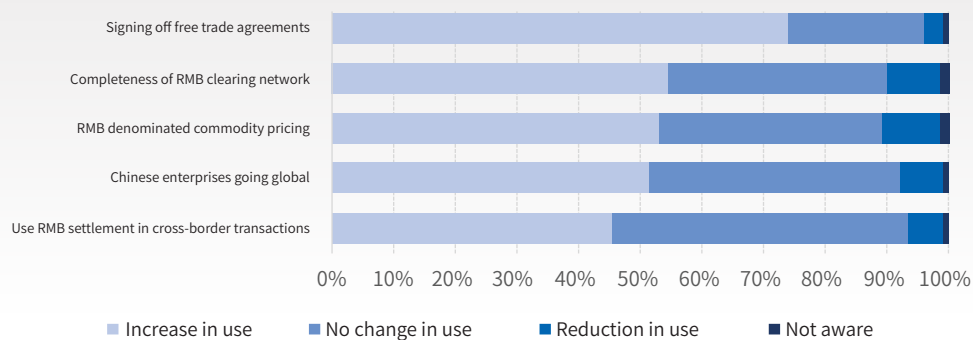
Finally, high compliance costs were cited by 40% of respondents. These include the burdens associated with FX reporting, due diligence, and anti-money laundering (AML) procedures.

6. Emerging opportunities, challenges and future prospects of RMB internationalisation

6.1 Main factors affecting the use of RMB

Free trade agreements is the most important driver of RMB usage for overseas companies

Figure 6.1: Key issues that impact the use of RMB by overseas companies

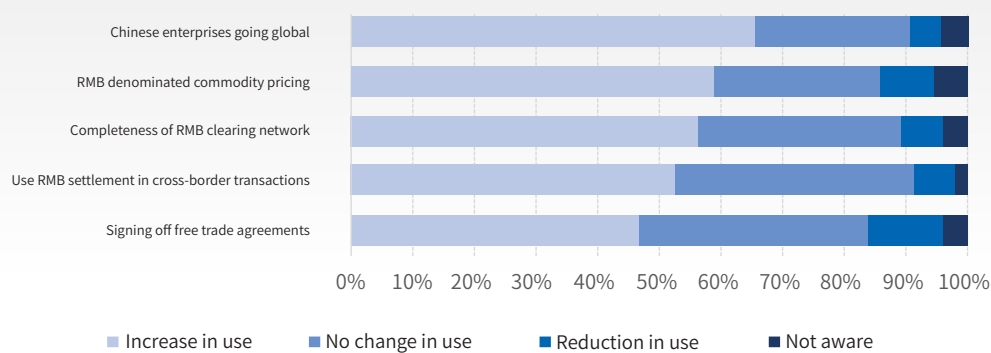


Source: TABInsights

For overseas companies, free trade agreements (FTAs) emerged as the most important driver of RMB usage, cited by 74% of respondents. This was followed by the presence of a robust RMB clearing bank network (54.5%), commodities priced in RMB (53.5%), cross-border RMB settlement mechanisms (46%), and the global expansion of Chinese companies (51.5%).

66% of Chinese companies believe the international expansion of Chinese firms supports greater RMB usage

Figure 6.2: Key issues that impact the use of RMB by Chinese companies

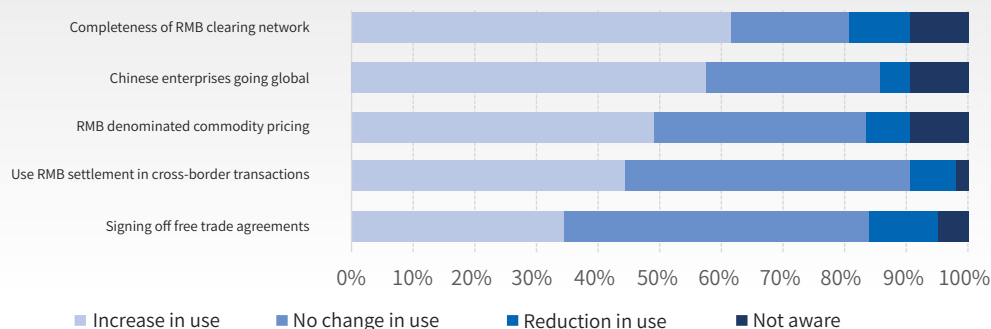


Source: TABInsights

Among Chinese companies, the most influential factor was their own international expansion (66%). This was followed by commodities priced in RMB (59%), the RMB clearing bank network (56%), and cross-border RMB settlement (52%).

61% of FIs see the RMB clearing bank network as a key enabler of wider adoption

Figure 6.3: Key issues that impact the use of RMB by FIs



Source: TABInsights

For FIs, the RMB clearing bank network was the most cited factor (61%), underlining its critical role in enabling transaction infrastructure. This was followed by the global expansion of Chinese companies (57%), RMB-denominated commodity pricing (49%), and FTAs (35%).

Special Column 6: The impact of escalating global tariff barriers on RMB internationalisation

In April 2025, the United States government introduced a new round of "reciprocal tariffs" that imposed across-the-board duties on around 60 major trading partners. If implemented, the average effective US tariff rate would rise to 20.6%—the highest level since 1910. These measures are set to reshape global trade patterns, undermine the foundations of the multilateral system, and contribute to greater fragmentation and systemic risks in world trade.

International experience shows that higher tariffs often place depreciation pressure on the currencies of exporting countries. For example, the Canadian dollar weakened slightly when the US first imposed steel and aluminium tariffs in 2018; in 2024, the Indian rupee depreciated significantly on the back of US interest rate hikes and trade concerns; and the euro has exhibited weakness in recent years under the strain of trade frictions.

As a major exporter of goods to the United States, the market widely anticipated that the RMB would weaken under the impact of the new tariff measures. However, the RMB remained broadly stable in the first half of 2025, with the RMB/USD exchange rate hovering around the same level as at the end of 2024. On the one hand, the People's Bank of China reiterated on several occasions that it would not pursue competitive devaluation and emphasised the importance of a stable RMB exchange rate for financial market and economic stability, which helped anchor market expectations. On the other hand, China's macroeconomic fundamentals provided strong support for the stability of the RMB, while the PBoC's countercyclical adjustments, combined with the Federal Reserve's pivot to monetary easing, further created a favourable macro backdrop for exchange rate stability.

Research suggests that the extensive international use of a currency contributes to exchange rate stability. Today, over 80% of global trade is still settled in US dollars, and the dollar accounts for 57% of global foreign exchange reserves. As a result, the dollar's exchange rate tends to be stronger than that of most other major currencies. In recent years, the deepening international use of the RMB has likewise reinforced the stability of the currency's exchange rate.

In the short term, the process of RMB internationalisation may face headwinds. Rising global trade barriers could reduce overall trade volumes or divert flows to third markets, dampening demand for RMB settlement. Protectionist sentiment may also weigh on foreign investment appetite in China, while heightened global uncertainty could make some central banks and monetary authorities more cautious about including the RMB in their reserve holdings.

Over the longer term, however, the restructuring of global trade and investment patterns is likely to create new room for the RMB's international use. Firstly, tariff frictions are encouraging countries to accelerate the adjustment of bilateral trade agreements and promote greater use of local currencies in settlement to mitigate exchange rate risk. Secondly, trade

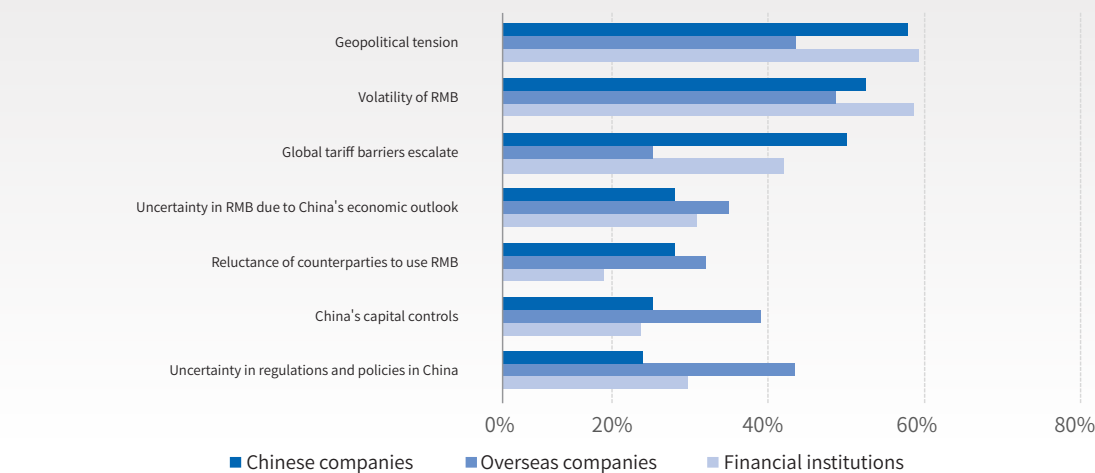
protectionism is accelerating China's outward investment process, prompting Chinese companies to seek alternative markets and more diversified international footprints. Thirdly, trade barriers are spurring the development of RMB settlement tools to help overcome restrictions on dollar-based payments. Finally, as multilateral cooperation mechanisms and capital market connectivity continue to expand, the RMB's role as both a settlement currency and reserve asset is expected to strengthen further in global financial markets.

The efficiency of globalisation stems from deep international division of labour, and unilateral trade barriers—running counter to economic fundamentals—will ultimately be replaced by multilateral trade systems. The International Monetary Fund (IMF) has stressed the importance of upholding and strengthening rules-based multilateral trade and monetary frameworks. Overall, the RMB is set to continue advancing towards broader application, diversified cooperation and deeper institutional integration. Supported by the BRI and multilateral trade arrangements, the depth and breadth of the RMB's international use will continue to expand over the medium to long term.

6.2 Main challenges of RMB internationalisation

Rising global tariff barriers are becoming a more prominent challenge for Chinese companies and FIs

Figure 6.4: Key challenges faced in RMB internationalisation



For Chinese companies, geopolitical uncertainty (57%) and RMB exchange rate volatility (52%) remain the top two concerns, up by 4 and 3 percentage points, respectively. Notably, uncertainty over China's economic outlook declined to 27%, a significant drop from 42% in the previous year. The rise of global tariff barriers is becoming more prominent, with 49% of Chinese companies identifying it as a key challenge. Fewer respondents cited capital controls (24%), regulatory uncertainty (24%), and counterparties' reluctance to use RMB (27%) as major issues, marking declines from 33%, 31%, and 32%, respectively, in last year's survey.

Among overseas companies, the perceived challenges have shifted markedly. RMB volatility rose to the top position, cited by 49% of respondents, compared to 40% in the previous year. Geopolitical uncertainty (42%) and regulatory unpredictability in China (44%) remained high on the list, although the latter has declined from 52% in last year's results. Fewer respondents expressed concern about capital controls (39% this year vs. 45% last year), and counterparty reluctance to use RMB also declined to 31% from 35% in last year's survey.

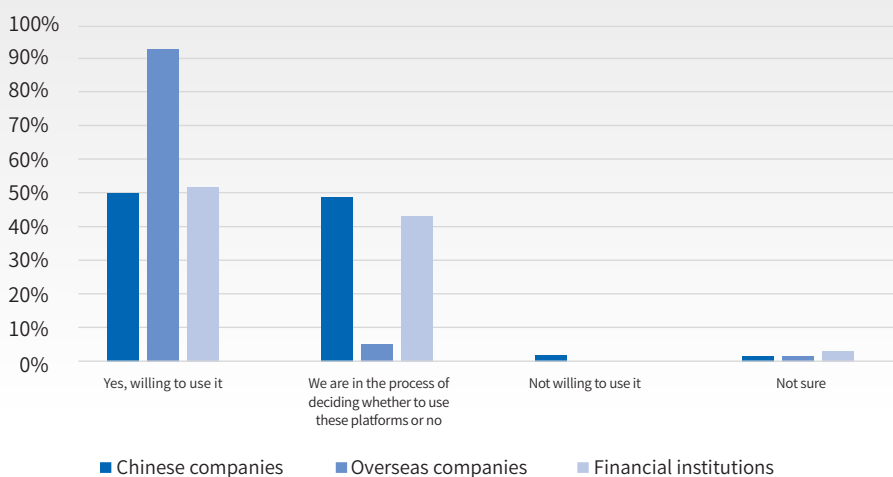
For FIs, concerns over geopolitical tensions (59%) and RMB volatility (58%) have intensified, up from 43% and 44%, respectively, last year. In contrast, fewer institutions reported concern over regulatory uncertainty, which dropped from 46% to 29%. Similarly, worries about capital controls and counterparty resistance declined from 38% and 29% to 24% and 19%, respectively. Confidence in China's macroeconomic outlook also showed signs of recovery, with only 30% of FIs now citing it as a major concern, compared to 34% last year.

6.3 Emerging opportunities of RMB internationalisation

The digital renminbi (e-CNY) is emerging as a new frontier in RMB internationalisation, expanding the global footprint of the RMB in areas of digital innovation and sustainable development.

Overseas companies show the strongest willingness to adopt the digital RMB

Figure 6.5: Readiness to use e-CNY to conduct financial transactions

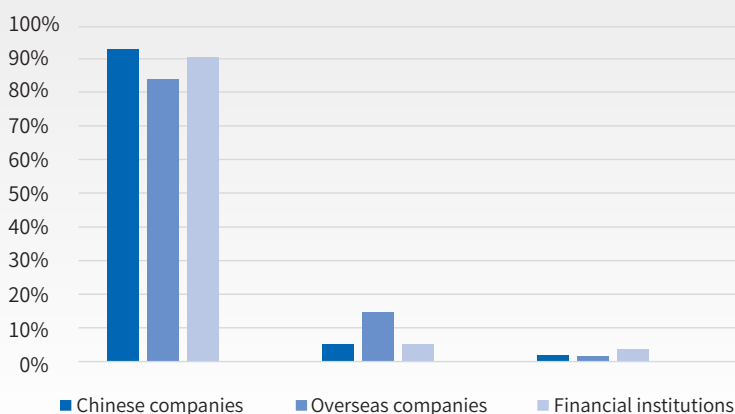


Source: TABInsights

Survey results indicate a significant rise in willingness to use the digital RMB. An overwhelming 94% of overseas companies expressed willingness to use e-CNY in financial transactions, up from 88% last year. Among Chinese companies, 50% indicated readiness to adopt e-CNY, consistent with the previous year. Support among FIs stood at 53%, declining from 74% last year.

All respondent groups maintain a positive outlook on the role of the digital RMB in advancing RMB internationalisation

6.6 Impact of digital currency on RMB internationalisation



Source: TABInsights

Confidence in the potential of e-CNY to promote RMB internationalisation remains strong across all respondent groups. 92% of Chinese companies, 91% of FIs, and 84% of overseas companies agreed that the digital RMB would facilitate RMB internationalisation — similar to last year's sentiment levels.

Conclusion

Driven by the acceleration of Chinese companies going global, the improvement of digital financial infrastructure, and the deepening of regional economic cooperation, the international use of the renminbi is entering a new phase of development. Survey findings reveal the expanding application of the RMB in multiple areas such as cross-border trade settlement, financing, investment and risk management. The rising proportion of RMB assets held by overseas institutions and improving financial market connectivity mechanisms is gradually strengthening RMB's role in the global financial system.

Despite these steady advances, the internationalisation of the RMB continues to face multiple challenges. Global macroeconomic uncertainties, exchange rate fluctuations, and geopolitical tensions remain key factors influencing the wider adoption of the currency. Nevertheless, the long-term outlook for RMB internationalisation remains optimistic and global investors are expected to maintain growing interest in allocating assets in RMB.

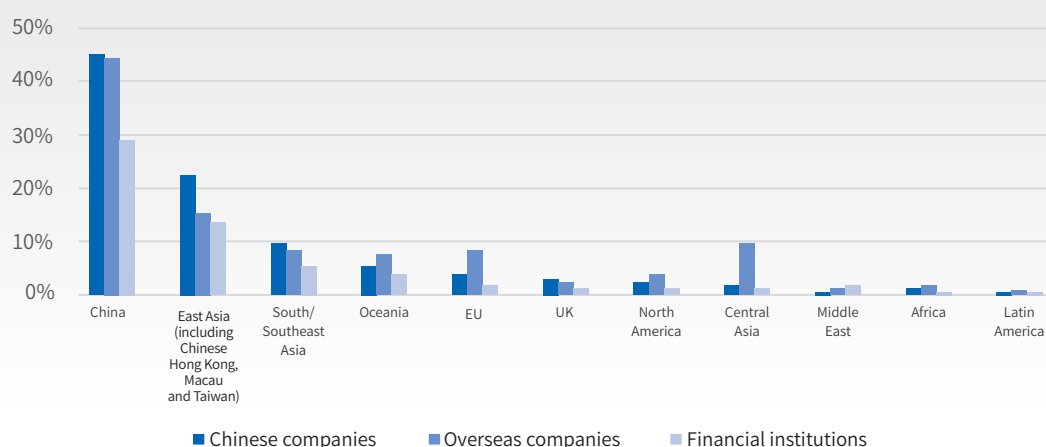
Appendix

This year, the research covers a total of 1,136 Chinese companies and 750 overseas companies (including those from North and South America, Europe, Asia Pacific, the Middle East, and Africa), along with 305 FIs from both Chinese and overseas sectors. All companies participating in this survey have cross-border business dealings with China. In this report, unless explicitly mentioned otherwise, "Chinese Mainland" is referred to simply as "China." The terms "offshore" and "overseas" refer to Chinese Hong Kong, Macau, Taiwan, and the rest of the world, while "onshore" refers to Chinese Mainland.

The survey respondents are senior financial personnel from enterprises involved in RMB products or financing, including chief financial officers, corporate treasurers, and senior managers of the finance department.

The surveyed institutions are primarily located in Chinese mainland, East Asia (including Chinese Hong Kong, Macau, and Taiwan), and South and Southeast Asia, among others.

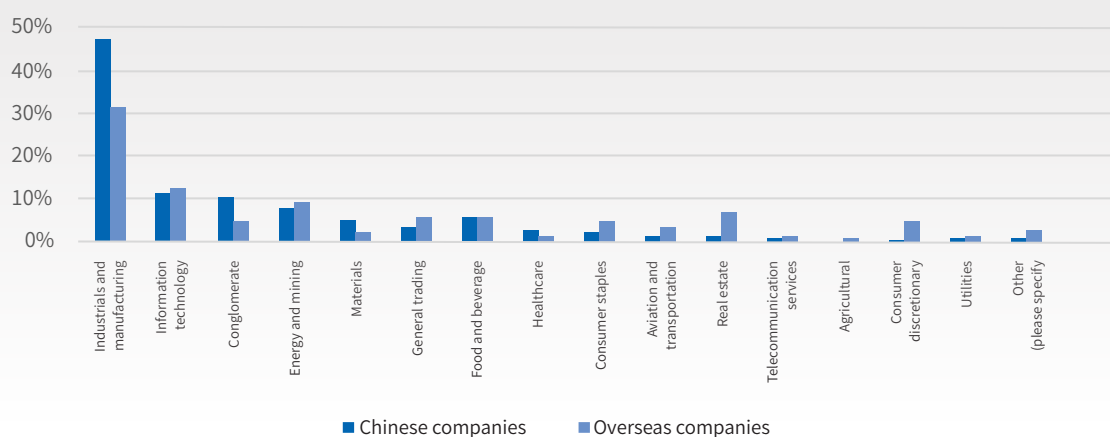
Figure 7.1: Main geographical region covered for survey institutions



Source: TABInsights

In terms of industry, companies in the manufacturing sector account for the largest portion of the sample this year, comprising 46% of Chinese companies and 31% of overseas companies. This is followed by the information technology sectors, which make up 11% of Chinese companies and 12% of overseas companies.

Figure 7.2: Respondents' industry coverage

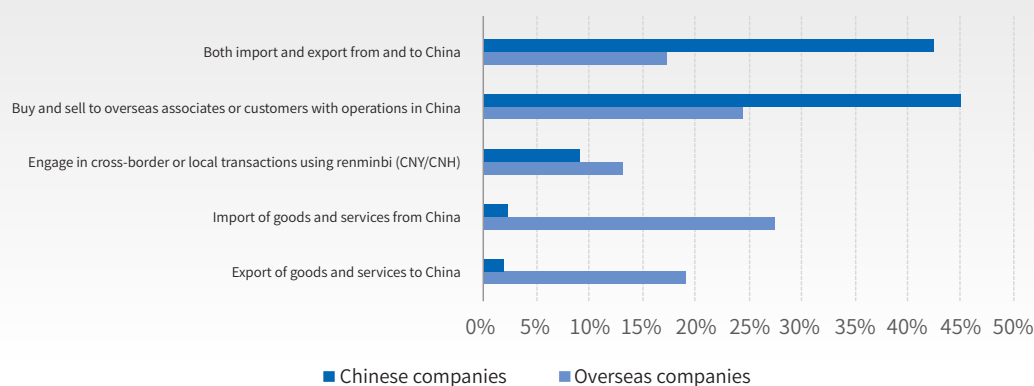


Source: TABInsights

Regarding the main cross-border business of the surveyed companies, 45% of Chinese companies are engaged in both imports and exports this year, compared to just 32% last year; while 42% export to overseas customers, 7 percentage points lower than last year.

Among overseas companies, 27% reported import goods from China, increased by 12 percentage points than last year. 24% both import and export from and to China, down from 38% in last year's result.

Figure 7.3: Main cross-border operations of companies

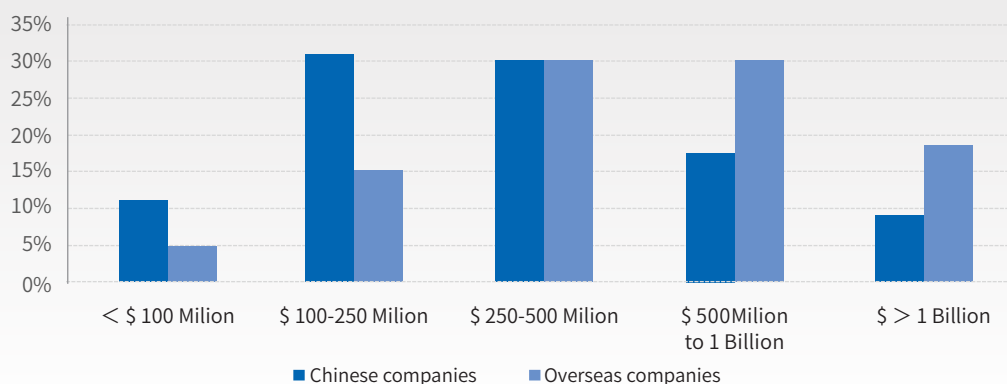


Source: TABInsights

In terms of size, 32% and 31% of Chinese companies reported an annual turnover between \$100 million and \$250 million as well as between \$250 million and \$500 million; 27% with annual turnover above \$500million.

Among overseas companies, the majority are those with an annual turnover between \$500 million and \$1 billion as well as between \$250 million and \$500 million, both accounting for 31% of total, while 18% reported an annual turnover of above \$1 billion.

Figure 7.4: Size of surveyed companies



Source: TABInsights



CCB cross-border RMB business helps you reduce exchange rate risks and facilitates cross-border settlement.

- Cross-border RMB settlement
- Cross-border RMB clearing
- Global cash management
- Cross-border loan and trade financing
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