

# press release

*For immediate release*

## **Bank urges traders to embrace China's Renminbi currency to boost trade volumes**

**Nairobi Tuesday 26<sup>th</sup> January 2016...**The cost of doing business on the Kenya-China Trade corridor is expected to drop significantly following the ongoing internationalization of the Renminbi, RMB, a move that will open up trade and investment opportunities. Mr Lamin Manjang, Standard Chartered CEO East Africa says so far the adoption of RMB by local companies and traders in Africa and the Middle East is gradual, but positive.

Speaking last night when the Bank hosted clients ahead of Chinese New Year celebrations, Mr Manjang said the volume of trade between Kenya and China is expected to increase due to the elimination of the foreign exchange costs associated with settlement of trade obligations. "Importers and exporters who use the Renminbi have the opportunity to mitigate risks and reduce costs associated with the three way foreign exchange from Kenya Shillings to the US dollar then Chinese Yuan when trading with China. We expect suppliers to lower their prices to reflect lower foreign exchange costs," said Mr. Manjang.

Last year, the International Monetary Fund (IMF) added Renminbi to its 'Special Drawing Rights' basket. Consequently, the 188 IMF member states and their central banks now have the benefit of choice and diversity in hedging currency risk and increasing investment opportunities in Renminbi.

Said Mr. Manjang: "The internationalization of the RMB continues to give emerging markets an important alternative when it comes to currency investment and hedging."

Last year the first RMB clearing centre was opened in the Middle East, while a similar one is expected to be opened in Africa.

China is becoming an increasingly important trade and investment partner for Africa with volumes reaching USD 222billion in 2014. The emerging Asian giant could replace Europe as Africa's largest trading partner if trade continues at current growth rates. "Standard Chartered Bank is well-placed to support and promote Africa-China trade, given our footprint, expertise and product offering coupled with over 150 years

experience in both regions. Clients can now open RMB personal and business accounts allowing them to send and receive RMB payments,” he said.

It is estimated that more than 10,000 financial institutions are doing business in Renminbi worldwide. The People’s Bank of China, PBoC, is working on initiatives to improve international adoption of RMB.

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