

PRESS RELEASE

PARIS - HONG KONG OPPORTUNITIES AND COOPERATION FOR THE RMB INTERNATIONALISATION

Paris, November 21, 2013 – On the occasion of the official visit to France of Mr. John TSANG, Financial Secretary, Government of the Hong Kong Special Administrative Region, Paris EUROPLACE has organized today the first international seminar in Paris dedicated to the RMB internationalisation. This exceptional event, launched at the invitation of Pierre MOSCOVICI, French Minister of Economy and Finance, is organized in partnership with the Hong Kong Economic and Trade Office in Brussels and the Hong Kong Trade Development Council, with the support of Banque de France and the Hong Kong Monetary Authority.

Hong Kong is the first and most prominent RMB international offshore center worldwide with over 70% of the deposits. Paris EUROPLACE has launched two years ago an offensive strategy to consolidate its position as a preeminent RMB international financial center outside Asia, based on the strong trade relationships between France and China, and on its position and expertise as a leading international financial center.

In conclusion of the Forum, Mr. Pierre MOSCOVICI has highlighted that “the growing position of China in the global economy, and the progressive internationalisation of the RMB will significantly increase the position of the Yuan in the International Monetary System. And Pierre MOSCOVICI strongly supports the Paris EUROPLACE initiatives to position the Paris financial center as the leading RMB offshore center in the Eurozone. This joint seminar is an encouraging step towards closer bilateral cooperation, especially between industry representatives in Hong Kong and Paris.”

Mr. John TSANG considered that Hong Kong and Paris are well-placed to cooperate in facilitating trade and investment activities which are increasingly conducted using Renminbi. He noted that “with more foreign companies experimenting with Renminbi transactions, it is only natural that banks and financial institutions in different parts of the world should provide Renminbi services to meet customer demand. For Hong Kong, this is not a diversion of business, it is an expansion of business, and we welcome this trend. It helps create a deeper and more liquid offshore Renminbi market, ultimately benefiting all players.”

Mr. Arnaud de BRESSON, CEO, Paris EUROPLACE highlighted that the Paris financial center is already an active RMB financial center in Europe to access the RMB:

- Nearly 10% of the Sino-French trade is already settled in RMB.
- French and Chinese banks in Paris already offer facilities to their clients to access to RMB, and develop progressively more diversified instruments and services for

their clients: deposits, trade finance, cash management, cross border transfers, corporate banking etc... The volume of RMB deposits in Paris already amounts to RMB 20bn.

- According to SWIFT, France is now ranked n°4 in the world for RMB payments, behind, Singapore, Taiwan and UK. And 21% of the payments made between France and China/Hong Kong are already denominated in CNY in March 2013, versus only 6.5% one year ago.
- Corporate banking: French corporates and financial institutions, such as Air Liquide, Alstom, Lafarge, Renault, Société Générale, BNPP, Total, Veolia etc... are among the first international companies to have issued RMB bonds in Hong-Kong (RMB 10 bn so far).

Mr. Arnaud de BRESSON has also presented the next priorities of the Paris EUROPLACE 2014 RMB strategy:

- to consolidate the Paris RMB-denominated offer and services for European corporates, including SMEs;
- to accelerate French Corporate RMB Issuers in Paris as well as in Hong-Kong and to welcome Chinese Euro Issuers to list on Euronext;
- to develop an efficient offshore RMB liquidity pool in Paris to accompany and to put to work RMB flows, including Sino-African business flows, which are traded through Paris,
- to capitalize on the recently signed liquidity swap between the ECB and the PBoC to ensure that banks established in Paris will be in a position to play a leading role in the offshore RMB market and to offer from Paris RMB liquidity to international banks, to complement Hong Kong trading hours.

In a first round-table dedicated to “RMB financing and Investment”, moderated by Mr. Eddie YUE, Deputy Chief Executive, Hong Kong Monetary Authority, Chinese participants have exposed the speed of the RMB internationalization (trades: +25% in 2013). Séverin CABANNES, Deputy CEO, Société Générale, has underlined the way the French banks are accelerating the availability of instruments and services, including to accompany the Sino-African trade. However he has raised the question of how to improve the liquidity of the market when Hong Kong markets are closed, and the necessity to organize an efficient liquidity pool in Paris. Xavier MEYER, Head of Product Development and Coverage, BNP Paribas Investment Partners Asia, has reminded that French is already an active player in Hong Kong, and would like to benefit of the RFQII regime set up by the Chinese government to offer facilities to foreign investors to access Chinese markets (equity and bonds).

A second round table dedicated to “RMB trade settlement”, moderated by Mr. Denis BEAU, Director General of Market Operations, Banque de France, representatives of French and Chinese banks and financial institutions, have explained how the RMB has progressed so far, particularly regarding the use of RMB in trade with China. They detailed how European Corporates see the Chinese market and the increasing use of RMB and their benefit in using the RMB in trade settlement. They mentioned to what extent the Hong Kong platform can be used by banks in France to conduct RMB transactions. They underlined what are the complementary needs in Paris to develop transactions and clearing facilities.

Pierre MOSCOVICI has confirmed that he will be in Beijing next Tuesday November 26th. He will meet the Vice Premier Mr. MA KA, to pave the way for the next steps to further support the RMB internationalization and strengthen the Sino-French cooperation in Trade and financial services. At the same time, Paris EUROPLACE will hold its 3rd French-Chinese International Financial Forum in Beijing, with the support of PBOC and Banque de France, and the presence of Pierre MOSCOVICI, as well as Banque de France Governor Christian NOYER and Governor ZHOU of PBOC, to present European economic perspectives and investment opportunities, as well as the Rmb developments in France and in Europe.