

# About HSBC

## 7 in 10 U.S. Businesses Expect Trade With China to Rise

*\*More U.S. Companies Considering Renminbi to Settle Trade\**

March 23, 2015

**New York, NY** - Nearly seven in 10 U.S. businesses expect to buy and sell more goods with China in the next 12 months and more companies are discussing using China's currency, the renminbi (RMB), to do so, according to a new global survey commissioned by HSBC.

The HSBC survey, which explores the attitudes and use of renminbi by decision makers at international companies in 14 markets, shows that sixty-five percent of U.S. businesses expect their trade with China to increase over the next year, up from 55 percent in 2014 and higher than the global average of 54 percent. Only business leaders in the UAE (71 percent) and Korea (68 percent) had higher expectations for increased trade with China.

U.S. exports to China are expected to average nine percent a year in the medium term, while imports from China are expected to grow by an annual average of seven percent through 2020, according to [HSBC trade forecasts](#). "As the opportunity to do business with China increases, U.S. businesses can take advantage of using renminbi to deepen relationships with suppliers, reach new suppliers, or reduce their exposure to currency fluctuations," said Kevin Quinn, Head of Corporate Banking for HSBC in Upstate New York. "The benefits of using renminbi to settle trade with the world's biggest trading nation and the second largest trading partner of the U.S., behind Canada, can't be overlooked."

### **U.S. Businesses Considering RMB**

More U.S. businesses are investigating the idea though not as many as some of their global competitors. Close to a fifth of U.S. management teams have had discussions on using the Chinese currency as a potential opportunity or business enabler, in line with their global peers in Australia, Canada, and the U.K, though behind senior management teams in Singapore, Malaysia, Germany and the UAE, where about a quarter of teams have done so, and well behind teams in greater Asia.

Additionally, only 10 percent of U.S. businesses said they had used the Chinese currency to settle cross border trade, compared with the global average of 17 percent.

"China continues to establish reforms to reduce financial and bureaucratic barriers to using the renminbi and decision makers are increasingly anticipating its wider use in international transactions over the longer term," said Quinn.

In fact, 14 percent of U.S. businesses expect the Chinese currency to be a fully internationally traded currency like the dollar or euro in the next five years. Additionally, 35 percent of Chinese businesses said they are using RMB to settle trade up from 33 percent in 2014, while 60 percent of those said they expect the level of their RMB cross-border business to increase in the next 12 months, up from 44 percent in 2014. Late last year, the renminbi also became the fifth most-used currency for global payments, according to data from SWIFT.

"If they don't already, U.S. businesses should set up the infrastructure to be ready to use renminbi," Quinn said. "It's a growing opportunity."

### **U.S. Small Businesses Embracing Renminbi**

For U.S. businesses that have taken the renminbi plunge, small businesses are embracing renminbi more than large or middle market companies. Twelve percent of U.S. small businesses said they had used renminbi to settle trade in the last 12 months, compared to nine percent of large or middle market companies. However, in the future, more large U.S. companies (26 percent) are planning to use RMB than small businesses (nine percent).

For its 2015 survey, HSBC polled more than 1,600 decision-makers from Australia, Brazil, Canada, mainland China, France, Germany, Hong Kong, Malaysia, Singapore, South Korea, Taiwan, the UAE, the U.K. and the U.S. who represent companies that conduct international business with or from China.

For more information on renminbi, please visit HSBC Global Connections [here](#).

Follow the conversation on Twitter [@HSBC\\_US](#) or #MadeForTrade.

### **Notes to editors:**

#### **About the RMB Survey**

HSBC commissioned Nielsen to conduct a market survey of 1,610 international companies that currently do

business with Mainland China or are a business in Mainland China that imports/exports outside of the region. The survey was in field between 7 January and 12 February 2015, and was undertaken to understand clients' attitudes towards using RMB, reasons of using / not using RMB for trade and investment activities, as well as other insights they can offer about the RMB. The research surveyed international businesses in Australia (n=100), China (n=200), Germany (n=100), Hong Kong (n=200), Singapore (n=100), the UK (n=100), the USA (n=106), Canada (n=100), Taiwan (n=100), France (n=101), the UAE (n=100), Malaysia (n=103), Brazil (n+100) and Korea (n=100). Of the companies surveyed, approximately 50% had an annual sales turnover between of US\$3M-50M, 40% had a turnover of US\$50M-500M and 10% had an annual sales turnover above US\$500M. N=100 (statistical standard error +/- 9.8%), N=50 (statistical standard error +/- 13.86%), N=30 (statistical standard error +/- 17.98%). (Copyright © 2015, The Nielsen Company)

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### **About Nielsen**

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

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