

HSBC FIRST BANK IN THAILAND TO ISSUE TRADE SETTLEMENT IN RENMINBI

HSBC has become the first bank in Thailand to successfully complete a Renminbi (RMB) denominated trade settlement for one of the bank's corporate customers.

Following the recent launch of the Chinese government's pilot programme to allow RMB in cross-border trading, HSBC is offering RMB settlement service to corporate customers in Thailand. The first trade transaction settled in RMB was for the purchase of medical equipment by SHRIRO Medical Limited in Thailand, from a supplier in Shenzhen, China.

Willie Tham, HSBC Chief Executive Officer in Thailand, said: "We are delighted to be the first bank in Thailand to facilitate RMB-based remittances and documentary credit transactions for our customers. This new offering demonstrates HSBC's commitment to international trade with China, as well as our commitment to helping customers optimise business opportunities and mitigate currency risks in the current economic environment."

Apart from the benefit of currency risk control, trade settlement in RMB will provide greater business opportunities to Thai exporters, as Chinese companies move towards trading and settling transactions in RMB. Thai companies importing from China and paying in RMB are likely to be able to negotiate a lower invoice amount as sellers are no longer required to factor in currency exchange risks.

The Chinese government's RMB pilot programme allows approximately 400 designated Chinese enterprises located in Shanghai and major cities in the Guangdong province, to trade in RMB with companies in Hong Kong SAR, Macau SAR and member countries of the Association of Southeast Asian Nations (ASEAN).

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Mr Tham added: "The RMB is expected to become an important trading currency in the near future as China is a key trading partner with ASEAN and many other countries around the world. The RMB settlement facility will undoubtedly help support Thailand's trade with China, which grew at a rapid pace of 187% in 2008, according to the Thai Ministry of Commerce. HSBC is well positioned to support this trade and the bank offers the widest geographic coverage of this expanded RMB service among all foreign banks in the Mainland."

HSBC Thailand provides a comprehensive range of cross-border trade services including outward and inward remittances (telegraphic transfer), currency exchange and other import/export services such as documentary credit issuance. In addition, the Bank is offering a special promotion to companies that open RMB trade settlement accounts before the end of this year. Customers can contact their relationship managers for more information, or log into www.hsbc.co.th or, call +66 (0)2673 7733.