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London as an RMB offshore Centre

Caroline Wilson, British Consul
General to Hong Kong and Macao

London Stock Exchange Greater China Forum, 9 June 2014

London as an RMB hub – right topic, right place, right time...

- 1. Huge potential** – Offshore RMB market grew 80 per cent in 2013...still only 16 per cent of China's trade RMB-denominated
- 2. Hong Kong leads the market** – 2/3 RMB activity happens here
- 3. UK's status is no accident** – developing RMB market in UK remains a priority for Government



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UK RMB market milestones

2013

- Currency swap line
- UK RQFII quota (first beyond Greater China)
- Agreement to create RMB clearing arrangements

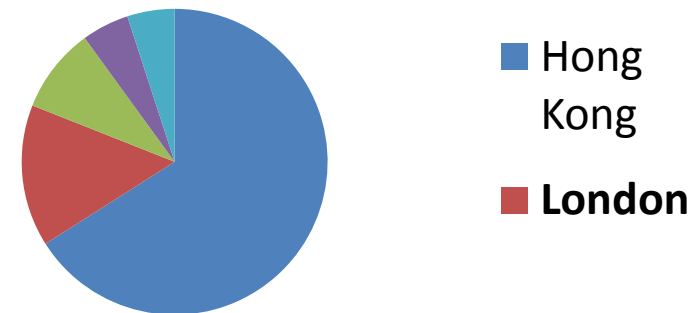


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2014

- BoC issues largest yet RMB bond in London, RMB2.5bn
- First European RQFII funds listed on LSE – CSOP/Source and E Fund/ETF Securities

Share of the offshore RMB market



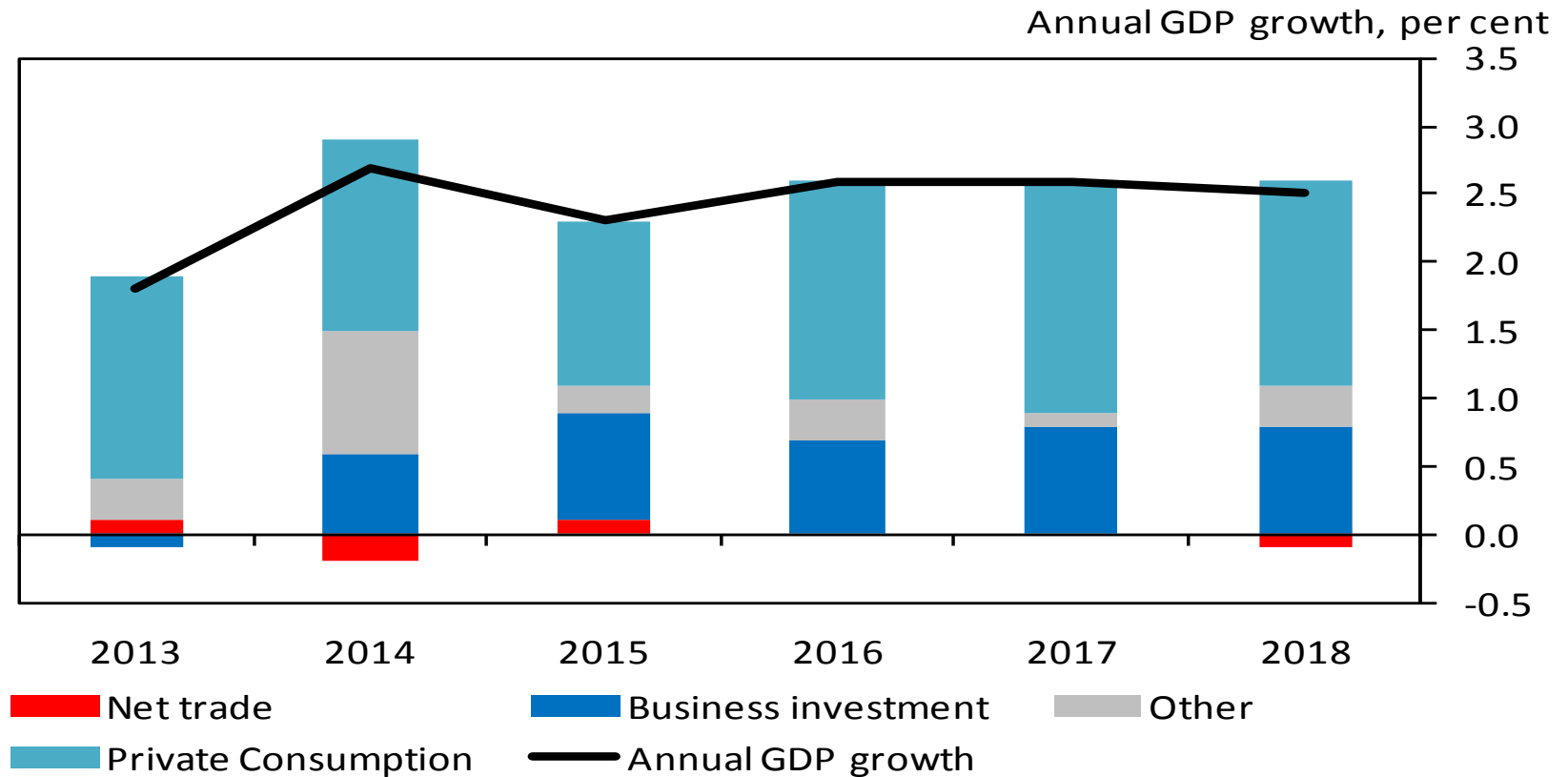
Source: Standard Chartered's Renminbi Growth Index (RGI), April 2014



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The UK recovery – balanced growth



Source: OBR *Economic and Fiscal Outlook*, March 2014

UK – the world's financial centre

- Financial services employ **2 million people** in the UK
- Generates **£200bn** (HKD 2.6trn) per year in gross added value for UK economy
- UK's financial and professional services generated a trade surplus of **£61bn**

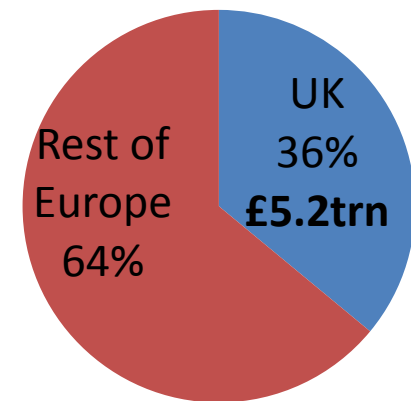


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UK - a centre for Investment and asset management

- Free access to **500 million customers** in the EU
- Internationally renowned **regulator – the FCA**
- Large talent pool for **financial and professional services expertise**
- **Open to foreign investment** – 40% large/medium-sized IM firms foreign owned
- Access to **largest double tax treaty** in the world

Share of assets under Management in Europe



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Key points to take away

- UK remains western/**second global RMB hub**
- UK government – with private sector partners - **is committed to keeping it that way**
- The **UK is open for business and investment** as the world's leading financial centre
- UK is *the* **natural partner for Chinese IM firms** looking to access the European and global markets



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