

The International Use of the Renminbi: Evidence from the Japanese Firm-Level Data

学習院大学 清水 順子
横浜国立大学 佐藤 清隆

The use of the Chinese renminbi (RMB) is said to have been increasing in recent years for trade invoicing, due to active promotion policies by the Chinese government. However, only patchy information has been presented in the literature on the use of RMB in Chinese trade. Since China plays a role of regional and global manufacturing hub and foreign multinational companies (MNCs) actively operate in China, it is necessary to investigate to what extent MNCs use RMB for trade invoicing especially in their intra-firm trade, whereas no empirical evidence has been presented. Utilizing the firm-level information obtained by the large-scale questionnaire surveys, this study presents a new evidence of the use of RMB by Japanese MNCs operating in China and other Asian countries along their regional and global production network. We found that although RMB is extensively used for local sales and procurement in China, Japanese MNCs in China mainly use the U.S. dollar and yen in trade with other countries. However, we also observed that Japanese MNCs in China increased the use of RMB in intra-firm trade with Japan. The RMB transactions will be growing further if it becomes easier for MNCs to conduct marry and netting for their trade settlement.