

## Dai Xianglong: No Timetable for Renminbi Convertibility China's Social Security Fund Chief Sees Cross-Border Settlements Rise

**27 November 2012** – China will continue to loosen its grip on financial markets, step by step, to make the mainland's currency, the renminbi, fully convertible, according to Dai Xianglong, Chairman of the National Council for Social Security Fund.

“It is impossible to set a timetable. We can only map out steps to take,” he said, noting that “convertibility of the renminbi has improved a great deal.” The former governor of the People's Bank of China said the first step for the currency would be to see exchange and interest rates “respond to the market.”

Mr Dai said the next steps would be further development of the capital market, followed by more overseas branches for Chinese financial institutions, “to provide renminbi transaction services for the capital account.” He said an additional step would be to keep a close eye on the capital-account balance.

Mr Dai praised Hong Kong's role as an offshore centre in cross-border settlements, noting that about 60-70 per cent of renminbi traded in the global market eventually returns to Hong Kong. In his 5 November interview with the Hong Kong Trade Development Council (HKTDC), he also said that increasing renminbi deposits in Hong Kong “will not pose a threat to the Hong Kong dollar.”



[Watch the HKTDC video here](#)

Mr Dai will speak at the sixth Asian Financial Forum (AFF), organised by the Hong Kong SAR Government and the HKTDC. The next AFF will take place in Hong Kong, 14-15 January 2013.

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