



One connection to reach the world

As China, one of the largest economies in the world, encourages use of their Chinese Yuan (CNY) in global trade, more small and medium-sized enterprises (SMEs) will need a way to make international payments to China in the local currency with speed, transparency and efficiency.

Doing business with China grows increasingly attractive as China expands opportunities for foreign trade and simplifies documentation for B2B transactions. Here's an example of how fast, cost-efficient and reliable CNY payments to China can help improve cash flow and drive productivity and growth for SMEs.

The story

Sweet Home, a U.S. interior design business located in Phoenix, Arizona, needs to pay Specialty Interior Lighting, their supplier in Beijing, China.



The need

- Payment in CNY**
Foreign buyers like Sweet Home often don't maintain their own CNY bank accounts but see a growing need to pay China suppliers in local CNY currency.
- Reduced costs**
Delivering funds in CNY is expensive, with correspondent banks often making extra deductions from the principal amount.
- Transparency and control**
The recipient's bank often handles currency conversion and delivery speed, giving Sweet Home limited visibility and control over when funds will arrive and at what cost.
- Speed and certainty**
Slow and unreliable funds delivery and clearing of local documentation hinder Sweet Home's day-to-day operations and make it challenging to manage cash flow.

The solution



Sweet Home uses their local bank to initiate payments to Specialty Interior Lighting.



Sweet Home's local bank uses Mastercard Cross-Border Services to make CNY payments to Specialty Interior Lighting.



Mastercard routes payment via the Chinese local clearing systems (CNAPS, CIPS, CFXPS, CUP).

Specialty Interior Lighting's experience



SPEED, PREDICTABILITY AND CERTAINTY
Documentation for Specialty Interior Lighting is collected and validated by its local bank. Upon approval, Specialty Interior Lighting receives CNY payment directly to their bank account in near real-time.

The result

- Cost-efficient conversion to CNY**
With no need to create their own CNY bank account, Sweet Home can pay Specialty Interior Lighting in CNY with competitive rates and no deductions from the principal amount.
- Increased confidence and control**
Sweet Home knows all costs up front and can track funds delivery in near real-time, providing much-needed visibility.
- Fast processing, improved efficiency**
Simplified documentation speeds up payment processing. Funds are released in near real-time when payment instructions are received during Chinese business hours.
- Improved cash flow management**
Sweet Home has an easier time managing cash flow and predicting costs, allowing them to be more productive and to focus on growing their business.

\$634B \$ ↔ ¥

Estimated annual value of U.S.-China trade of goods and services.

Source: Office of the United States Trade Representative

\$300B

U.S.-China e-commerce flows mainly through Amazon and Alibaba.

Source: China Ministry of Commerce

74%

Share of B2B in China's cross-border e-commerce market in 2019.

Source: Statista

90%

of B2B payments in China are processed by banks alone.

Source: Forrester Research

\$2.49T

Value of China's global exports.

Source: World Bank

¥14T

Projected 2025 market size of cross-border B2B e-commerce into China.

Source: Statista



Cross-Border Services

100+ markets¹

60+ currencies¹

90%+ of the world's population²

b2b.mastercard.com/cross-border-services

¹ As of November 2022
² Estimated based on Mastercard, UN Worldometer and World Bank data

³ Payout options subject to market availability

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