

## China is a stroll in the park if you use the local currency

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Biggleswade-based pushchair manufacturer, iCandy has opened a Renminbi currency account (RMB) in order to support the company's trade and manufacturing operation in China. The new account will enable the business to make and receive payments in the country's local currency, helping it to build stronger relationships with employees, distributors and local suppliers, which could in turn lead to them receiving improved terms of trade.

The account was arranged through the company's bankers HSBC with the international commercial manager David Skipp, at the bank's Hertfordshire and South Bedfordshire Commercial Centre working with colleagues in China to open the account.

The British family business dates back to the early 1930's and is now being managed by the 3rd generation of the Appel family, brothers Bradley and Warren. The brothers are now entering their fourth decade of manufacturing children's safety products. Originally called SCS (London) Ltd, the iCandy brand was launched in 2005, and is founded on the fundamental premise of offering parents the most beautiful pushchairs in the world of unsurpassed quality and innovative with cutting edge design.

Bradley Appel said: "With our success in Great Britain we saw significant demand for iCandy products in Europe, and so in 2009 we launched our International business offering our products in Scandinavia, Benelux, Spain/Portugal and the Czech Republic. Building on initial international success, the company now operates in over 20 countries including Australia, Singapore, Greece, UAE, Israel, Russia. As we manufacture our products in China and have recently started offering iCandy products in China, it made sense for us to be able to trade in Renminbi.

"The Renminbi account will make it easier and more cost effective for iCandy to pay staff and receive funds from our distributors in China. In addition, our suppliers like to receive payments in their local currency as they are not impacted by exchange rate fluctuations and could even mean we receive a discount from our suppliers."

Recent research from HSBC shows that UK businesses trading with their Chinese counterparts in the Renminbi, are likely to receive improved pricing or terms of trade. The research, carried out amongst HSBC corporate customers in mainland China, found that half (50%) of businesses are willing to offer a discount to companies providing payment in RMB. Four in ten (41%) said they were prepared to offer a discount up to 3%, with a further 9% willing to consider even larger discounts for settling trade in RMB.

Keith Watson, area commercial director at HSBC in Herts and South Beds Commercial Centre, said: "We are delighted to have been the company's banker throughout their long history. The products they produce are aspirational and we look forward to helping them grow the company even further. Due to the company's growing position in China it made perfect sense for them to open a Renminbi currency account, in order to make and receive payments in the local currency and help to build stronger relationships with suppliers and distributors.

"The Renminbi has become the world's third largest currency, due to the growing economic importance of China and I would urge any business that trades with China to consider opening

a Renminbi currency account. With recent research, carried out amongst HSBC corporate customers in mainland China, finding that half of all businesses are willing to offer a discount to companies providing payment in Renminbi, not only could this have a material impact on UK businesses cost of trading, it will also help to forge long-term relationships.

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