



Speech of  
**Dr Rama Krishna Sithanen, G.C.S.K.,**  
**Governor of the Bank of Mauritius,**  
at the  
**Launch of Bank of China (Mauritius) Limited as RMB Clearing Bank**

**12 June 2025**  
InterContinental Mauritius Resort  
Balaclava, Mauritius

- Mr Ge HaiJiao, Chairman, Bank of China
- Deputy Governors, Bank of Mauritius
- Her Excellency Dr Huang Shifang, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Republic of Mauritius
- Chief Executive Officer, Economic Development Board
- Chief Executive Officers of banks and industry associations
- Captains of industry
- Members of the press
- Distinguished Guests
- Ladies and Gentlemen

All protocol observed

Good morning.

It is a great pleasure for me to welcome you to the official launch of Bank of China (Mauritius) Limited as the RMB Clearing Bank. At the outset, I would like to place on record the steadfast support of the People's Bank of China and the Bank of China in enhancing cross-border financial cooperation.

Banks and operators are now being provided with an alternative currency for execution and settlement of cross-border transactions with China. At a time when the world trading system continues to face a period of upheaval, we should make the most of this facility. The current turbulence and uncertainty in the global economy can become an opportunity to forge new partnerships. I am confident that the RMB Clearing Bank will also pave the way for our country to act as a bridge between China and mainland Africa for trade and investment flows .

The RMB is steadily growing as an international currency, with rising use in payments, trade finance, investment, and reserves. It is gaining traction as a currency option for cross border trade

settlement. Businesses across many regions are increasingly turning to RMB to diversify their financing channels .

China has been Africa's largest trading partner for 16 consecutive years by the end of 2024. The growth of bilateral trade has continued to pick up pace to reach a record of USD 295 billion in 2024. It has increased by 12.4 % in the first five months of 2025. Therefore the ability to clear and settle RMB transactions in Mauritius could become a distinct competitive advantage.

China is also a major investor in Africa . At a summit in Beijing in September 2024, China pledged to deliver US\$51 billion in loans, investment and aid to the continent over the next three years, with a focus on agriculture, manufacturing, industrialisation and green energy, including critical metals.

A RMB Clearing Bank is a bank appointed by the People's Bank of China to facilitate cross-border RMB settlements. The bank essentially acts as an intermediary, processing RMB transactions for businesses and financial institutions that need to use the Chinese currency outside of China.

With China the top trading partner to over 120 countries worldwide, there are now several offshore RMB hubs such as Hong Kong, London, and Singapore offering mature RMB infrastructure and diverse services for businesses. As of August 2024, China has built a far-reaching RMB offshore clearing network with 33 authorised RMB clearing banks in 31 countries and regions.

Using RMB to settle trade payments is particularly helpful when dealing with partners in China. By pricing goods in RMB, suppliers can mitigate the risks associated with currency fluctuations, ensuring they receive consistent income regardless of changes in the exchange rate. In this way, the RMB acts as a natural hedge for RMB payments and receivables and avoids incurring the additional FX hedging costs typically associated with transacting in a third-party foreign currency. It will also lower transaction costs and improve relationship with Chinese suppliers and customers. It will allow Mauritian importers to request Chinese suppliers invoice in RMB. Mauritian banks can then use the local RMB centre for international settlement.

Beyond trade settlement, the introduction of RMB clearing infrastructure opens doors to new financial products and services. Mauritius now has the potential to develop RMB-denominated instruments—including bonds, syndicated loans, structured notes, and even green finance vehicles that align with China's sustainability goals.

As demand for diversified funding sources grows, particularly among African governments and corporates, Mauritius can position itself as a preferred listing and structuring venue for RMB-linked instruments. This can deepen our capital markets, attract international investors, and enhance our status as an international financial centre.

Ladies and gentlemen

At the Bank of Mauritius, we are assessing the feasibility of integrating the RMB as a fully supported settlement currency within the Mauritius Automated Clearing and Settlement System. This would enable real-time gross settlement of RMB-denominated transactions locally, a move that would significantly improve the efficiency and ease of conducting RMB payments for banks and corporates operating in Mauritius.

Our objective is to create a seamless, secure and reliable settlement environment for the RMB, in line with international best practices and standards. It also means faster turnaround times for payments, bringing greater efficiency and predictability to supply chains. More importantly, it offers our businesses better control over their financial operations, helping them to plan with confidence and compete more effectively in international markets.

The cross-border dimension of settlement in RMB is also being explored. The Bank of Mauritius is the settlement bank of the COMESA Regional Payment and Settlement System (REPSS), a real-time gross settlement (RTGS) system designed to facilitate cross-border payments within the COMESA region. We are looking, with the COMESA Clearing House, into the possibility of having RMB as a settlement currency as we need to adopt a proactive approach to leverage the benefits of the China Africa trade and investment partnership.

Ladies and gentlemen

As Chair of the Association of African Central Banks (AACB), I am placing much emphasis on strengthening the continental payment systems. This was discussed extensively last month at a meeting with other central bank Governors in Dakar, Senegal , that I chaired. A long-term strategic objective for Africa has been the economic integration of the continent of which an interoperable cross-border payment system is a critical component.

We note that most African countries have fairly developed domestic payment infrastructure such as Real Time Gross Settlement Systems, National Switches, and a digital payment ecosystem, including mobile payments. However, these national payment systems are not interlinked or interoperable with other national payment systems to facilitate cross border payments and therefore support intra-African trade.

The promotion of integrated payment systems across the African continent is a priority during my Chairmanship of the AACB. It has set up a dedicated Taskforce on the Integration of Payment Systems in Africa to advance this work.

Among various initiatives to link payment systems on the continent, the Task Force has engaged with Afreximbank on how to integrate Pan African Payment and Settlement System (PAPSS) Project solutions in the AACB payment systems integration program. The PAPSS is a Pan-African real-time gross settlement infrastructure for clearing, settlement and recording of payment transactions in distinct local currencies. It brings together a network of central banks, commercial banks, payment service providers and other financial market intermediaries across Africa for instant and secure intra-Africa funds transfer. The PAPSS was publicly launched in January 2022 by the African Union and the African Export-Import Bank (Afreximbank) to complement trading under the African Continental Free Trade Area (AfCFTA).

We would like to position Mauritius as a hub for cross border payment and settlement in the region . Essentially to link up these different payment and settlement systems to facilitate cross border trade within and between regions using national currencies

Ladies and gentlemen

In addition to engaging with PAPSS for payment and settlement financial infrastructure in Africa , BOM has also entered into a Memorandum of Understanding with the Reserve Bank of India to extend INR clearing system to the COMESA region and introduce INR as a settlement currency. Linking up with the payment and settlement infrastructure of Africa, China and India will unlock huge opportunities for regional trade . Also having RMB and INR as settlement currencies in Africa could further contribute to economic integration on the continent.

Mauritius is the only International Financial Centre with an investment grade status on the continent. Our ambition is to elevate Mauritius to a Payment Systems Hub of reference for our continent with settlement in RMB and INR a distinct reality. The integration of REPSS with PAPSS together with broadening of settlement options through the future inclusion of RMB and INR is the next logical step. Africa, China and India represent approximately 53% of the world's population and in 2023, China and India's total trade with Africa amounted to USD365 billion. There is clearly a case for offering settlement options in both RMB and INR to mitigate foreign exchange risks and lower transaction costs that could arise from settlement in other hard currencies.

Mauritius is perfectly placed to bridge this gap by virtue of its good financial infrastructure. It can also leverage its historical ties with China, India and its membership of many African regional and continental trade institutions in a win win partnership .

Ladies and gentlemen

The launch of the clearing bank dovetails another key development: the bilateral currency swap agreement between the Bank of Mauritius and the People's Bank of China. This swap arrangement, which allows for the exchange of MUR and RMB up to an agreed limit, provides much-needed liquidity assurance for trade and investment flows with China.

In practical terms, the swap line serves as a buffer against exchange rate volatility and provides an alternative source of foreign currency liquidity in times of market stress. For importers it

introduces a reliable mechanism to access RMB directly, without resorting to traditional reserve currencies. However, to make the swap line effective, it is imperative that invoices originating from China be denominated in RMB instead of other traditional currencies.

Ladies and gentlemen

We are witnessing a growing fragmentation in the global economy, with reconfigurations in trade corridors and economic alliances. New partnership and new alliances are being forged . In some cases we can transform challenges into opportunities by prudently derisking and embracing diversification of financial instruments .

Mauritius, as an open economy maintains constructive relationships with all its partners and remains committed to multilateral engagement within a rules-based system that provides certainty and predictability .

Importantly, this move is not about decoupling from traditional financial partners. Rather, it is about adding new and diversified avenues and providing businesses with greater flexibility to choose instruments and currencies that best suit their needs.

Ladies and gentlemen

At the Bank of Mauritius, we remain committed to facilitating initiatives that broaden access to international markets, enhance the resilience of our financial system, and meet our national development objectives. We also support initiatives that will facilitate cross border trade , investment and economic integration in our region .

We believe that the future of global finance will be multipolar—driven by disruptive technology, blockchain and AI, trust, and strategic partnerships. This launch aligns with that vision which seeks to make finance more accessible, inclusive, competitive and adaptive to change.

As usual , the challenge will be in the execution . BOM will work in close collaboration with the Bank of China to ensure the successful implementation of this laudable initiative .

Let me once again congratulate the management of the Bank of China, as well as all stakeholders who have worked tirelessly to make this launch possible. We look forward to continuing this journey with you.

Thank you.