

# How this retailer used local currencies to make savings

“Working with Ebury has allowed us to achieve significant cost savings and brought us closer to our Chinese suppliers. Paying invoices in CNY is no more difficult than paying in US Dollars, and we’re secure in the knowledge that our risk is mitigated.”

The business is an apparel retailer in the UK



## BUSINESS CHALLENGES

The business had multiple apparel suppliers in China and for the past ten years paid their invoices in US Dollars.

They had been missing out on substantial benefits that can be achieved by paying suppliers in their local currency.

## EBURY SOLUTIONS

The whole process, from initial discussion, via sign-up and securing the forward credit line to executing the first trade, took just two and a half hours.

The business now pays its Chinese suppliers in their local currency, CNY. The suppliers no longer need to shoulder the currency risk, allowing them to reduce the cost of the retailer’s orders.

The business has achieved a 6% discount on all purchases, which amounts to large savings.

We also helped the business devise an effective risk management strategy tailored to its exposure. Sterling inflows are transferred into CNY through a forward contract, which mitigates the impact of currency fluctuations on margins by locking in an exchange rate for up to three years.

Together with the forward contract we were able to offer the business a large 0% deposit credit line, so funds are not tied up and the business can manage its cash flows effectively.

By using our knowledge and CNY liquidity, the business has saved a significant sum. As an additional benefit, their relationships with their Chinese suppliers have improved due to the fast and transparent CNY payments.