Treasury Releases Report on Foreign Exchange Policies of Major Trading Partners of the United States

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WASHINGTON – The Department of the Treasury issues this Report on developments in international economic and exchange rate policies and submits it to Congress pursuant to the Omnibus Trade and Competitiveness Act of 1988, 22 U.S.C. § 5305 and Section 701 of the Trade Facilitation and Trade Enforcement Act of 2015.

"An essential component of this Administration's strategy is to ensure that American workers and companies face a level playing field when competing internationally. When our trading partners engage in currency manipulation, they impose significant, and often long-lasting hardship on American workers and businesses. Expanding trade in a way that is freer and fairer for all Americans requires that other economies avoid unfair currency practices, and we will continue to monitor this carefully," stated Secretary of the Treasury Steven T. Mnuchin.

Treasury has established criteria specified in the Trade Facilitation and Trade Enforcement Act of 2015 (the "2015 Act") that determine whether enhanced analysis is necessary. Pursuant to the 2015 Act, Treasury has found in this Report that no major trading partner met the criteria for the current reporting period.

Similarly, based on the analysis in this Report, Treasury also concludes that no major trading partner of the United States met the standards identified in Section 3004 of the Omnibus Trade and Competitiveness Act of 1988 for currency manipulation in the second half of 2016. Notwithstanding, Treasury has not re-examined previous reporting periods.

Additionally, U.S. Department of the Treasury established a "Monitoring List" of major trading partners that merit close attention to their currency practices. Treasury finds that six major trading partners warrant being placed on the Monitoring List for special attention: China, Germany, Japan, Korea, Switzerland and Taiwan.

The findings and recommendations of the Report are intended to combat potentially unfair currency practices and support the growth of free and fair trade. The United States cannot and will not bear the burden of an international trading system that unfairly disadvantages our exports and unfairly advantages the exports of our trading partners through artificially distorted exchange rates. Treasury is committed to aggressively and vigilantly monitoring and combatting unfair currency practices.

Report to Congress on International Economic and Exchange Rate Policies