

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

October 17, 2018

Washington – The U.S. Department of the Treasury today delivered to Congress the semiannual Report on Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States. The Report concluded that while the currency practices of six countries were found to require close attention, no major U.S. trading partner met the relevant 2015 legislative criteria for enhanced analysis during the period covered by the Report. Further, no trading partner was found to have met the 1988 legislative standards during the current reporting period.

“The Treasury Department is working vigorously to ensure that our trading partners dismantle unfair barriers that stand in the way of free, fair, and reciprocal trade. Of particular concern are China’s lack of currency transparency and the recent weakness in its currency. These pose major challenges to achieving fairer and more balanced trade, and we will continue to monitor and review China’s currency practices, including through ongoing discussions with the People’s Bank of China,” said U.S. Treasury Secretary Steven T. Mnuchin.

While China’s exchange rate practices continue to lack transparency, Treasury estimates that direct intervention by the People’s Bank of China this year has been limited. However, recent depreciation of the renminbi will likely exacerbate China’s large bilateral trade surplus with the United States. Treasury places significant importance on China adhering to its commitments to refrain from engaging in competitive devaluation and to not target China’s exchange rate for competitive purposes. China could pursue more market-based economic reforms that would bolster confidence in the renminbi.

Treasury found that six major trading partners continue to warrant placement on the “Monitoring List” of major trading partners that merit close attention to their currency practices: China, Germany, India, Japan, Korea, and Switzerland.

Today’s Report is submitted 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, 19 U.S.C. § 4421. Treasury is working actively across a broad range of areas to help

ensure that trade expands in a balanced way that protects U.S. firms and workers against unfair foreign trade practices. The United States is committed to working towards a fairer and more reciprocal trading relationship with China. To this end, we are engaging China to address its market-distorting policies and practices.

For more information, navigate to the [Report](#) .

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