

## U.S. DEPARTMENT OF THE TREASURY

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



April 16, 2021

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. In this Report, Treasury reviewed and assessed the policies of 20 major U.S. trading partners during the four quarters through December 2020.

The Report concluded that both Vietnam and Switzerland continue to meet all three criteria under the Trade Facilitation and Trade Enforcement Act of 2015 (the 2015 Act) during the period under review. Additionally, the report finds that Taiwan met all three of the 2015 Act criteria for the period under review. Treasury has conducted enhanced analysis of Vietnam, Switzerland, and Taiwan's macroeconomic and foreign exchange policies, as reflected in the Report. Treasury will continue its enhanced engagement with Vietnam and Switzerland, and Treasury will commence enhanced engagement with Taiwan. This engagement includes urging the development of a plan with specific actions to address the underlying causes of currency undervaluation and external imbalances.

Under the Omnibus Trade and Competitiveness Act of 1988 (the 1988 Act), Treasury has determined that there is insufficient evidence to make a finding that Vietnam, Switzerland, or Taiwan manipulates its exchange rate for either of the purposes referenced in the 1988 Act. Nevertheless, consistent with the 1988 Act, Treasury considers that its continued enhanced engagements with Switzerland and Vietnam, as well as a more thorough assessment of developments in the global economy as a result of the COVID-19 pandemic, will enable Treasury to better determine whether either of these economies intervened in currency markets in 2020 to prevent effective balance of payments adjustment or gain an unfair competitive advantage in trade. For Taiwan, Treasury will initiate enhanced engagement in accordance with the 2015 Act and expects that engagement will help Treasury to make the determination required under the 1988 Act for the period of review.

No other major U.S. trading partner met the relevant 1988 or 2015 legislative criteria for currency manipulation or enhanced analysis during the review period. Treasury urged China

to improve transparency regarding its foreign exchange intervention activities, the policy objectives of its exchange rate management regime, the relationship between the central bank and foreign exchange activities of the state-owned banks, and its activities in the offshore RMB market.

“Treasury is working tirelessly to address efforts by foreign economies to artificially manipulate their currency values that put American workers at an unfair disadvantage,” Secretary of the Treasury Janet L. Yellen said today.

Treasury found that eleven economies warrant placement on Treasury’s “Monitoring List” of major trading partners that merit close attention to their currency practices: China, Japan, Korea, Germany, Ireland, Italy, India, Malaysia, Singapore, Thailand, and Mexico. All except Ireland and Mexico were included in the December 2020 Report.

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.

Find the full report [here](#). 

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