

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

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WASHINGTON – The U.S. Department of the Treasury delivered its semiannual Report to Congress on Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States. In this Report, Treasury reviewed and assessed the policies of major U.S. trading partners, comprising roughly 80 percent of U.S. foreign trade in goods and services, during the four quarters through December 2022.

“The global economy has proven to be more resilient than many predicted at the time of our last Report. Nevertheless, Russia’s war against Ukraine continues to weigh on the outlook and has increased energy and food insecurity. Differing growth and inflation outlooks have led to a range of policy actions across countries, which, coupled with fundamentals including interest rate differentials, terms of trade shocks, and longer-term growth expectations, have had large impacts on currencies. Most foreign exchange intervention by U.S. trading partners last year was in the form of selling dollars, actions that served to strengthen their currencies. However, Treasury remains vigilant to countries’ currency practices and policy settings and their consistency with strong sustainable and balanced global growth,” said Secretary of the Treasury Janet L. Yellen.

In accordance with the Omnibus Trade and Competitiveness Act of 1988, the Report analyzed the practices of the United States’ major trading partners and concludes that no major U.S. trading partner manipulated the rate of exchange between its currency and the U.S. dollar for purposes of preventing effective balance of payments adjustments or gaining unfair competitive advantage in international trade during the four quarters through December 2022.

In this report, Treasury found that no major trading partner met all three criteria for enhanced analysis under the Trade Facilitation and Trade Enforcement Act of 2015 (2015 Act) during the four quarters ending December 2022.

Switzerland, which had previously exceeded the thresholds for all three criteria under the 2015 Act, exceeded one of the three criteria over the four quarters through December 2022. Though Switzerland no longer meets all three criteria for enhanced analysis, Treasury will continue to conduct an in-depth analysis of Switzerland until it does not meet all three criteria under the 2015

Act for at least two consecutive Reports. Treasury will also continue its enhanced bilateral engagement with Switzerland, which commenced in early 2021, to discuss the Swiss authorities' policy options to address the underlying causes of its external imbalances.

Seven economies are on Treasury's "Monitoring List" of major trading partners that merit close attention to their currency practices and macroeconomic policies: China, Korea, Germany, Malaysia, Singapore, Switzerland, and Taiwan.

The Report also reiterated Treasury's call for increased transparency from China. China's failure to publish foreign exchange intervention and broader lack of transparency around key features of its exchange rate mechanism make China an outlier among major economies and warrant Treasury's close monitoring.

Today's Report is submitted to Congress pursuant to Section 3005 of 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.](#) 