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## Manipulator label untrue, Beijing says

By SCOTT REEVES/CHEN JIA | China Daily | Updated: 2019-08-08 07:23



China will maintain the stability and continuity of its foreign exchange policies, and continually promote the opening-up of the financial market, the administration said in a statement on its website.

The US action is not consistent with the quantitative criteria set by the

areas where our claims are dubious and prosecuting them damages our economy?"

Summers served as treasury secretary in the administration of president Bill Clinton and as an economic adviser to former president Barack Obama.

Daniel Ikenson, director of the Cato Institute's Center for Trade Policy Studies in Washington, said on social media: "The Chinese did not devalue the yuan. The yuan has been undervalued because of tariffs and it is no longer tenable for China to continue to prop up the yuan. There is no manipulation."

Last week, Trump said he would impose a 10 percent tariff on an additional \$300 billion of Chinese goods starting from Sept 1.

In response, the yuan fell to a low of just beyond 7-to-1 against the US dollar on Monday. Allowing the yuan to fall reduces the relative price for Chinese imports and makes US products comparatively more expensive.

Trump called the action "currency manipulation" and -

On Monday, the Dow lost 767.27 points, or 2.9 percent, after US President Donald Trump accused China of currency manipulation.

"There is more uncertainty in the global environment," said Usha Haley, the W. Frank Barton Distinguished Chair in International Business and a professor of management at Wichita State University. "It does not contribute to planning or investment in the global economy and doesn't benefit China or the US. We're in uncharted territory."

But Trump may be able to use the currency-manipulation charge to his advantage, one expert said.

"Unfortunately, the declaration that China is a currency manipulator can be used by the president as a reason to take further unilateral actions against China," said Steve Charles Kyle, an economics professor at Cornell University. "It is clearly bad news for both the USA and China."

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