

RMB as an International Currency

RENMINBI as an International Currency

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Financial fever, observed more than a year on a global scale, assumed the character of a chronic disease that threatens the very serious consequences. If some time ago the world knew that if anything, "America will help us," but now even that is very controversial, our life was threatened. More specifically, the resource of the machine itself is completely exhausted, and with awareness of what proved to be the same crisis that descended upon the world a few years ago.

After the collapse of Lehman Brothers and the onset of the global crisis, investors are seriously thinking about the structure of international financial and monetary system. The superiority of the U.S. dollar and, in particular, playing the role of reserve currency, has been increasingly questioned.

In this regard, particularly acute question arose: what next? What currency will replace the dollar, assuming its function? Most economists agree that while there is no currency in the world which is ready to compete with the dollar. However, it is possible that this is only a matter of time before and after 10 years of peace will rule the new currency. Moreover, in recent years more and more factors indicate that this will be the Chinese renminbi.

Beijing has been actively promoting its currency in the international arena a few years ago (Wei). The role of the renminbi increased. Gradually increasing the capacity of its currency, the Chinese authorities are making at least one important goal: gradually reduce its dependence on the dollar, which they do not really trust.

Of course, there are experts who argue that prudent monetary policy of the Chinese authorities (including the monitoring of capital inflows, the renminbi and interest rates) are not strongly promotes the transformation of the renminbi is the currency for international payments. However, it must be noted that in recent years and the weight of China and its currency in the world has grown significantly. The

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economic superiority of China in all spheres: production, trade and currency - significantly more than we think (Peston).

Already by 2030, China will dominate the world scene, reminding us of the 70 States of the XX century and the UK 70 years of the XIX century. It is an economic advantage in the end and turn the renminbi into a leading world currency. And it will happen much faster than many believe.

However, until this moment, the Chinese authorities still have to solve several problems. China remains relatively closed country and for the further development of the renminbi government will sooner or later, open the Forex market and win the confidence of investors. There is, according to the economist, another problem: the Chinese economy is export oriented, which gives it such a fast growth rate. Later, however, rely on the export of power cannot be: too many flaws in this scenario.

It is a gradual strengthening of the renminbi and the liberalization of the foreign exchange market in the long run that will benefit the Chinese economy. Of course, the exporters will be not much delighted with appreciated renminbi. But on the other hand, Chinese leaders will always be able to play the ethnic card, informing the public that the renminbi is gradually replacing the dollar, becoming the world currency, but it is necessary to be strengthened.

Chinese economists say renminbi can completely replace dollar, but for some reason with all the forces they are trying to hold back the growing rate of renminbi, swamping the global marketplace for its products, which have become familiar to hundreds of millions, and their families.

Therefore, in such a situation it is necessary to do for the world economy a shot - euthanasia - perhaps even after, when the chance to appear on the birth of a

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new version of the global financial system. While the new financial system is only found in the dreams of politicians who want to get to the crisis of certain dividends.

However, despite all the problems currently existing Chinese currency market, one must admit that the Celestial Empire skillfully uses the weakness of others. At the present time, until all of the developed world (and especially the U.S., Japan and Europe) are trying to solve the outstanding debt issues, China has gradually strengthened its position in the Asian region. Thus, far-sighted Chinese rulers gradually prepare in a way for future achievements, knowing that sooner or later the country, which is the world's largest holder of U.S. government bonds, will turn from a net creditor to net debtor.

The stronger the national currency of the country, the more likely that other states will want to give her money in the debt. It was on this principle was developed at the time the American economy. That's not easy to achieve, so you should start preparing in advance. This power makes the Celestial Empire.

Many economists are inclined to believe that the world stands on the threshold of the appearance of an entirely new economic model, which is not tied to any of the existing currencies. This trend is reminiscent of the beginning of last century, when the classical idea of world order, described by Newtonian mechanics and seemingly immutable at that time, suddenly shaken when a theory of relativity. Missed by critics who called the new laws are nothing more than nonsense, but time has shown that no, even the most seemingly stable, system should resist a radical revision or consolidation and amendment.

If you translate this trend into the economic plane, we can say that the current financial system may be only a small part of a truly global economic integration, for

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which all those dollars, Euros, and renminbi - no more than the formwork (Barboza).

If so, then the mold can say thank you and move on to consider what lies behind it.

The new economic platform may not start working when, in spite of all the words of financial globalization and competition, those are not really there. Endless price fixing, artificial barriers, real undervaluation of human labor and the use of the entire network for the mediation of the final product will not allow any model correct situation on the planet. One can endlessly try to build a variety of models, not reviewing the total inequality of incomes and expenditures throughout the world. Suffice it to say that today the world is not busy work hundreds of millions of people. It's a whole army, whose soldiers or just do not want to fight for their own welfare, or are unable to do so. So as much as possible to strengthen or weaken the influence of any of the existing rates, but would it be a real way out?

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