

Renminbi to be a strong currency in Asia: Prospects and Hindrances

Wang yajie

Harbin Institute of Technology, China

Abstract: In 1994, foreign exchange regime of China turned to the market mechanism to a large extent due to its successful reform. Since 1996, renminbi has been convertible freely under current account, which presented the beginning of its internationalization. Accompanied with the opening to the outside world rapidly over past years, China entered WTO in time while conditions permitted. After entering WTO, Renminbi is being remarkable and playing more and more important roles in world economy and Asian economy. In this paper, I will present my point that renminbi will become international currency and no doubt become a strong currency of Asia in next ten years. As long as we propel RMB to be convertible prudentially and adopt flexible exchange rate system gradually, we can reach this goal.

Key word: renminbi(RMB) strong currency free convertibility

1. Background

The reforming process of RMB exchange rate system and its gradual internationalization show us that renminbi is hopeful to become the strong currency in Asia.

Firstly, we describe here reform process of RMB exchange rate system. As all known, before the economic system reforms of China, RMB exchange rate experienced a period of formation and development at the primary state. Before 1978, China was known as its planned economy system of high concentration, and influenced by this kind of system, the establishment of RMB exchange rate system was mainly decided by politics instead of the need of economic development, lack of market mechanism, exchange rate may not reflect the economy and had no functions of adjusting economy. At the end of 70's last century, with the beginning of economic system reforms in China, functions of the market was increasingly valued, and as the further extend of economic relation to other countries and need for economy development, the market mechanism of RMB exchange rate increased gradually. RMB exchange rate made great contributions to both foreign trade and economy turning to market. From 1981, there existed two exchange rate system which was so called trade inner settling exchange rate and official exchange rate in China. In 1985, the trade inner settling exchange rate was cancelled because of its flaws and fixed the official exchange rate at the level of 2.8¥. From then on, RMB exchange rate entered a period of devaluation. Although RMB exchange rate was the only rate nominally, in fact, there still existed an adjustable exchange rate subject to incomplete foreign exchange market besides the official exchange rate, so RMB exchange system rate was a dual exchange rate system actually. This kind of situation kept to January 1st of 1994. The deep reason of the formation of RMB dual exchange rate mechanism stem mainly from RMB exchange's overestimates in a long period caused by planned economy. Though RMB was descending, there still was gap between it and market exchange rate, which caused the appearance of dual exchange rate system. In 1994, foreign exchange rate system reform was implemented in China, realizing the unity of the dual exchange rates. Since then, RMB exchange rate system has increasingly shifted to market mechanism. Because the phenomenon of overestimate of RMB exchange rate existed for a long time, during unified period, from 5.8¥/\$

to 8.7¥/\$, it did not have the negative influence, instead, it was accepted by public, realizing the steady transition of RMB exchange rate . The unified process of dual exchange rates lets exchange rate develop the function of economic lever, pushing the development of foreign trade, attracting more foreign capital, promoting the economy development, and the foreign exchange reserve increasing for successive years.

Secondly, I interpret gradual Internationalization of RMB. In 1994, the reform of RMB exchange rate provided the single manageable float exchange system with the foundation of market supply and demand, RMB exchange rate improved gradually, making the necessary preparation for RMB being convertible currency. On December 1st in 1996, RMB could be converted freely under the current account, and began its international progress under the permit of government. Moreover, along with the continuous extension of opening up to outside world, the foreign financial institution has become an important power in China's financial system up to the end of 2003, there are 62 foreign banks from 19 nations and regions establishing 191 business organizations, 84 among which have been permitted to operate RMB business, in addition, there established 211 representations, all of which perfected the formation mechanism of RMB exchange rate, meanwhile, extended the influence of RMB. In 2004, Hong Kong is beginning to admit banks inside Hong Kong to operate the RMB business granted by the state council, the People's bank of China will offer clearing arrangement to some relevant banks which carry out personal RMB savings, exchange, bank card and remittance business in Hong Kong. This measure will make Hong Kong the offshore Center of RMB, further spreading the international influence of the RMB. Furthermore, in fact, in the frontier region of China, there have been at least 50 countries having used RMB personally, while doing trade with Chinese people is even called the second dollar in some of these nations, which can be converted freely in these nations. It shows that the international influence of RMB becomes larger and larger and RMB become a strong currency is expected.

On the other hand, since RMB will become the hard currency in Asia, what is the relationship among hard currency, international currency and convertible currency? International currency is the currency having three basic characteristics, including convertibility, widely acceptance and stable value, which represents widely acknowledgement and acceptance in worldwide and be used widely in various fields of international trade, settlement, investment and debt payment. Generally, a nation's currency, which can become the international currency, will experience the process that from non-free convertible currency through free convertible one during different stages to international currency. As a unit of account, international currency is a nation's currency that can carry out the monetary basic duty among international nations without hegemony. Here, the free convertibility not only permitted by government but also induced by market force, the latter is named autonomous convertible process that will be an indicator of governmental decision. Finally whereas, the hard currency should be judged according to the market value between it and other main currency, besides having the general characteristics of both international currency and free convertible currency, what is more important is that the public confidence towards the currency is an significant mark of deciding which the currency is strong or weak.

The others of this paper are as follows: Section II interprets factors what t is beneficial to strong renminbi. Section III shows there are negative factors preventing renminbi from an international currency. Section IV gives its conclusions.

2. The Beneficial Conditions for RMB Becoming Strong currency

(1) China's economy has a good performance in past decade characterized by its higher growth rate and its increasing foreign exchange reserve. Both table 1 and figure 1 show that the GDP of china has increased well in past twenty years.

Table 1 Comparing China with Asia in GDP growth rate %

	1980	1990	1995	1998	1999	2000	2001	2002	2003
China	6.23	3.8	10.5	7.8	7.1	8.0	7.3	7.5	7.2
Asia	7.6	6.8	6.5	6.3	6.1	6.7	5.6	5.6	6.3

Resource: IMF, world Economic Outlook 2003

In a word, the growth rate of GDP of China is higher than that of Asian average level, in which, China has been the leading country with its high increasing economy in Asia.

Figure 1.

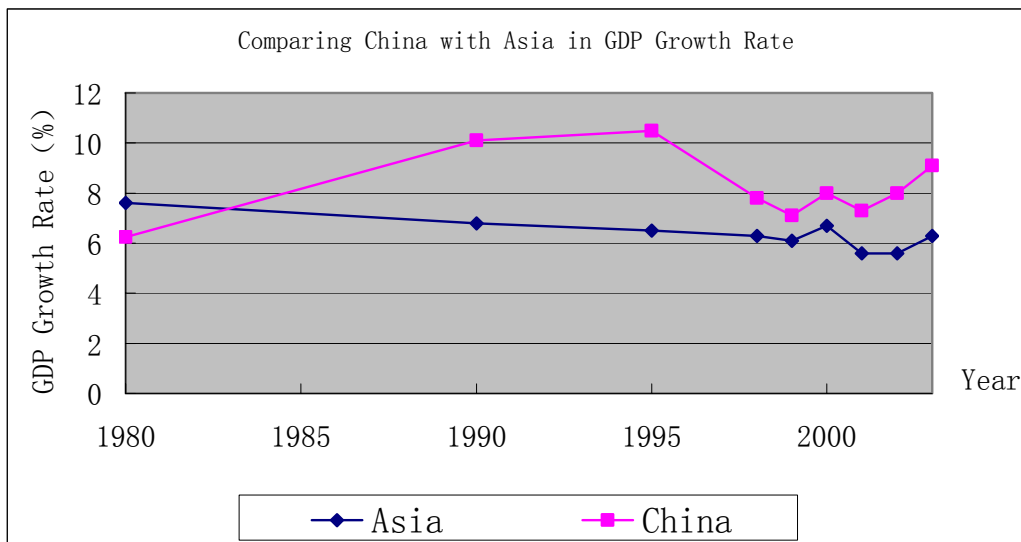


Table 2 here provides main Asian countries that own high foreign exchange reserve. Foreign exchange reserve of china's mainland has steadily been the second in Asia for 8 years. We can see that the strength of china increases gradually. In the near ten years, the economic development does not appear excessive fluctuation, even during the period of Asian financial crisis, which explains that Chinese economic development can undergo big shocks, and it is what other countries cannot compare to.

Table 2 High foreign Exchange reserve countries in Asia 100million USD

	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003
Japan	785.0	1832.5	2166.5	2196.5	2154.7	2869.2	3549.0	3951.6	4430	6735
China	295.9	753.8	1070.4	1427.6	1491.9	1577.3	1682.8	2156.1	2864	4032
HongKong	245.7	554.0	638.1	928.0	896.5	962.4	1075.4	1111.6	1119	1184
Taiwan	724.4	903.1	880.4	835.0	903.4	1062.0	1067.4	1222.1	1617	2066
Korea	147.9	326.8	340.4	203.7	519.8	739.9	961.3	1027.5	1214	1503

Resource: International Data Information (2003)

(2) The value of Renminbi has been keeping stable and has been appreciating gradually since 1994. This section, from the point of theory, with the contrast of costs and benefit, analyzes the reasons of revaluation of Renminbi and concludes that revaluation of Renminbi creates more benefit than cost, one of which will be helpful to raise its credibility in the world.

Figure 2 describes the general trend of RMB exchange rate since opening up to outside world. In the primary period of reform, the government has realized the RMB exchange rate is over estimated. In the process of gradually getting rid of the fetter of the planned economy, RMB began the period of depreciation, which shows the confidence of china's economy moving towards market economy, also forming the market mechanism of RMB exchange rate. It is needed to say that adjustable exchange rate here is also named a kind of float exchange rate specially belonging to Chinese economic phenomenon due to transition of China economy.

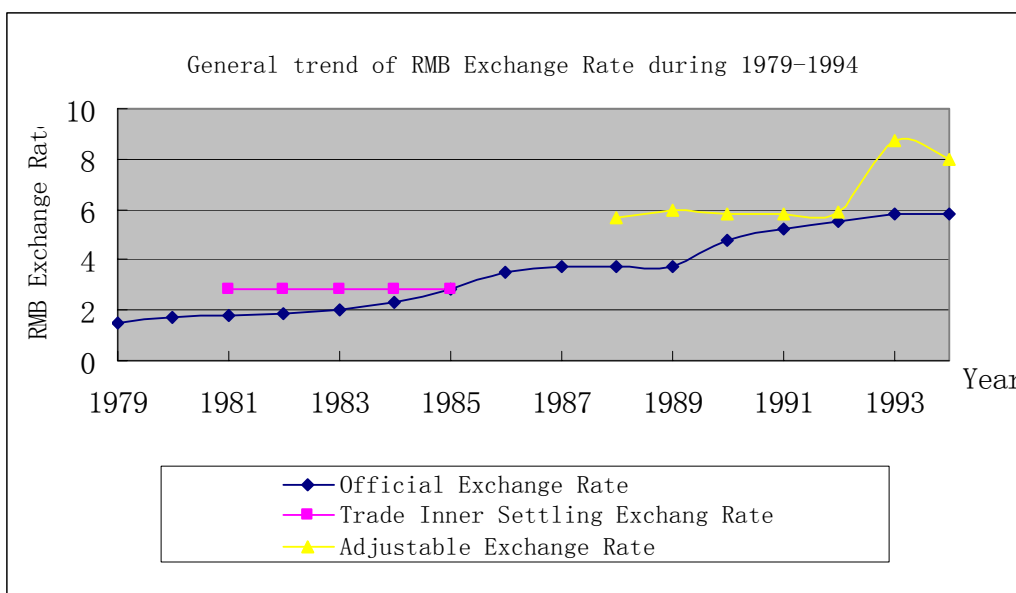
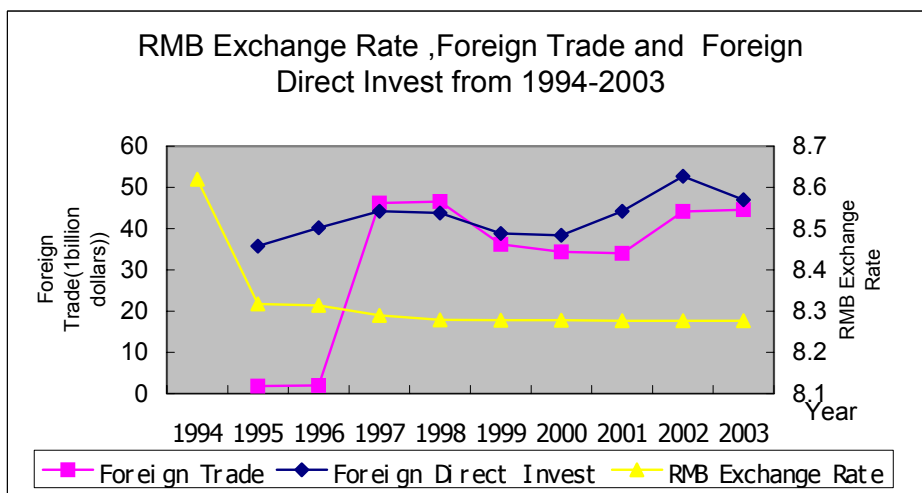


Figure3 shows t further RMB exchange rate mechanism is continuously perfecting since 1994. We can see that the exchange rate of RMB to USD has been steady and rising, which shows that Chinese economy has good performance.



On the first place, when we talk about renminbi's steady appreciation in recent twenty years, we have to remember another strong currency, namely, Japanese Yen. During the 80's last century, Yen had had a remarkable appreciation, however, there are some difference between the two currencies changing of value, which is helpful to us to understand in depth renminbi exchange rate.

In the middle and late 1990's, Yen appeared significant dropping in 1998, and it fell into the bottom of value. Just as other countries in Southeast Asia, Japan engulfed into the haze of the financial crisis. In last year, Yen had the evidence of revaluing. However, whether there shows sign of economy recovery, we can analyze from the difference between Yen revaluing in 1980's and the revaluing pressure renminbi in recent two years.

①The cause and difference of two countries revaluing pressure. The Yen revaluing in 80's was caused by the trade conflict between Japan and United States, and it was the product of "square agreement", nevertheless, in fact, manufacture industry of Japan had reached the technical peak of world manufacture industry, which has become the second world economy, and Yen had been the third world reserve currency. In 1985, Japan's GDP was 32% of US's GDP and Yen had 8% share in other country's foreign exchange reserve. The large of quantity of foreign trade surplus and the increasing demand of Yen had formed the inner pressure of Yen revaluing. "Square agreement" uncovered the prologues of Yen rapid revaluing. After forced to revalue, the increase of Japan's economy did not halt, instead of, it experienced rapid increase and prosperity in sequent 7 years. We can see this through Figure4. What is worthy to point out is that Japan's economic growth benefited from the lowering market price of international petrol in the primary years of Yen revaluing. After 7 years of Yen revaluing, Japan's economy began to decline. In 2000, Japan's economy appeared the evidence of recovery, showed by Yen's revaluing. The recovery was aroused by some extrovert type big enterprises. But because the breakup of financial market caused in 90 and enormous non-performing loans of financial system remained far beyond relieving, Japan's economy did not turn better basically. Moreover, Japan has appealed negative actual interest rate that will enlarge the fluctuation of Yen exchange rate, and the unsteady of Yen will deteriorate its international image.

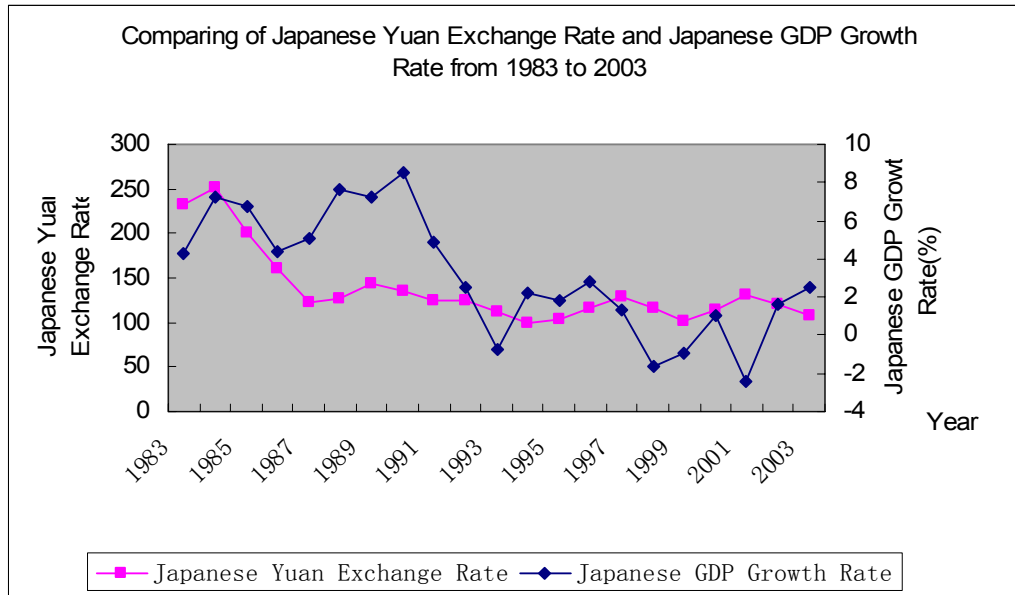
Now, RMB also faces the compelled pressure to revalue, however, being different from Japan, China's economic power, industry competition ability and currency's international status is far from Japan's. Except the international balance of payment surplus and the increase of foreign exchange reserve provide evidence for RMB's revaluing, there are no other inside pressure for revaluing. Instead, outside pressure to call for rising of renminbi is much heavy, there are not enough factors for RMB to revalue just as those for Yen in 80's. If renmibi is forced outside pressure to revalue, China's economy could fall into more terrible calamity than Japan's economy in shorter time. RMB should be steady. With the economic strengthen stronger, the currency value will tend to hard naturally. Increasing while keeping steady is the best choice for RMB exchange rate policy.

②The component difference of foreign exchange reserve between China and Japan.

Analyzing the reason of the increase of Japan's foreign exchange reserve in recent years, that the foreign direct investment flowing into Japan is only 7.5 billion dollars and he trade surplus of Japan is only 50 billion dollars in 2003, we can conclude there are about 180 billion dollars increase of foreign exchange reserve coming from the bought dollars by Yen for suppressing the yen rises. Japan uses 8000 billion Yens in 2002 and 20000billion Yens in 2003 to prevent Yen

from revaluation. On the other hand, the increase of foreign exchange reserve of China in recent years mainly is accumulated by enormous inflow of foreign direct investment and the trade surplus. It shows that China attract more foreign capital than Japan just because China has been predicted having a prosperous economy in future.

Figure 4 The fluctuation of YEN and USD exchange rate and decline of GDP Growth rate in Japan



On the second place, keeping renminbi stable accompanied a gradual increase brings us more benefit than cost.

A gradual increase in renminbi exchange rate following the growth of economy without any outside pressure has created enormous benefit to China in recent ten years. First, adjusting the exchange rate in accordance with the actual equilibrium exchange rate means current exchange rate is effective for allocating various economic resource, having no any price distortion between trade products and non-trade products, benefiting to the equilibrium development of each industry and economy growth. Second, exchange rate revaluing promotes RMB's purchasing power, being beneficial to enhance people welfare level. At the same time, RMB revaluing promotes its international status, also promoting international confidence towards RMB. Third, the exchange rate adjustment based on equilibrium balance of payment will be accepted by market. Which means the current exchange rate level is support by stable economy base, in fact avoiding efficiently currency crisis and financial crisis.

The increasing RMB while being steady may also bring up cost. We can analyze from following aspects. ①According to general economic principle, the currency revaluing means that the export will decrease. However, RMB appreciation's influence on export does not evident and it is related to China's special trade construction. Now, the processing and assembling trade are 55% of China's export while the import of equipment including processing and assembling trade account for 60% of total import. The processing and assembling trade only earns the fixed work fee, which does not have relation to the movement of exchange rate. Accompanied with RMB revalues, the export price rises, which is disadvantageous to this part of enterprises, but its purchasing power

increases and it can purchase more import. Compared to the two aspects, we find the net effect of the change of exchange rate remains positive (seeing Figure 3). Furthermore, some china's export have large share in international market and the cost of labor force in china is low, so the total cost of product is far lower than the cost of competitor. The revalue of exchange rate will enhance the income of export.②In general, the revalue of currency will add cost of FDI and decrease FDI. After middle 90's, the cause of the flow of FDI has new change which present more FDI are from multinational company of Euro-American developed countries and the aim of investment is at the Chinese local market, unlike small enterprises from Southeast Asia who regard China as the export processing place. Though the revalue of exchange rate enhances the invest cost of FDI, it also raises the sale income of foreign invest enterprise in local market in dollars. Moreover, the main object of capital flowing into china is aiming at the big market, where there is high profit repay rate, while the loss of exchange rate seems to be no significant. Therefore, the revalue of exchange rate did not hinder the FDI flowing into China (seeing Figure 3). ③The influence of currency revalue on employment. According to the calculation from 《trade and development report》 in UN trade and development conference of 2002. In the 17 important sample nations, China's unit labor wage is the lowest. The wage of sample nations are 2.5~47.8 times of china's. Even after considering the product efficiency of unit labor force, there are 10 nations of 17 sample nations higher than china's cost. Therefore, even the exchange rate revalues, if the range is adequate the cost of china's labor force also has advantage, and there is heavy unemployed pressure. ④The continuous revaluation of RMB may cause the speculative capital to shock.. In recent years the expectation that RMB will appreciate is increasing and it is estimated that 20 billion dollars of hot money has entered China to wait for the opportunity to speculate RMB, which consists of the cost of revaluation of renminbi. The fundamental method of dealing with speculative capital is to eliminate the expectation of RMB appreciation. Keeping the nominal exchange rate level with the movement of the actual exchange rate will be the most effective way that can make the market sustain confidence in the nominal exchange rate. No matter which kind of exchange rate system we adopt, there is a single aim, which is to reduce the inner and outer shock to the lowest extent, and creates an environment that can benefit the economic development. To China, its economy is one that depends on the push of foreign capital and interest is comparatively higher so that inflow foreign capital enhances the appreciation of the currency, in addition depending on export profit, its the real exchange rates go up. Only when China depends on the domestic demands to stimulate its economy, it will not be interfered by the increase of nominal or real exchange rates, the economy increases more steadily, and people's expectation to renminbi will decline and consequently, the shock from the outside will decrease. ⑤the influence of the appreciation of exchange rate declines the domestic commodity price .After all, almost half of China's import relates to processing and assembling trade and the price descent of these import goods will not cause the widespread descent of the domestic price of products. At the same time, the percentage of elementary products such as energy and original materials and transporting equipments among the import of China, is increasing gradually. In recent years, the price of most primary products and capital techniques-intensive products all increase with different degrees. From 1993 to 2000, the total index of China's import price increased by 20%. The point that believes that the expectation of exchange rate appreciation can cause the pressure of deflation seems to lack of proof.

Depending on our analysis of the present situation of China, the benefit of revaluation of RMB

is clear and definite. Our judgment is that advantages are more than disadvantages.

(3) Renminbi has characterized by its regional use in some countries in Asia, such as Vietnam, Thailand, Mongolia, Russia, Korea and Singapore in recent five years, and this part will present further statement for renminbi's character of internationalization and regionalization in a experimental way. From table 3 we have to recognize the fact that renminbi has been regarded as convertible currency to some extent by China's neighbors.

Table 3 Circulation of RMB in the main peripheral countries

Name of Currency	Standard code	Exchange Rate In 2003	The use of RMB In following countries (regions)
Hong Kong Dollars	HKD, HK \$	0.94HKD/RMB	Hong Kong: permitted to be convertible and circulating by government
Korean Won	KPW	139KPW/RMB	Korea: not permitted to be convertible and circulating
Vietnamese Dong	VND	1900VND/RMB	Vietnam: permitted to use in frontier trade and to be convertible and circulating by government
Japanese Yen	JPY, ¥;J.¥	13.3JPY/RMB	Japan: not permitted to be convertible and circulating
Laotian Kip	LAK	1030LAK/RMB	Laos: permitted to be convertible and circulating
Camboddian Riel	KHR	500KHR/RMB	Cambodia: permitted to be convertible and circulating
Philippine Peso	PHP	6.33PHP/RMB	Philippines: limited to be convertible and circulating
Ringgit Malaysia	MYR	0.45MYR/RMB	Malaysia: permitted
Singapore Dollar	SGD, S. \$	0.22SGD/RMB	Singapore: limited to be convertible and circulating
Thai Baht (Thai Tical)	THB	4.8THB/RMB	Thailand: permitted to be convertible and circulating
Burmese Kyat	BUK	33BUK/RMB	Burma: permitted to be convertible and circulating
Indonesian Rupiah	IDR	1126IDR/RMB	Indonesia: not permitted
Indian Rupee	INR	5INR/RMB	India: not permitted
Russian Ruble (or Rouble)	SUR	3SUR/RMB	Russian: not permitted
Mongolian Togorog	MOT	136.5T/RMB	Mongolia: permitted to be convertible and circulating
Taiwan Dollar	TWD	4.19TWD/RMB	Taiwan: no obstacle to be convertible and circulating

①The general situation

It is calculated that besides near 70 billion yuan in Honking there are more 30 billion yuan circulating in the peripheral countries and regions These hundreds billions of RMB will expand continuously

In southeast Asia countries such as Vietnam, Burma, Laos and Cambodia, where economy is comparatively backward and high inflation, RMB has become not only the main settling currency, but also be treated as one of the foreign exchange currencies .At Mongolia RMB has accounted for 60% of the total local cash in circulation. Banks of both sides can exchange currency each other. In Vietnam, the exchange of RMB was mainly carried out on the stall banks, what is approved by its government. In Hong Kong, there is a large amount of convenient stores for currency where the quantity of exchange keeps on rising. At present, the basic strategy of RMB being announced at banks of Taiwan is settled, in near future, RMB can be exchanged in the island legally.

②Characteristics: First of all, it has spontaneity. In recent years, RMB was circulated and used in Hong Kong and Taiwan spontaneously. Especially during the financial crisis in Asia, the commitment that RMB will not depreciate raised RMB status greatly. In Hong Kong, Taiwan and periphery countries, RMB is not only accepted by more and more dealers, but starts to act as a medium of exchange in the frontier trades. In addition, some people exchange currencies for the purpose of traveling and visiting relatives. All the facts mentioned above shows the tendency that RMB will act as the regional currency. Along with more and more RMB flowing out of China's mainland, the demand of exchanging RMB is inevitable. Nowadays, RMB has become the second dealing currency only next to Hong Kong dollar. Secondly, the exchange is mainly through underground exchange places or stall banks and some countries have approved legitimacy of this kind of exchange, while most of the countries consider it as illegality. The exchange through underground exchange places will cause arbitrage behavior because difference between cross exchange rate being calculated through the basic exchange rate announced officially and the real cross exchange rate on the illegal market (black market) can bring additional profit to the dealers.

③Problems need to pay attention: Firstly of all, there is no accurate statistics about the actual quantity of RMB outside. After reaching certain scale, the demand for return may appear. Secondly, if the amounts of RMB outside keep basic stability, an offshore market of RMB may form spontaneously. In this market, the mechanism of price formation and adjustment may be different from that of the inland. The possible price difference may affect the exchange rate level of china's inland. Thirdly, the speculative capital of RMB formed outside will return to china's inland through certain path. If they are invested in the capital market, they may cause the turbulence of the financial system.

3.negative factors:

(1) renminbi has not been a free convertible currency because there exist some flaws in property ownership system in China which can not optimize its production and investment so that China is not competitive in the globe economy. One reason that why the scale and scope of use of RMB in peripheral countries is tempted is that RMB can not be converted freely, Superficially, whether the currency Can be exchanged or not is merely an issue of currency, but in essence, it is a factor which is determined by the obstacle of property ownership system, Because whether a currency

can be converted or not actually reflect what degree the government can control and management to the capital, while trading cost becomes the key problem of property ownership system. Here, we classify currency convertibility into the system of exchange rate and then the changing process of currency from non-convertibility to free-convertibility in reality is a process minimizing trading cost. ①If the currency is non free convertible, the dual exchange rate is sure to exist .Dual rate will not only cause more price distortion due to unequal competition, but also cause very high expenditure of maintaining cost. ②If the currency is limit convertible, there exist both black market and official market so that considerable managing cost will produce. ③The excessive control of capital account will also suffer certain losses. First, limiting capitals flow between countries will do harmful to trade under current account Second, great management cost have to be paid, for instance, even under the control, a great amount of hot money will still exist, therefore, the cost of control will increase instead. Moreover, the excessive protection of the market will result in the fragility of the financial system.

RMB now continues limit convertibility producing such managing cost as possible hindrance to internationality of RMB and potential shock to RMB. However, compared with the benefits getting from limit convertibility, the cost seems to be acceptable. Therefore, the process of RMB's complete convertibility would be gradual and that is to say RMB would have a gradual experience for its internationality.

(2) Fixed pegging exchange rate system should be changed into float exchange rate system for renminbi in the long run, otherwise, it can not protect efficiently from shock of abnormality. RMB is basically stable to USD exchange rate there is only a tiny fluctuating range, namely, up and down 03%. The arrangement of fixed exchange rate will cause crisis in the long run, However, the exchange rate policy should be changed gradually while considering the stability of monetary system, hence, the improvement of RMB exchange rate mechanism need a perfect foreign exchange market including more participants and more trade products . The perfect market will form a real exchange rate. It is also necessary to experience a gradual process to improve RMB flexible exchange rate mechanism.

(3)The establishment of the Asian monetary system will do good to or bad to RMB internationalization? The successful of the unit of European currency enlighten people to keep Asian region stable, why not establish a monetary system like European Unions. It is still a long way to go before establishing Asian monetary zone. There several serious obstacles as follows: the great difference in economy leads to low intergration of economy; a large gap in price change the currency value greatly; the political conflict between Japan and other countries has been continuing since World War II, at last lack of understanding among peoples of Asia. Establishment of Asian monetary zone is a long-term target, and in the near future, it has no effect on RMB internationality. What should be done now is to find chance to strengthen the co-operation between Asian currency .In fact, in the period of Asian financial crisis, RMB made significant contributions to the whole Asia because RMB kept stable and gave up policy efficiency .At the same time, RMB won confidence of various countries in Asia. Owing to the popularity of RMB in Asia, it is necessary to establish RMB offshore trading center in Hong Kong, to enlarge coverage of RMB in Asia. The most important is that there should be a return way for RMB outflow of China. It will strengthen the ability of Hong Kong to accumulate the RMB circulating in offshore regions. It is beneficial to promoting the international status of RMB.

4. Conclusions In the next one or two decades, RMB will certainly become Asian striking currency. Strong economic growth and the stable currency value make people confident to RMB's future. But what should not neglect is that there still exist some negative factors. In China, it should remove the control of foreign exchange gradually to realize the complete convertibility of RMB under capital account so that renminbi can gain a powerful support to be a strong currency, meanwhile, something should be done to cultivate coordinate mechanism of exchange rate between developed and developing countries to help renminbi at last reach its goal.

References

- Edison,H.Roinhart,C.1999. Stopping hot money: on the use of capital controls during crisis. Mimeo
- Chan,K,Chow,L,1997. An empirical study of tax audits in China on international transfer pricing Journal of Accounting and Economics 23,83-112
- Cashmore,N,1997.Work in Progress. Asiamoney June, 51-55
- Chen Quan-gong,2003 Internationality of RMB: conditions and Prospect. Journal of Institute of technology 1,72-75
- He xinhua and Wu haiying, Some Effects on Macroeconomics of China: adjustment to Renminbi Rate, World Economy No.11 2003, 15-18
- Dou xiangsheng, Evaluating for Renminbi Equilibrium Rate, Management Review Vol.15 No.8(2003) 45-49
- DeLoach S.B, More Evidence in Favour of the Balassa-Samuelson Hypothesis, Review of International Economies Vol 9 2001, 336-341
- Shun zhao-kang, RMB Internationality: a Theoretic Explanation. Financial Teaching and research No 1 1998 14-16
- Yu Qun-e, Regional Currency Intergration and RMB Internationality. Zhejiang Social Science No.7 2002 38-40
- Jiang Ling, Theory and Practice about RMB Internationality. World Economy. No.4 1997 19-23
- Zheng mu-qing, How to Realize RMB Internationality. Journal of Fudan No. 1995 29-35
- Zhou yuan-yuan,Fu yi-ning, Nong feng-dang, Exchange Rate Forming Mechanism Between RMB and Vietnamese Dong Research of Finance No.8 2003

Author: Wang ya-jie, associate professor in Harbin Institute of Technology, China

Address: Fayuan Street No.13

Nangang District

Harbin,Heilongjiang Province

China (150001)

Tel: 0451-82127637, 13339515636

E-mail:wxmm@public.hr.hl.cn