

CHAPTER V

Conclusion

The Yuan Exchange rate currency undervalued toward US Dollar has influenced trade policy in the United States and economic global. The Yuan exchange rate (Renminbi) gives many impacts on industrial sector of the entire the world. Especially, to the United States trade affected by the Yuan exchange rate in deficit market toward China. The congress in the United States argued that Yuan exchange rate has been making economic deficit in the United States.

The writer found that anti-dumping and countervailing duty was applied by the United States under bill H.R 2378 in the congress. The writer explained those congressional voting patterns on H.R 2378, The Currency Reform for Fair Trade Act, support the arguments. China's undervalued currency: export and import competing industries with low pass through. The United States industry needs the China's market in selling their goods.

The writer also found that industry in the United Sates has been supporting the bill correlate strongly and significantly with House member voting on the bill. The controversy with China over its currency policy demonstrates the central point of this paper: Yuan exchange rates tend to provoke targeted trade policy responses because Yuan exchange rates have different effects on different industries. If H.R.2378 or a similar bill becomes law, it would extend the range of the administered protectionism to include currency misalignments. The process of imposing administered trade remedies on China (or any nation deemed to be have manipulated

its currency) would then follow the industry specific procedures that currently guide anti-dumping and countervailing duty protectionism.

Finally, the United States applied the two way namely: countervailing duty and anti-dumping to protect the United States economy. The implementation of bill H.R 2378 aims at controlling local economy of the United States. Also, the decreasing of unemployment will be successes when the bill H.R 2378 implemented by the government of the United States.