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CHINA TO FLOAT OR NOT TO FLOAT

Introduction

The “China To Float Or Not To Float” case analyse a strategic point of time in china's economic where the china had been subjected by the international and domestic pressure to adjust the value of its currency renminbi. Actually, this case aims at describing the background to understand the possible change in the fixed exchange rate regime in China

Rate Stability

China's full-fledged FEER responded well to the opportunities of economic growth and export competitiveness but it has been accused of being over-pegged resulting in trade distortions.



Free Floating

**Integration with market forces might indicate
China's positive position in the international
economy but stresses the national economy.**

Conclusion

The case concludes that gradual revaluation plan is most appropriate and it fulfills international pressure and domestic stability. It reduces interference but makes China ready for future long-term sustainable growth which is the ultimate goal of any country.

Resource

This case is just a sample partail case solution. Please place the order on the website to order your own orignally done case solution.

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