

Comments and Discussions

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This paper asserts that China's remarkable economic growth could have attained mainly due to its devaluation policy and fixed exchange rate the yuan against the dollars in 1994 which strengthened her competitiveness in export and changed her position in trade balance from one with deficit to with surplus. The author also derives lessons for Vietnam from China's exchange rate policy that time.

The author's arguing point is very clear and contained a proposal for one of emerging counties recently of a great interest, Vietnam. As present Vietnam macroeconomic indicators are relatively similar to those of China that time, the author proposes that Vietnam should adopt devaluation policy of foreign exchange such as Yuan "shock" devaluation and then stabilize the policy of exchange rate. Around the middle of the 1990s, a lot of papers deal with the reasons of China's increasing exports, and pointed out China's devaluation policy as a main factor.

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