Renminbi Internationalization: a Response to the Global Imbalance

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Abstract: This paper first highlights the contribution of the huge foreign exchange reserve making China a net creditor and the main challenges it bought to China’s economy. The author treated the internationalization of Renminbi as China’s response to the global imbalance by analyzing its effect on the formation of reserves and to the net income within the current account balance. Comparing the benefit and cost of two routes to rebalance China’s external position, the outward direct investment versus currency internationalization, the research concludes via introduce the status quo and roadmap of Renminbi internationalization in the future.

Key Words: Renminbi Internationalization, Global Imbalance,

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