



AS IT IS

## US Names Switzerland, Vietnam Currency Manipulators

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The United States Treasury has officially identified Switzerland and Vietnam as **currency manipulators**.

A country's attempt to manipulate the value of its currency involves the central bank buying a lot of its own money. This creates **scarcity**, which pushes the value of the money up.

The U.S. Treasury move may be one of the final strikes against international trading partners by the departing administration of U.S. President Donald Trump.

Officials said Switzerland and Vietnam were named because both had intervened in currency markets through June 2020 to prevent effective balance of payments **adjustments**.

A balance of payment is the difference between how much a country pays to other nations and how much it gets paid by other nations.

In its currency manipulation report, the Treasury said Vietnam had acted to get “unfair competitive **advantage** in international trade as well.”

Foreign currency experts had expected the two countries to be named in the report.

The actions come as the worldwide coronavirus pandemic continues to slow international trade and increases U.S. deficits with trading partners. This angers Trump, who won office four years ago partly on a promise to decrease the deficit.

To be named a manipulator, each country must have a \$20 billion or more trade surplus with the United States. It also must have a currency intervention that is greater than 2 percent of its gross domestic product (GDP) and a worldwide account surplus that is also greater than 2 percent of GDP.

The U.S. Treasury also added Taiwan, Thailand and India to a watch list of countries it believes are taking measures to devalue their currencies against the dollar. The others on the list are China, Japan, Korea, Germany, Italy, Singapore and Malaysia.

The U.S. Treasury report also said that India and Singapore had intervened in the foreign currency markets in a “**sustained**” way. The countries did not, however, meet other requirements to be named as manipulators.

I’m Susan Shand.

*The Reuters News Agency reported on this story. Susan Shand adapted it for Learning English. Bryan Lynn was the editor.*

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## Words in This Story

**currency** – *n.* the money that a country uses

**manipulator** – *n.* one who uses or controls other people in a clever and often unfair or selfish way

**scarcity** – *n.* a very small supply of something

**adjustment** – *n.* a small change that improves something or makes it work better

**advantage** – *n.* something (such as a good position or condition) that helps to make someone or something better or more likely to succeed than others

**sustain** – *v.* to provide what is needed for (something or someone) to exist, continue,

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