

## **Yuan exchange rate at balanced level: economist**

BEIJING, Nov. 17 (Xinhua) -- The exchange rate of Chinese currency Yuan, or RMB, against the U.S. dollar has reached a balanced level, a celebrated economist said on Saturday.

Wu Jinglian, an octogenarian preeminent Chinese economist, said at a forum that the RMB exchange rate has swung to the balanced level lately after undergoing successful reform and major fluctuations since 2005.

Since China launched the reform of the RMB exchange rate regime in July 2005, the RMB has appreciated by 30% against the U.S. dollar, and its real effective exchange rate has appreciated 29.5%.

Wu's remarks echoed Chinese Premier Wen Jiabao's remarks made at Summer Davos Forum when meeting with business representatives in north China's Tianjin city in September this year. The value of RMB is basically at a balanced level and the RMB even depreciated recently at the Hong Kong NDF market, Wen said then.

The reason why China launched the exchange rate reform was partially due to large foreign exchange surplus resulted from decades of export-oriented economic policy, triggering mass input of monetary base into the market and excessive market liquidity as well as inflation pressures, said Wu.

Further, he noted that China needs to shift its growth pattern away from over-reliance on export and investment towards stronger domestic demand.

Wu made the remarks when attending the three-day International Finance Forum 2012, which started Friday in Beijing.

The Chinese currency stood at 6.2945 against the U.S. dollar on Friday, weakening 40 basis points from the previous trading day, according to the China Foreign Exchange Trading System.