The Eurasia Proceedings of
Educational & Social Sciences (EPESS)
ISSN: 2587-1730

The Eurasia Proceedings of Educational & Social Sciences (EPESS), 2023

Volume 32, Pages 71-79

IConMEB 2023: International Conference on Management Economics and Business

China's Impact on the US Dollar Exchange Rate

Albert Molnar
Obuda University

Patrik Viktor
Obuda University

Abstract: This paper explores the ever-changing relationship between China and the United States, the world's two largest economies, with a particular focus on trade imbalances and their far-reaching implications. Providing a comprehensive historical context, the study sheds light on the significance of the CN-US economic relationship and its profound influence on the global economy. Tracing the trajectory of CN-US trade from its early beginnings of direct exchange to recent trade frictions and tariff disputes, the analysis examines the role of statistical errors in reported trade imbalances and dissects the intricate factors contributing to the trade deficit. Emphasizing the urgency of a balanced CN-US relationship, the study advocates for a harmonious blend of cooperation and confrontation, ensuring equality, mutual benefit, and peaceful coexistence. Furthermore, the paper delves into China's impressive economic growth, its potential to surpass the US economy, and the possibility of the Chinese yuan replacing the US dollar as the global reserve currency. The paper concludes by underlining the critical importance of maintaining a stable and cooperative relationship between the two nations to steer global development in a positive direction. By addressing trade imbalances and fostering a collaborative approach, China and the United States can pave the way for a more equitable and prosperous global economic landscape. As the world watches the unfolding of this pivotal economic relationship, understanding its complexities is essential for policymakers and stakeholders alike.

Keywords: China, US-China economic policy, Economic growth, US dollar, Globalization

Introduction

China's remarkable economic landscape is characterized by its abundant labor resources and immense growth potential. In contrast, the United States stands as the most influential capitalist developed nation, boasting unparalleled strength in various domains such as the economy, politics, innovation, science and technology, and culture. As the world's two largest economies, any shift in the relationship between China and the United States carries significant implications for the global economy. The interdependence between these nations underscores the notion that both China and the United States cannot develop in isolation; their fates are intricately tied to the dynamics of CN-US relations. With this backdrop, it becomes imperative for China to adopt a historical perspective and carefully analyze the current international situation. By doing so, China can proactively build a new CN-US relationship that embraces a long-term vision for the future. Such a strategic approach aims to foster cooperation and mutual understanding, ultimately striving to achieve a "harmonious world" in China's diplomacy.

In this paper, we embark on a comprehensive exploration of the Chinese economy, tracing its evolution over time. We examine the multifaceted relationship between the United States and China, unearthing the string of events that have propelled China to its current position of power. The study delves into the potential inflection point in the future, where China may surpass the United States in terms of economic strength and potentially

- Selection and peer-review under responsibility of the Organizing Committee of the Conference

challenge the dominance of the US dollar as the global reserve currency and the widely accepted means of payment and trade settlement.

By analyzing this critical juncture in the CN-US relationship, our study aims to shed light on the implications of such a transformation for the global economic landscape. We envision a future where China's rise impacts the balance of power in the world economy, necessitating thoughtful responses from policymakers and stakeholders alike. As we unravel the complexities of this evolving relationship, our exploration aims to inform discussions and decisions that contribute to a more balanced and prosperous global economic order. (Molnár et al., 2023; Molnár & Csiszárik-Kocsir, 2022, 2023; Foldi, 2015)

Literature Review

As early as in the colonial era of the thirteen states of North America, Chinese tea, raw silk, etc. were exported to Boston, New York and other ports of North America through the British East India Company (Arkin, 1981). In order to get through the channels of direct trade with China, American businessmen drove the "Empress of China" merchant ship, carrying American ginseng, fur, cotton and pepper, arrived Guangdong Province in August 1784, and purchased from China the next year. After tea, silk, porcelain, lacquer ware and so on returned to the treaty, the direct trade between the United States (US) and China (CN) began. The volume of trade reached 6.7 million US dollars in 1816 and increased to 19 million US dollars in 1819 between the two countries. (Fodor et al., 2023).

In the early stage of CN-US trade, usually the United States exported cotton to China and imported textiles from China. In the 1850s, China got to be one of the important markets for American textile export. In 1866, the proportion of the United States could share about 5% of China's trade volume. From late 19th century to the 1920s, the United States was often in a deficit in CN-US trade. From 1919 to 1929, the annual bilateral trade volume reached 200-300 million US dollars. (Pervez et al., 2022) After the 1930s, Japan attempted to monopolize the Chinese market, and the total amount of trade volume between the United States and China fell rapidly. In 1932, the total trade volume reached 82 million US dollars, which has been at a very low level since then (Mitchener & Yan, 2014; Fodor, 2023).

In 1945, when Japan surrendered, CN US trade began to grow again. In 1946, the Kuomintang government signed the Treaty on friendly trade and navigation between the United States and China, which provided convenient conditions for American goods to enter the Chinese market. In 1950, the Korean War broke out, and the US Department of Commerce banned all exports to China. In 1951, the United States manipulated the United Nations to pass the resolution of "embargo" on China. (Fodor et al., 2022) In September 1952, the United States manipulated the establishment of the "China Committee" within the Paris Coordinating Committee, in an attempt to block the economic development of new China by blocking the embargo. Under such circumstances, CN US trade has basically ceased (Wang, 2013) (Fodor, 2022).

In 1949, the "White Paper on CN-US Relations" written by Dean Acheson (1949) who serving as Secretary of State, indicated a shift in US attitudes toward China. However, as one of the most important designers of the Cold War, the Marshall Plan and NATO, he still hoped that Japan would continue to maintain normal trade with China's new regime before leaving office in 1953, thereby preventing China from accelerating closer to the Soviet Union due to trade issues and strengthening its strength. This idea also reflects the Cold War originator George Kenan's consideration. However, after the Korean War, the new US government changed its attitude on this issue, preventing China from becoming mainstream from the perspective of economy and trade. Meanwhile, the United States' attitude towards Japan has also changed, and the United States regarded Japan as bridgehead in Asia. The former, the controlling shareholder who has absolute right to speak in many international organizations, despite the opposition of allies such as the United Kingdom, pushed hard for Japan to join the International Monetary Fund, leading it into the General Agreement on Tariffs and Trade (GATT), although Japan does not meet the entry requirements for these organizations (Clarke, 1993). One requirement for the United States to bring Japan is to end its trade with China. History has begun a new process. (Földi,2015) In March 1979, Blumenthal, the US Secretary of the Treasury, represented President Carter came to China to participate in the opening ceremony of the US Embassy. Deng Xiaoping met him directly. During the meeting, Blumenthal raised the issue of compensation for losses caused by the disposal of US assets by the Chinese mainland after 1949, and Deng Xiaoping promised to solve them very quickly. Two days later, the problem, which had been delayed for months, was resolved. Deng Xiaoping told Blumenthal that China must integrate into the world economy if it wants to develop, and the normalization of economic and trade relations with the United States is one of the steps. History has a new chapter. (Csiszárik-Kocsír & Garai-Fodor, 2018).

Although there were discussions on quotas and most-favored nations between the United States and China in the 1980s, the latter issue was clearly more noticeable in the 1990s. In addition to international political factors, the most important thing was that after China established a market economy system, the economy shifted from shortage to surplus and faced many problems such as markets, technology, and capital. The township and village enterprises and processing industries that flourished in the 1980s encountered adjustments in capacity reduction policies such as "limited production and ingot production" in the 1990s (Dumbaugh, 1998). This was also the first "supply-side" reform after China's reform and opening. (Garai-Fodor, 2022) In 1994, the RMB exchange rate was merged, and a floating exchange rate mechanism was implemented. This aspect was the "one price" attitude of the currency's external value, and it was also an effort to develop the international market. Of course, it also laid a foreshadowing for the subsequent market-oriented currency transmission mechanism. In this context, the "resumption" and subsequent "accession to WTO" negotiations have become a hot topic in policy and business circles. The main object of the negotiations is the United States. In 1996, the soft landing of China's economy coincided with the subsequent Asian financial crisis and natural disasters that had not been encountered for many years. Before that, policy makers who had to deal with inflation encountered the problem of deflation, and the development and utilization of international markets was imminent. Under the pressure, then Prime Minister Zhu Rongji pushed China to become a member of the WTO. When he visited Washington before joining the WTO, he said: "China must conform to its rules of the game if it wants to join the WTO and be able to integrate into the international community. Therefore, we will not make concessions." At the time, US President Clinton tried to persuade its members agreeing to China's accession to the WTO also gives his reasons: China will reduce tariffs, open markets, import more American goods, solve more American jobs, attract more American investment, and other benefits valued by American politics and business (Hopewell, 2015).

In December 2002, then Deputy Secretary of the Ministry of Finance of Japan, Mr. Toshihiko Kuroda, wrote in the Financial Times that "China exports deflation to the world by promoting exports, pegging the yuan to the dollar, and domestic deflation." He therefore suggested that the yuan should appreciate. This was the first time Western officials have publicly expressed their opinions on the RMB exchange rate and China's export policy after China's accession to the WTO (Alvstam, et al., 2009). Later US officials and research institutions also questioned the exchange rate of RMB. China regarded these voices as a conspiracy similar to the Square Agreement. From 2004 to 2005, US President Bush and Treasury Secretary Snow promptly suggested that the exchange rate of RMB should appreciate.

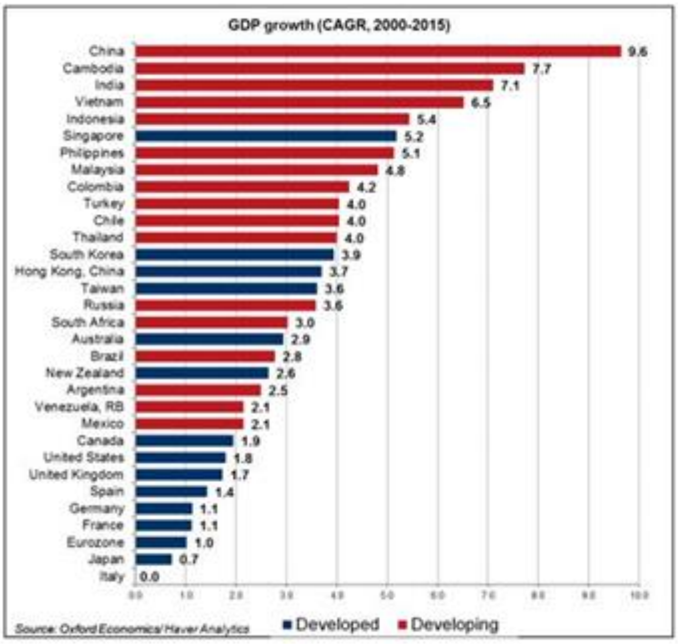

Figure 1. GDP growth from 2000-2015. Source: Oxford economic, haver analytics

Hereafter, the People's Bank of China announced: Since July 21, 2005, China has implemented a controllable floating exchange rate mechanism according to the market supply and demand and adjusted with reference to a basket of currencies. Since then, the exchange rate between the RMB and the US dollar has steadily and orderly appreciated. Except for a limited number of years changed by the global financial crisis, China's external exports and surplus, especially exports to the United States, have steadily increased, and foreign exchange reserves have enhanced annually until 2014. (Baranyai et al.,2022; Csiszárik-Kocsir et al., 2013, 2016a, 2016b, 2021; Csiszárik-Kocsir & Varga, 2017; Garai-Fodor et al., 2016; Garai-Fodor – Csiszárik-Kocsir, 2018a, 2018b).

After Obama's election and re-election, he has repeatedly stated publicly that the the exchange rate between the RMB and the US dollar should appreciate and has repeatedly urged China to open its domestic market. When Trump was running for president, he clearly stated that he would increase taxes on Chinese exports to the United States and ask the yuan to appreciate. In last year, the trade war broke out between the United States and China, and the two countries imposed mutual tariffs on some commodities.(Csapó et al., 2018). Looking at the evolution path of CN-US trade in the past decades, like other important trade relations, CN-US trade relations are not smooth sailing, they sometimes encounter twists and turns. A new round of trade frictions began when the United States imposed import restrictions on some Chinese textiles

Figure 2 shows that China has been the fastest growing developing economy in the world. Nowadays, with China's growing strength, the distinctions and problems between the United States and China on trade issues, the exchange rate of RMB to US dollar and other fields are widening. The future relationship between the United States and China will affect the direction of world development. We hope that the two pivotal countries can become positive and lasting strategic partners and maintain at least a stable cooperative relationship. Because the CN-US relationship is complex, it is difficult to define what kind of relationship it is. The coexistence of confrontation and cooperation is full of contradictions. In the future, CN-US relations should find a balance between the two trends of confrontation and cooperation, so that the two countries can enjoy equality, mutual benefit, peaceful coexistence and common development, deepen and strengthen cooperation between the two countries in all fields.

Analysis of the US-China Trade Imbalances

The United States and China are the two countries with the largest economies in the world. The economic aggregate of the two countries accounts for about 40% of the world's total, and exports of goods account for nearly a quarter of the world's total. Both foreign investment and foreign investment account for nearly 30% of the world's total. If the trade friction between the United States and China rises to a trade war, the situation will be a disaster for the world economy. Figure 2 shows the bilateral deficit in goods and services has grown from $81 billion in 2001 to $336 billion in 2017, increasing from just over 20 percent of the US trade deficit in 2011 to over 60 percent today.

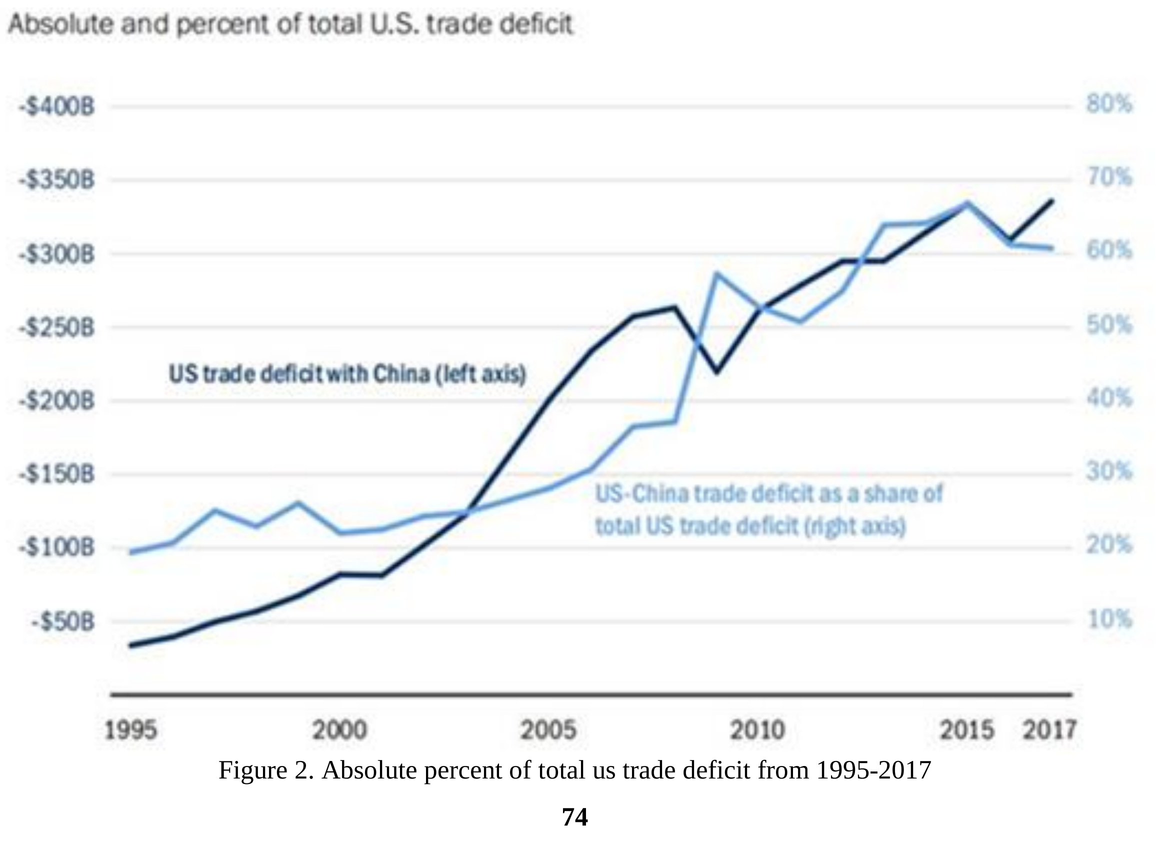

Figure 2. Absolute percent of total us trade deficit from 1995-2017

Although the huge trade deficit has provided strong capital support for China to participate into operation of economic globalization, with the enhancement of comprehensive national strength, the problem of trade imbalance has a huge and far-reaching negative influence on China's economy. Enormous amount of foreign exchange accounts for elevated inflation and escalated the trade friction related issues between the two countries. For the United States, apparently, the huge trade deficit with China is not conducive to the extensive enlargement of American manufacturing industry. The flying growth of China's export trade and then the rapid economic development may also enforce the position of the world hegemony of the United States. In fact, the United States has obtained huge profits from the trade between the United States and China.

The Role of Statistical Errors

The United States has always had trade imbalances. The CN-US trade deficit increased from 103 billion US dollars in 2002 to 377.5 billion US dollars in 2017. The US trade deficit in China also rose to 47% in 2017. In 2016, the US deficit was US $ 3.47 trillion, and China's figure was US $ 2.507 trillion, with the difference increasing to US $ 9.63 billion. In 2017, the United States released a figure of $ 376 billion, but China's figure was $ 279 billion, a difference of $ 9.7 billion (Scott, 2018).

Why is there such a significant difference in the trade data between The United States and China? We think there are two reasons, both of which are related to Hong Kong. First, the two countries have different statistical methods for re-exports via Hong Kong. A major part of China's exports to the United States and imports from the United States pass through Hong Kong, and the peak ratio is closer to half. The US Department of Commerce counts China 's re-exports of goods to the United States via Hong Kong as US imports from China, but counts US re-exports of goods to China via Hong Kong as US-to-Hong Kong Exit. This calculation overestimates the US trade deficit.

The Chinese Customs has always counted US goods re-exported to China through Hong Kong as US exports to China, but before 1993, China's re-exports of Hong Kong to China through Hong Kong were counted as Chinese to Hong Kong Exit. This calculation method undoubtedly underestimates the US trade deficit. Since 1993, Chinese customs have required export companies to report the final destination of exported products, so as far as possible to re-export Chinese goods to the United States via Hong Kong as Chinese exports to the United States; however, exporters are not likely to All products re-exported through Hong Kong are accurately reported, so China's statistics will still underestimate the US trade deficit but will be closer to reality than the US figures.

Secondly, Hong Kong's re-exports generate a lot of added value in Hong Kong, according to some estimates as much as 20%. These added values should reasonably be deducted from the above calculations because they belong to Hong Kong's export of services. However, these added-value data are difficult to obtain, so they are usually not included, and the statistics of the two countries will always have great errors.

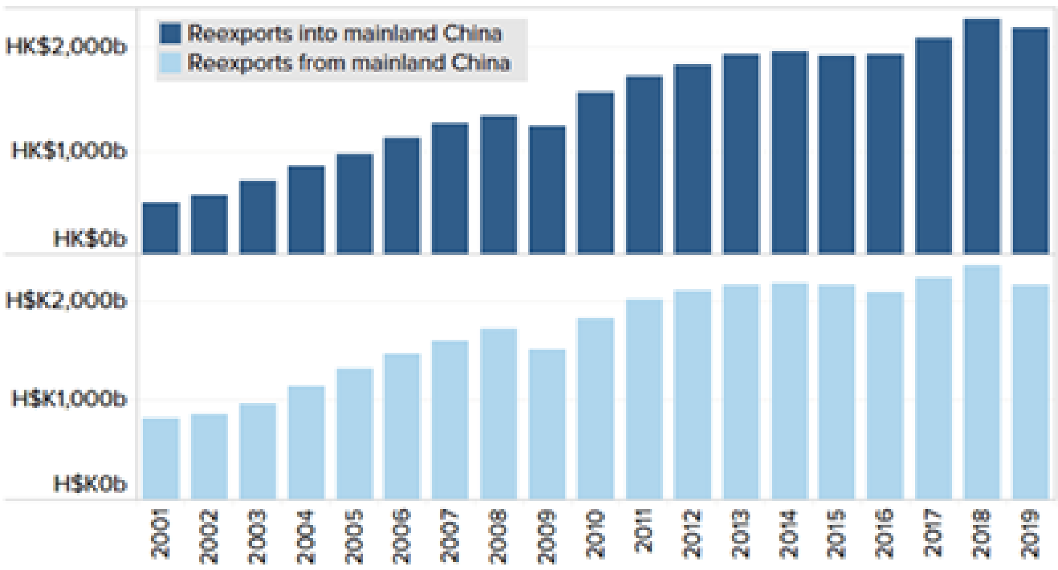

Figure 3. Mainland China's trade through Hong-Kong. Source (Yen, 2020)

The real income elasticity of US is about 1.55 in CN-US trade imbalance, indicating that even with the sustained increase of US GDP, the trade deficit is also further expanding. In addition, with the continuously remarkable attributes of virtualization and deindustrialization of the economic structure of US economy, the States undoubtedly depend on the profitability of the tertiary sector to gain obvious enhancement of the national economy, so the necessities of production and life of Americans are generally imported from developing countries such as China. Meanwhile, the US government implemented the long-term low interest rate monetary policy has stimulated domestic consumption in some measure, however it is hard to meet the diverse consumer demand of the people in the United States, so it directly promotes the growth of imports. In addition, the Discrimination and International Trade Policy to China has further increased the imbalance situation.

US Industrial Transfer to China

The background of international industrial transfer is economic globalization, and the leading force is multinational companies. Economic globalization has led to large-scale adjustments and reorganizations of production factors such as capital, technology, and personnel worldwide. The process of economic globalization shows that the current stage is not only reflected in production, investment and trade, but also presents a new trend of comprehensive globalization of R & D, marketing, services, occupation, and consumption. Globalization has led to the rapid growth of international investment. The proportion of global foreign direct investment (FDI) inflows to GDP has increased from 9.3% in 1990 to 22.3% in 2002.

The global strategic layout of multinational companies is the main driving force for international industrial transfer. Before the 1990s, most multinational companies carried out their own main business, but only transferred some labor-intensive processing and assembly links. Since the late 1990s, they have not only shifted production and manufacturing links on a large scale, but also extended the transfer to research and development, design, procurement, sales, and after-sales services to enhance core competitiveness. To this end, they are constantly adjusting their strategies and tactics, such as expanding strategic alliances, and 90% of the world 's 150 largest multinational companies have participated in alliances; accelerating localization strategies and winning the recognition and support of the host government and the public; and strengthening organizational concentration The role of headquarters is further prominent; the degree of internationalization has continued to increase. The transnational index of the world 's 100 largest multinational companies has increased from 51% in 1991 to 56% in 2000 according to Kwan (2020).

China is one of the developing countries that has absorbed the most international industrial transfers. According to UNCTAD statistics, China's use of foreign investment has ranked first among developing countries for more than 10 consecutive years. China mainly absorbs greenfield investment that directly invests in plant construction, accounting for one quarter of the world's greenfield investment, and more than one third of the greenfield investment in developing countries. Undertaking large-scale international industrial transfers has promoted the development of related industries. For example, the electronic information industry has achieved leapfrog development by foreign investment. Foreign-invested enterprises accounted for more than 2/3 and 4/5 of the value-added and export of the information industry.

The main advantages of China's absorption of international industrial transfer are markets and costs. Multinational companies value China's huge and growing market, a large number of skilled labor and scientific and technological personnel, and broad economic growth prospects. Therefore, Kearney Corporation of the United States has named China as the preferred place for multinational investment for two consecutive years. The same is true of the year's evaluation. In particular, China's high-growth large market has unprecedentedly increased its attractiveness to multinational companies. The investment objectives of many companies are shifting from processing, assembly and export-oriented in the past to sales in China. (Szemere et al., 2022).

At the same time, many multinational companies believe that China's disadvantage lies mainly in the soft environment. First, the weak protection of intellectual property rights has prevented the real transfer of high-tech R & D links to China. Second, low system efficiency, low administrative transparency, frequent policy changes, and imperfect innovation and entrepreneurship mechanisms have led to higher transaction costs. Third, the domestic market is not uniform. Some foreign government departments and business circles have reported that some parts of China are competing to compare preferential policies, and they have publicized their own preferential policies to the outside world, making foreign investors feel that China's policies are not unified and opaque, leaving them confused. China's market segmentation is severe, which is not conducive to taking advantage of the huge market size. Difficulties in capital flow between provinces and markets have brought great inconvenience to investment and production and operation.

Countermeasures and Suggestions on US-China Trade Imbalance

We can see that the trade statistical errors due to the discrimination between different statistical methodologies could generate great differences. Many countries prefer using their own statistical mechanism to figure out the root causes of domestic problems. Therefore a consensus solution should be put forward. Since the reform and openin, China's statistical management system cannot meet the requirements of the development of the market economy. The basic statistical work is weak and the statistical data are linked to complicated interests, which has weakened the government's external anti-interference ability in statistics. The false reporting and concealment of statistical data have seriously affected the credibility of government statistical data. Macroeconomic statistics are the quantitative measurement results of the operation of the national economy and social development. In recent years, due to a few regional governments pursuing political achievements and meeting the needs of various interests, there have been repeated contradictions between macroeconomic statistical indicators and data, which have negatively affected the formulation of national macroeconomic policies. The quality of macroeconomic statistical index data has attracted attention from all walks of life. On the one hand, local governments take special treatment of regional macroeconomic statistics for their own interests, so the published statistics often appear exaggerated. As a result, there is a serious quality problem in the data reported to the National Bureau of Statistics, causing people to have a crisis of confidence in the statistical data; on the other hand, there is also a large deviation in the logical relationship between statistical index data. Domestic and foreign experts have doubts about the quality of statistical data, and the credibility of government statistics has declined. From the long-term perspective of CN-US trade development, the United States and China should have and share a mutual beneficial statistical coordination mechanism, use real and reliable data in statistics, and on this basis, conduct scientific and detailed analysis, so as to coordinate the trade statistics between the two countries.

The US has export restrictions on China's high-tech export. Therefore, it is difficult for foreign capital to export the high-tech and excellent management and operation modes of other countries to China, and it is even more difficult for Chinese enterprises to purchase the high-tech of the US at a reasonable price. Therefore, only by establishing a perfect market mechanism, cultivating small and medium-sized enterprises with innovative spirit and cultivating a young generation with modern entrepreneurship can China gradually reduce its dependence on foreign investment and form its own core competitiveness and technological innovation. From the perspective of the government, firstly, the government should drive its attention to build and enhance the domestic market, stimulate the domestic industry and consumption potential. Secondly, we should stabilize prices, take restrictive measures in real estate investment, and enhance the public's desire for ordinary consumer goods. Thirdly, the government should deepen the reform of the income distribution system, vigorously improve the residents' income, and speed up the construction of social security systems such as pension and education.

Conclusion

Xi Jinping's ambition to position China as the global superpower and his focus on dedollarization are driving significant shifts in the global economic landscape. Traditionally, the US dollar has dominated international trade and served as the primary reserve asset in central banks worldwide. However, China's strategic initiatives are challenging the dollarization trends.

China's efforts to conduct trade in its national currency, the Yuan, are gaining momentum. Agreements with countries like France and Saudi Arabia to pay for oil in Yuan rather than dollars, along with pressuring other parties to accept the Yuan, showcase China's determination to reduce dependence on the US dollar. Furthermore, China's extensive investments in Africa and other parts of the world, including loans for developing countries, are positioning it as a formidable rival to traditional global financial institutions like the IMF and World Bank.

In contrast, some US politicians remain confident in the strength of the US dollar, citing sophisticated and liquid financial markets. However, concerns have been raised about the sustainability of the dollar's reserve currency status, especially as the US grapples with below-average growth rates and mounting public sector debt. Criticism has been directed towards the Federal Reserve for its handling of crises and perceived inflation underestimation in 2020.

As of now, the US dollar retains its dominance in global central bank reserves, with only a small percentage allocated to the Yuan. The Euro remains more convertible than the Yuan, which impacts the broader international adoption of the Chinese currency.

In conclusion, the ongoing dynamics of dedollarization and China's assertive efforts to promote the Yuan's international role are challenging the long-standing status of the US dollar as the global reserve currency. As the global economic landscape continues to evolve, the outcome of these developments will shape the future of the international monetary system and the distribution of global economic power.

Scientific Ethics Declaration

The authors declare that the scientific ethical and legal responsibility of this article published in EPESS journal belongs to the authors.

Acknowledgements or Notes

* This article was presented as an oral presentation at the International Conference on Management Economics and Business (www.iconmeb.net) held in Antalya/Turkey on November 16-19, 2023

References

Acheson, D. (1987). *Present at the creation: My years in the state department.* Norton & Company.

Acheson, D. (1949). *The china white paper, August 30*. Stanford University Press.

Alvstam, C. G., Strom, P., & Yoshino, N. (2009). On the economic interdependence between China and Japan: Challenges and possibilities. *Asia Pacific Viewpoint, 50*(2), 198-214.

Arkin, M. (1981). Entrepreneurship and the english east India company. A review article. *Business History, 23*(1), 91-95.

Baranyi, A., Csernák, J., & Csiszárik-Kocsi, Á. (2022). Methods for developing financial literacy. *Online Journal Modelling the New Europe, 39*.

Csapó, L. A., Czikkely, M., & Foldi, P. (2018). Az információ menedzsment szerepe az okos városok vállalatfejlesztésében és kontrollingjában. *Controller Info, 6*(4).

Clarke, D. C. (1993). GATTmembership for China. U. *Puget Sound L. Rev., 17*, 517

Csiszárik-Kocsir, Á., Fodor, M., & Medve, A. (2013). The Hungarian youngsters attitude towards the financial decisions based on a questionnaire research. *Macrotheme Review: A Multidisciplinary Journal of Global Macro Trends, 2*(5),47-57.

Csiszárik-Kocsir, Á., Varga, J., & Garai-Fodor, M. (2016a). The value based analysis of the financial culture. *The Journal of Macro Trends in Social Science, 2*(1), 89-100.

Csiszárik-Kocsir, Á., Varga, J., & Fodor, M. (2016b). A pénz helye és értéke a mindennapi pénzügyi gondolkodásban egy kutatás eredményei alapján. *Korszerű szemlélet a tudományban és az oktatásban. Gazdaságtudományi szekció : Zborník medzinárodnej vedeckej konferencie,* 73-83.

Csiszárik-Kocsir, Á., Garai-Fodor, M., & Varga, J. (2021). What has become important during the pandemic? – reassessing preferences and purchasing habits as an aftermath of the coronavirus epidemic through the eyes of different generations. *Acta Polytechnica Hungarica, 18*(11), 49-74.

Csiszárik-Kocsir, Á., & Varga, J. (2017). Financial knowledge, skills and investment practice in Hungary - results based on a primary research. *Macrotheme Review, 6*(4), 10-20.

Csiszárik-Kocsir, Á., & Garai-Fodor, M. (2018). Miért fontos a pénzugyi ismeretek oktatása a Z generáció véleménye alapján? *Polgári Szemle: Gazdasági És Társadalmi Folyóirat, 14*(1–3), 107–119.

Dumbaugh, K. (1998). China's most-favored-nation (mfn) status: Congressional consideration, 1989-1998. *Congressional Research Service, the Library of Congress.*

Fodor, M. (2022). Constructing Hungarian American ethnic identity in intergenerational memory narratives. *Hungarian Conferences. https://engagedscholarship.csuohio.edu/hungarianconferences/spring2022/allspring2022/3/*

Foldi, P. (2015). A kisvállalkozások tőkeszerkezeti problémáinak gyakorlati modellezése. *Controller Info, 3*(1), 8–15.

Foldi, P. (2015). Relation of the capital structure and profitability based on literature. *Studia Mundi - Economica, 2*(2), 61–69.

Foldi, P., & Medveczky, B. (2015). Tőkeszerkezet és jövedelmezőség összefüggéseinek elméleti bemutatása és értelmezése a KKV szektorban. *Controller Info, 3*(1), 52–57.

Garai-Fodor, M., Varga, J. & Csiszárik-Kocsir, Á. (2016). The value based analysis of the financial culture. *The Journal f Macro Trends Iin Social Science, 2*(1), 89-100.

Garai-Fodor, M., Csiszárik-Kocsir, Á. (2018a). The validity of value-based consumer behavioral models in the financial consciousness of the Z generation. *On-Line Journal Modelling the New Europe, 27*,107-131.

Garai-Fodor, M., & Csiszárik-Kocsir, Á. (2018b). Miért fontos a pénzügyi ismeretek oktatása a Z generáció véleménye alapján?. *Polgári Szemle*, *14*(1-3), 107-119.

Garai-Fodor, M. (2022). The impact of the coronavirus on competence, from a generation-specific perspective. *Acta Polytechnica Hungarica*, *19*(8), 111-125.

Garai-Fodor, M., Szemere, T. P., & Csiszárik-Kocsir, Á. (2022). Investor segments by perceived project risk and their characteristics based on primary research results. *Risks*, *10*(8), 159.

Garai-Fodor, M., Vasa, L., & Jäckel, K. (2023). Characteristics of segments according to the preference system for job selection, opportunities for effective incentives in each employee group. *Decision Making: Applications in Management and Engineering*, *6*(2), 557-580.

Goboly, B. M., & Foldi, P. (2022). Volkswagen Group marketing, economic and financial analysation. In *Proceedings of FIKUSZ Symposium for Young Researchers* (pp. 603–621).

Hopewell, K. (2015). Different paths to power: The rise of Brazil, India and China at the world trade organization. *Review Of International Political Economy, 22*(2), 311-338.

Kwan, C. H. (2020). The China–US trade war: Deep-rooted causes, shifting focus and uncertain prospects. *Asian Economic Policy Review, 15*(1), 55-72.

Mitchener, K. J., & Yan, S. (2014). Globalization, trade, and wages: What does history tell us about China?. *International Economic Review, 55*(1), 131-168.

Molnár, A., & Csiszárik-Kocsir, Á. (2022). Forecasting economic growth with the Hungarian composite stock Market Index – a Granger Causality Test. *Acta Polytechnica Hungarica*, *19*(8), 205-227.

Molnár, A., & Csiszárik-Kocsir, Á. (2023). Forecasting economic growth with v4 countries' composite stock market indexes – a granger causality test. *Acta Polytechnica Hungarica*, *20*(3), 135-154Scott, E. & Robert (2018). Increased U.S. trade deficit in 2017 illustrates dangers of ignoring the overvalued dollar Working Economics Blog. Retrieved from at epi.org/https://www.epi.org

Molnár, A., Vasa, L., & Csiszárik-Kocsir, Á. (2023). Detecting business cycles for Hungarian leading and coincident indicators with a Markov switching dynamic model to improve sustainability in economic growth. *Decision Making: Applications in Management and Engineering*, *6*(1), 744-773.

Pervez, H., Ali, Y., Pamucar, D., Garai-Fodor, M., & Csiszárik-Kocsir, Á. (2022). Evaluation of critical risk factors in the implementation of modular construction. *Plos One, 17*(8).

Szemere, P. T., Garai-Fodor, M., Csiszárik-Kocsir, Á. (2022). Risk approach risk hierarchy or construction investment risks in the light of interim empiric primary research conclusions. *Risks*, *9*(5), 84.

Szramiak, J. (2016). The history of money: A brief look at American currency. Retrieved from https://www.businessinsider.com/the-history-of-American-money

Thies, C. (2021). Not worth a continental. Retrieved from https://www.aier.org

Wang, C. (2013). Wang, C. (2014). *The United States and China since world war ιι: a brief history: A brief history*. Routledge.

Yen Nee Lee .(2020). These charts show why Hong kong is important to china, CNBC. Retrieved from https://www.cnbc.com/2020/06/18/these-charts-show-why-Hong-Kong-is-important-to-china.html

Author Information

Albert Molnar
Obuda University, Keleti Karoly Faculty
1084 Budapest Tavazsmezo street 15-17,
Hungary

Patrik Viktor
Obuda University, Keleti Karoly Faculty
1084 Budapest Tavazsmezo street 15-17,
Hungary
Contact e-mail: *viktor.patrik@uni-obuda.hu*

To cite this article:

Molnar, A. & Viktor, P. (2023). China's impact on the US dollar exchange rate. *The Eurasia Proceedings of Educational & Social Sciences (EPESS), 32,* 71-79.