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ROOM C-525

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December 19, 1989

To: Members of the Executive Board
From: The Secretary
Subject: China - Adjustment of Exchange Rate of the Chinese Currency

The Secretary has received the following memorandum dated December 18, 1989 from Mr. Dai:

My authorities have asked me to notify the Fund that the exchange rate for the Chinese currency (renminbi) vis-à-vis foreign currencies will drop by 21.2 percent effective December 16, 1989. After adjustment, for one U.S. dollar the buying price will rise from 3.7128 yuan to 4.7103 yuan while the selling price will go up from 3.7314 yuan to 4.7339 yuan. My authorities believe that this adjustment in the renminbi exchange rate will be conducive to boosting production and promoting foreign economic exchange and trade.

Please advise the Executive Board and management of this effect.

Other Distribution:
Department Heads

