

Currency Internationalization as a National Competitive Strategy:US Dollar's Empirical Evidence —And a Study on the Issue of Renminbi

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The international monetary system has entered an era of multi reserve currencies since the collapse of Bretton Woods. The best reason why so many currencies went internationalized seems to be all the possible benefits the issuer of the international currencies should have gained. Apart from the immeasurable benefits like power to speak in the international financial forums, benefits of currency internationalization include international seigniorage revenue and financial profits from operating the offshore reserves of the currency. By rough estimates, the measurable benefits of US Dollar's internationalization have reached 953 billion dollars by the end of 2002. Besides, if Renminbi could realize regional internationalization by 2010, it is believed that China would have gained about 750 billion yuan in the coming ten years.



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