

Indiana University – Purdue University Fort Wayne  
**Opus: Research & Creativity at IPFW**

---

2010 IPFW Student Research and Creative  
Endeavor Symposium

IPFW Student Research and Creative Endeavor  
Symposium

---

4-10-2010

## China's Market Effect

Thomas Motter

*Indiana University - Purdue University Fort Wayne*

Follow this and additional works at: [http://opus.ipfw.edu/stu\\_symp2010](http://opus.ipfw.edu/stu_symp2010)



Part of the [Economics Commons](#)

---

### Recommended Citation

Thomas Motter (2010). *China's Market Effect*.  
[http://opus.ipfw.edu/stu\\_symp2010/30](http://opus.ipfw.edu/stu_symp2010/30)

This Presentation is brought to you for free and open access by the IPFW Student Research and Creative Endeavor Symposium at Opus: Research & Creativity at IPFW. It has been accepted for inclusion in 2010 IPFW Student Research and Creative Endeavor Symposium by an authorized administrator of Opus: Research & Creativity at IPFW. For more information, please contact [admin@lib.ipfw.edu](mailto:admin@lib.ipfw.edu).

China's Market Effect  
Thomas Motter  
Dr. Nodir Adilov  
Department of Economics  
Indiana University Purdue University Fort Wayne

With China's currency being undervalued, how does the loss of production and China's gained comparative advantage adversely affect the US's GDP, Inflation, and Unemployment rate? Such conditions as unfair market competition are side effects of exchange rate manipulation. Manipulation implies the direct and purposeful control or alteration of a country's exchange rate in relation to foreign currencies. I would argue that globalization is not a detrimental factor to markets, but on the contrary is a stimulating market variable. However, in keeping with free market theory, undervaluing exchange rates does not bolster competition and stifles economic progress. As we move toward complete globalization, we must set the standard for policy. As China's economy continues to grow, Americans buy more and more of China's products daily. America cannot allow China's undervalued currency to be the contributing factor causing America to lose their competitive edge.