

Treasury delays action against China on currency

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WASHINGTON -- The Treasury Department has again delayed a decision to label China a "currency manipulator," even as more U.S. leaders call for efforts that would penalize China for undervaluing the yuan.

The department said Friday it wanted to wait until the G-20 leaders meet in South Korea in November, hoping to see "additional progress on the important challenge of securing stronger and more balanced growth."

The statement pointed to progress China has made since it announced in June that it would allow the exchange rate to move higher. The yuan has appreciated by roughly 3% against the U.S. dollar, the statement pointed out.

The delay puts the decision off until after the Nov. 2 midterm elections, which is significant as more lawmakers campaign on the currency issue. The House in September passed a bill to authorize the Commerce Department to impose duties on imports from nations with undervalued currencies.

Earlier this year, currency experts wondered whether Treasury would name China a currency manipulator in its April report. But Treasury delayed that report until July, and then declined to label China a manipulator.

In a separate move targeting China trade, the U.S. on Friday launched an investigation into whether China has been subsidizing its wind and solar manufacturers as well as advanced batteries and energy-efficient cars.

Spurred by a United Steelworkers complaint, the investigation will look into whether China has discriminated against foreign companies and other imported goods while propping up its own domestic industry.