

Yuan Good Turn Deserves Another

by Tia Everitt - Friday, July 02, 2010

<http://politicsrespun.org/2010/07/yuan-good-turn-deserves-another/>



Sheesh. It's about time.

China has *finally* walked the plank (or was prodded with sticks until they left) and is now dog-paddling in the sea of flexible exchange rates. The word on the street? China has decided it's time to cease pegging the Yuan at artificially low rates against the US Dollar, thereby allowing it to gradually rise over the course of time.

Well. That's certainly *special*. What the heck does a free-styling Yuan potentially mean for Gord and Gordette McCanadiana?

The Financial Post has some [thoughts](#). (*You may wish to pack some hip waders to slog through the jargon.*)

Ever the vaguely conservative optimist, I see this move as a potentially magical "unicorns & sparkles" scenario for Canada.

- We're going to pay higher prices for our daily dose of imported, melamine spiked baby formula and sawdust enhanced dog food if it was made in a Chinese factory --> This should discourage some of the mindless purchasing of cheaply made import products that seem to saturate our market on every level, and encourage us to purchase domestic-made products.
- Levels the export playing field, allowing us to send Canadian made products/materials off more competitively than they have been for years **The flagging BC forest sector does a happy dance**
- Increase in export goods/materials = spin off jobs = spin off investments.
- Canadian GDP continues its upswing trend as the rock star economy of ye olde G20.

Alternatively, everything goes to shit really quickly, and we'll be watching interviews with the Four Horsemen of the Apocolypse on CNN by early 2012.

I'm going to roll my dice and put my marker on the first scenario. Blow on 'em for me, will ya?