

# RED FLAG ON CHINA

## Vol. 1: Trade & Currency Manipulation

An IFA Special Report on the hostility of China in world financial markets.



**Communist China** has a multi-prong strategy for world domination. No, that is not an overstatement. As we understand the ways in which the nation of China is seeking dominance, we can do our part as intercessors to counteract their plans with strategic prayer.

**As you read this special report, be in prayer** for many of the experts who have insight and experience about China. Many of them have been sounding the alarm about China for decades. Contributing information for this report are the following organizations and experts—pray for them as they seek to inform and advise:

[Kevin Freeman](#)  
[Gordon Chang](#)  
[Economic War Room](#)  
[Frank Gaffney](#)  
[The Center for Security Policy](#)  
[Committee on the Present Danger: China](#)



### Using money as a weapon—against us.

**Psalm 33:12**

*Blessed is the nation whose God is the Lord, the people he chose for his inheritance.*

**We are in a war with China. Not a conventional war, but a new kind of war. This needs prayer!**

National security experts have long been warning about China's alternative methods of threatening actions against the U.S. In fact, according to prominent new nonpartisan policy group [Committee on the Present Danger: China](#), "Communist China represents an existential and ideological threat to the United States and to the idea of freedom." Why?

We see it in physical territorial expansion, intellectual property pirating, spying through technology, aggressive weapons development, espionage, buying influence, trade, and currency, each of which is used as a weapon by China. These new forms of war do not look like the conventional ones of the past. China is patiently developing long-term hostile economic strategies, with the strength and backing of manpower, global clout, and a global economy.

One such plan is to control the world markets, making the Chinese yuan the standard for trading, upending the U.S. dollar. Kevin Freeman, founder of [Economic War Room](#), states that alt-

hough some are reporting in the news that our bond market may be in the biggest jeopardy of being affected by this new trade war between China and the U.S., the real cause for concern is the aggressive move to replace the U.S. dollar as the reserve currency of the world.

However, Freeman states that much of China's plans to move forward on that have been met with an unexpected obstacle: the policies of the Trump Administration.

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**"This is a broad-based attack on the U.S. society. And it's not just our society. It's all free societies."**

**—Gordon Chang**  
**Author and China expert**

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**Pray for wisdom, strategy, and patience for the Trump Administration as they approach financial and trade policies with China. Pray for open eyes to what is happening, insight into their tactics, and patience and strategy to develop counter policies that will promote fair and honest international relations regarding trade and currency.**



**Pray that the Trump Administration would thwart any hostile financial actions by China toward the U.S.**

**Pray Isaiah 2:4**

## **Prayer Points**

Pray that it would be clear to Americans that **China is not an ally**. Their communist policies and actions have often been portrayed favorably in today's media and in our education system.

Pray for wise and effective **U.S. trade and market strategies** that will benefit U.S. citizens and the U.S. economy. Pray for shrewdness among our leaders and financial decision makers.

China's great economic wealth has given them great influence. **Pray that those in the U.S. who are "being bought by China" would be exposed and removed from their positions.**

Pray for change in China—for **China's human rights violations** to stop and for freedom to replace repression.

*Prayer points taken from information provided at [Economic War Room](https://www.ifapray.org/EconomicWarRoom).*

**What is Currency Manipulation and why is this practice harmful?** According to Forbes Magazine, [currency manipulation](#) "occurs when countries sell their own currencies in the foreign exchange markets, usually against dollars, to keep their exchange rates weak and the dollar strong. These countries thereby subsidize their exports and raise the price of their imports, sometimes by as much as 30-40%. They strengthen their international competitive positions, increase their trade surpluses and generate domestic production and employment **at the expense of the United States and others**." In other words, China keeps the yuan weak against the dollar, which keeps their products cheap even when tariffs are in place. Currency manipulation is protectionist because it helps China maintain their trade surplus, and [it negatively impacts the U.S. trade deficit](#).

Unlike other nations, China always keeps tight controls on the value of the yuan through its central, state-run bank. Experts have been warning and worrying about the effects of China's financial practices on the U.S. economy for decades. China was last designated a currency manipulator in 1994. **How the trade war will continue to play out between China and the U.S., and its impact on world markets, we cannot predict. But we do know that prayer will make a difference.**

## **Who is deciding U.S. policy on financial issues with China? Pray for them.**



**President Trump**



**Steve Mnuchin**  
Treasury Sec.

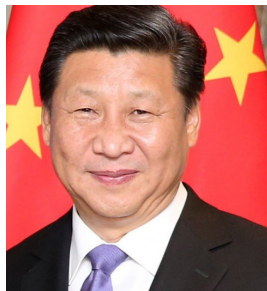


**Larry Kudlow**  
Nat. Econ. Council



**Robert Lighthizer**  
U.S. Trade Rep.

## **Who is deciding China's financial policies? Pray for them.**



**President Xi**



**Yi Gang**  
Bank of China



**Pan Gongsheng**  
State Foreign Exch.



**Li Keqiang**  
Premier of China

# Join in Declaring Godly Government *in the Trump Administration:*

Proclaiming godly family values over our nation through intercession



## ECONOMIC AND TRADE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA

JANUARY 15, 2020

### FACT SHEET

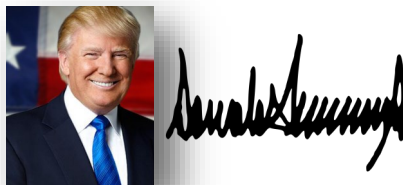
On January 15, 2020, the United States and China signed an historic and enforceable agreement on a Phase One trade deal that requires structural reforms and other changes to China's economic and trade regime in the areas of intellectual property, technology transfer, agriculture, financial services, and currency and foreign exchange. The Phase One agreement also includes a commitment by China that it will make substantial additional purchases of U.S. goods and services in the coming years. Importantly, the agreement establishes a strong dispute resolution system that ensures prompt and effective implementation and enforcement. The United States has agreed to modify its Section 301 tariff actions in a significant way.

**Information on specific chapters of the Phase One agreement is provided below:**

- **Intellectual Property:** The Intellectual Property (IP) chapter addresses numerous longstanding concerns in the areas of trade secrets, pharmaceutical-related intellectual property, geographical indications, trademarks, and enforcement against pirated and counterfeit goods.
- **Technology Transfer:** The Technology Transfer chapter sets out binding and enforceable obligations to address several of the unfair technology transfer practices of China that were identified in USTR's Section 301 investigation. For the first time in any trade agreement, China has agreed to end its long-standing practice of forcing or pressuring foreign companies to transfer their technology to Chinese companies as a condition for obtaining market access, administrative approvals, or receiving advantages from the government. China also commits to provide transparency, fairness, and due process in administrative proceedings and to have technology transfer and licensing take place on market terms. Separately, China further commits to refrain from directing or supporting outbound investments aimed at acquiring foreign technology pursuant to industrial plans that create distortion.



- **Agriculture:** The Agriculture chapter addresses structural barriers to trade and will support a dramatic expansion of U.S. food, agriculture and seafood product exports, increasing American farm and fishery income, generating more rural economic activity, and promoting job growth. A multitude of non-tariff barriers to U.S. agriculture and seafood products are addressed, including for meat, poultry, seafood, rice, dairy, infant formula, horticultural products, animal feed and feed additives, pet food, and products of agriculture biotechnology.
- **Financial Services:** The Financial Services chapter addresses a number of longstanding trade and investment barriers to U.S. providers of a wide range of financial services, including banking, insurance, securities, and credit rating services, among others. These barriers include foreign equity limitations and discriminatory regulatory requirements. Removal of these barriers should allow U.S. financial service providers to compete on a more level playing field and expand their services export offerings in the Chinese market.
- **Currency:** The chapter on Macroeconomic Policies and Exchange Rate Matters includes policy and transparency commitments related to currency issues. The chapter addresses unfair currency practices by requiring high-standard commitments to refrain from competitive devaluations and targeting of exchange rates, while promoting transparency and providing mechanisms for accountability and enforcement. This approach will help reinforce macroeconomic and exchange rate stability and help ensure that China cannot use currency practices to unfairly compete against U.S. exporters.
- **Expanding Trade:** The Expanding Trade chapter includes commitments from China to import various U.S. goods and services over the next two years in a total amount that exceeds China's annual level of imports for those goods and services in 2017 by no less than \$200 billion. China's commitments cover a variety of U.S. manufactured goods, food, agricultural and seafood products, energy products, and services. China's increased imports of U.S. goods and services are expected to continue on this same trajectory for several years after 2021 and should contribute significantly to the rebalancing of the U.S.-China trade relationship.
- **Dispute Resolution:** The Dispute Resolution chapter sets forth an arrangement to ensure the effective implementation of the agreement and to allow the parties to resolve disputes in a fair and expeditious manner. This arrangement creates regular bilateral consultations at both the principal level and the working level. It also establishes strong procedures for addressing disputes related to the agreement and allows each party to take proportionate responsive actions that it deems appropriate. The United States will vigilantly monitor China's progress in eliminating its unfair trade practices and implementing these obligations.



A few Scriptures to pray as you read over this [trade deal](#):

[Pr 16:8 ESV](#)

Pray that trade is handled with honesty and integrity for mutual benefit.

[2 Tim 1:7 ESV](#)

We pray for confidence in our dealings with China if we ask the Lord for wisdom.

[1 Pt 5:8 ESV](#)

Let our leaders be wise and watchful to schemes of the Enemy in our dealings.