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### China to continue with gradual exchange rate reforms: chief currency regulator

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China will continue to promote gradual exchange rate reforms, even while the yuan is expected to stabilize at a reasonable level, said Yi Gang, head of the State Administration of Foreign Exchange (SAFE) in Shanghai.

Yi, also deputy governor of the People's Bank of China (PBOC), or the central bank, made the remarks at a seminar held by the International Monetary Fund (IMF) to discuss the theme "Macro-Prudential Policies -- an Asian Perspective".

"The flexibility of the yuan has increased since China launched exchange rate reforms in June. We will further boost those reforms, but the process will be gradual," Yi said.

"Judging from the markets, the yuan can remain stable at a reasonable and balanced level," he said.

China will also continue to expand domestic demand and boost construction in rural medical services, education and infrastructure, he said.

Five years ago, China abandoned a decade-old peg to the U.S. dollar and allowed its currency to fluctuate against a basket of currencies and appreciate by 2.1 percent.

Since then, the yuan has strengthened further, albeit slowly, and has risen more than 21 percent against the greenback.

On June 19 this year, the Chinese central bank announced that it would further reform the yuan's exchange rate mechanism to improve its flexibility.

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