

Why would a floating currency become de-valued?

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What's the purpose of devaluing a currency, and how is this mechanism done for a floating currency (i.e. a currency floated on an open market)? I realize that the Chinese don't allow their currency to float. Why would a country's central bank want this to happen? I would think to make it more difficult to import, and easier to export. However, I noticed that even countries which don't export much has done this. For example, India during the late '80s has done this, and India is not really an export-driven economy. Another thing, I do get the impression that the USD is being devalued to make it easier for us to pay back external debt.

Finally, given that the currency is floated, wouldn't the fact that it's floated nullify the devaluation?

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