

## US-China Trade Wars - The Next Level

### Why in news?

\n\n

Recently US imposed a second wave of tariffs on Chinese goods worth \$16bn (£12.4bn)

\n\n

### What is the status of ongoing US-China trade wars?

\n\n

\n

- US administration has led the country into the trenches against China in a trade war which has infuriated Chinese business.

\n

- Punitive duties against aluminium, motorcycles, antennas and diesel are hurtling across no man's land, and peace palavers are stalling.

\n

- The escalating trade row between the US and China has now seen each side impose 25% tariffs on a total of \$50bn of one another's goods

\n

- The US has threatened a third round of tariffs on an additional \$200bn of Chinese goods, which could come as soon as next month.

\n

\n\n

### What are the impacts of the trade war?

\n\n

\n

- U.S.-China trade tensions have bolstered protectionist forces in both countries.

\n

- China doesn't wish to engage in a trade war, but it will resolutely respond to the unreasonable measures taken by the United States.

\n

- So far the impact of the trade row on the Chinese economy had not been

significant, but added that government spending would be increased to support workers affected by the tariffs.

\n

- When US succeed in trade war this is good not only for the countries themselves but also for other nations because it enables economic growth and hence, greater trade opportunities.

\n

- When they fail, the costs are borne primarily by domestic consumers and taxpayers.

\n

\n\n

## **What is the way forward?**

\n\n

\n

- Since it started opening up its economy in 1978, China's rise has been inextricably linked to globalization.

\n

- The more USA alienates allies in the West, the more readily would they enter China's ever-widening sphere of influence.

\n

- Made in China 2025 Industrial policy, aimed at conquering new technologies like artificial intelligence and robotics and targeted by US's trade policy, should not be contested.

\n

- Unless Beijing amends its heavy-handed statist approach to economic development, China's potential as a leading nation in science and technology could be seriously curtailed.

\n

\n\n

\n\n

**Source: Indian Express**

\n\n

Author: [Shankar IAS Chennai - Best Academy for UPSC Coaching](#)

\n



**SHANKAR**  
**IAS PARLIAMENT**  
*Information is Empowering*