US-China Trade Wars - The Next Level

Why in news?

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

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

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- US administration has led the country into the trenches against China in a trade war which has infuriated Chinese business.
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- Punitive duties against aluminium, motorcycles, antennas and diesel are hurtling across no man’s land, and peace palavers are stalling.
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- 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
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- The US has threatened a third round of tariffs on an additional $200bn of Chinese goods, which could come as soon as next month.
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What are the impacts of the trade war?

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- U.S.-China trade tensions have bolstered protectionist forces in both countries.
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- China doesn't wish to engage in a trade war, but it will resolutely respond to the unreasonable measures taken by the United States.
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- 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.
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- 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.
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- When they fail, the costs are borne primarily by domestic consumers and taxpayers.
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What is the way forward?

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- Since it started opening up its economy in 1978, China’s rise has been inextricably linked to globalization.
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- The more USA alienates allies in the West, the more readily would they enter China’s ever-widening sphere of influence.
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- 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.
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- 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.
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Source: Indian Express

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