



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

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



IAS PARLIAMENT

Information is Empowering

A Shankar IAS Academy Initiative