

The Cold War Might Just Get Real

June 10, 2020

Trade wars and war of words, China and The US have seen it all.

The entire coronavirus controversy has surrounded both these countries, the biggest economies to exist.

Recent years have seen a peculiarly strained relationship between these 2 economies.

A new cold war has waged and things could get worse as other countries get dragged into the conflict.

A director at Cato Institute says that things will undeniably get worse.

He is, of course, referring to an economic split between the world's two largest economies.

Procession

He proceeded to say that Beijing could also start targeting America's allies, as it embarks on what analysts call the wolf warrior diplomacy.

It is apparently named after a series of immensely popular movies where Chinese fighters defeat adversaries globally. So.

It occurred most currently after the US commented on the position of Hong Kong.

Trump had said that Hong Kong is no longer sufficiently autonomous to warrant the special treatment that the country had afforded the territory.

Trump-China

U.S.-China relations have been strained for 2 years now.

It all started when the two countries were embroiled in a protracted trade war.

This then dragged down global growth and culminated in a phase one deal that was signed in January this year.

End

Their ups and downs started to show heat again early this year when U.S. President Donald Trump blamed China for the uncontrollable spread of Coronavirus.

Now the tension has flowed down to even financial markets.

The U.S. Senate passed a law last month wherein it stops Chinese companies from listing on American exchanges.

Or worse, even raising money from investors on Wall Street, unless they abide by Washington's regulatory and audit standards.

If this doesn't mean a possible Cold War, I don't know what does.