

## **US - China Trade Dispute**

### **Why in news?**

\n\n

U.S. President Donald Trump has ordered an enquiry to determine whether an investigation into China's trade practices and policies was warranted.

\n\n

### **What is the practices that U.S. object?**

\n\n

\n

- Chinese laws require American and other foreign companies who are directly investing in China to set up joint ventures with Chinese partners.

\n

- In some cases, transfer of intellectual property assets are also mandated.

\n

- China is already on the USTR Priority Watch List, which is a list of countries whose IP regimes are deficient.

\n

- But it is also to be noted here that China is the U.S.'s largest goods trading partner.

\n

\n\n

### **What could be the possible actions?**

\n\n

\n

- There are provisions in the U.S. Trade Act, 1974, which enable the U.S. to take action to enforce trade treaties, or use counter measures, such as retaliatory tariffs.

\n

- China has said if that it will retaliate if the U.S. acts against it in a manner that violates existing international trade agreements.

\n

- If retaliatory measures come in place, then it is possible that a trade war

could ensue between the two.

\n

\n\n

\n\n

**Source: The Hindu**

\n

