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US-China rivalry is shaping into increase prices currency wars where US wants the continuation of dollarization of international markets confronting each other. Critically evaluate the situation and give the workable solutions.

## Currency wars

A world is shifting from military dominance to economic dominance. Through the victors have always been those who strengthened their economy but the fact has been realized after having experienced by some major power fall of USSR. For instance is the greatest example of importance of economics in order to pursue strategic interest.

Currency was forcing increase economy or enhance standing life style and increase jobs on our country. The currency was also important has to maintain economy and decrease dependency of economically other countries. The USA-China tension still present 1948 and it is change the climate of economic globally.

## 2-1 Dependency of China-USA

### On Economically each other

The China and USA wants to independent grows and makes their economy stronger. They both are dependent on economically. But they want to outweigh to each other. In 8 June 2023 when China reduced the import of USA. It is big loss of USA.

### 3- USA Pressurize China to Change its Policy.

China Emerge globally and third largest in world largest exporters which makes concern for USA. China's project BRICS decrease the dependency on dollar. The introduce digital money, which also decrease price of dollar.

### 4- China - de-valued the dollar on international market.

China wants to stabilize its money. Therefore its floating money are stabilize internationally when the natives of China start buying (money) dollars. The shortage of dollars in international market devaluation of dollar occurs. The Yuan are present in market which reason to decrease price of dollar.

The prices of China's products decrease. They are easily competitive on international market. While the prices of dollars increase which increase inflation in USA.

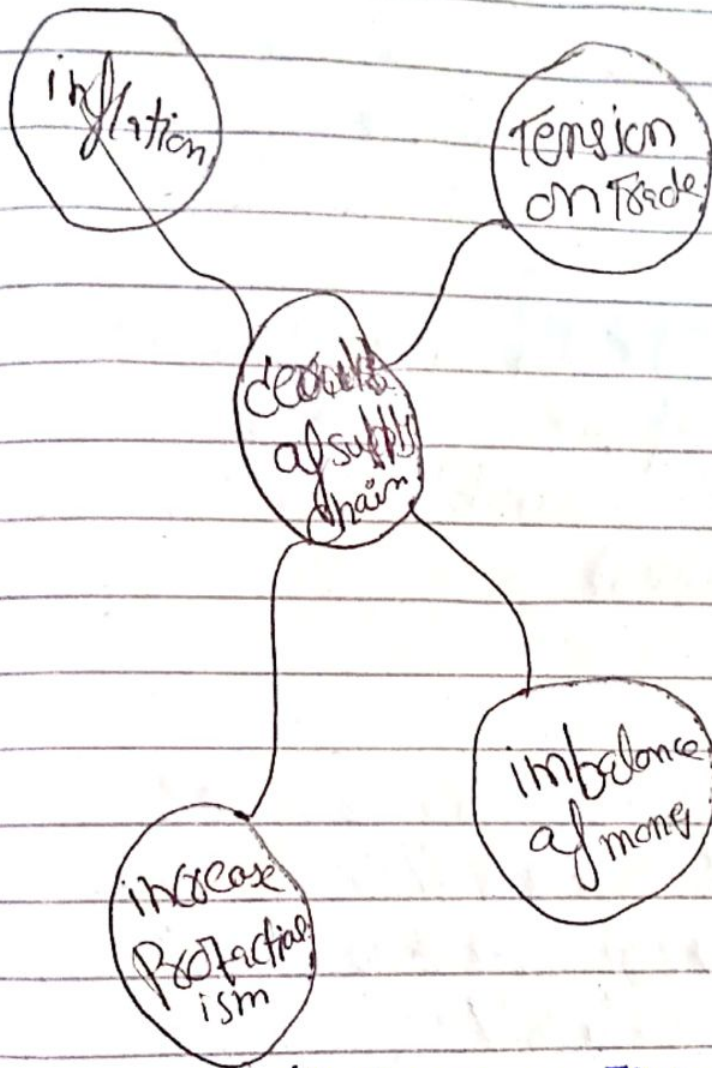
## USA policies to stabilize dollars.

In 2018 USA President Trump put protectionism on China's product. The prices of China's product increase. It is due to make American product competitive on international market. The Trump said. Trade war is not difficult. and it's easy to win. He wants to stabilize its economy. But China also imposed tariff on American products. which makes situation more critical.

## Implication of USA and China rivalry on global market

These are many implications on global market.

## implication



## 1 increase Protectionism

The country want to stabilism its money increase Protectionism other's product which increase the prices of production. inflation increase

## 4.2. Disruption of Supply Chain

The exchange rate decrease exports decrease which increase currency imbalance.

## (4.3) Trade - Tension

Tariff barriers increased on prices products. Products are unable to compete on market.

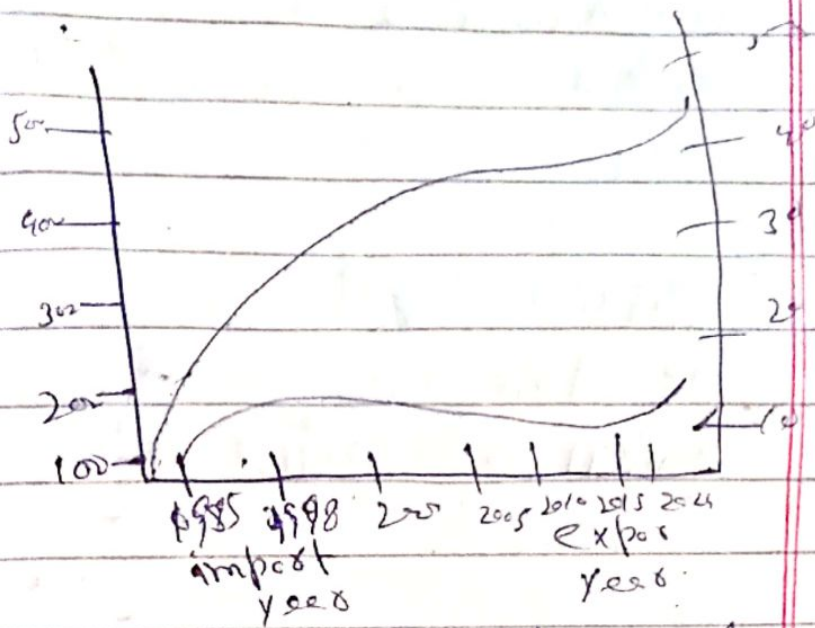
## (4.3) imbalance of money

The Trade - decrease which imbalance the money, unstable money makes economy weak or valuable.

## The Trade of USA and CHINA

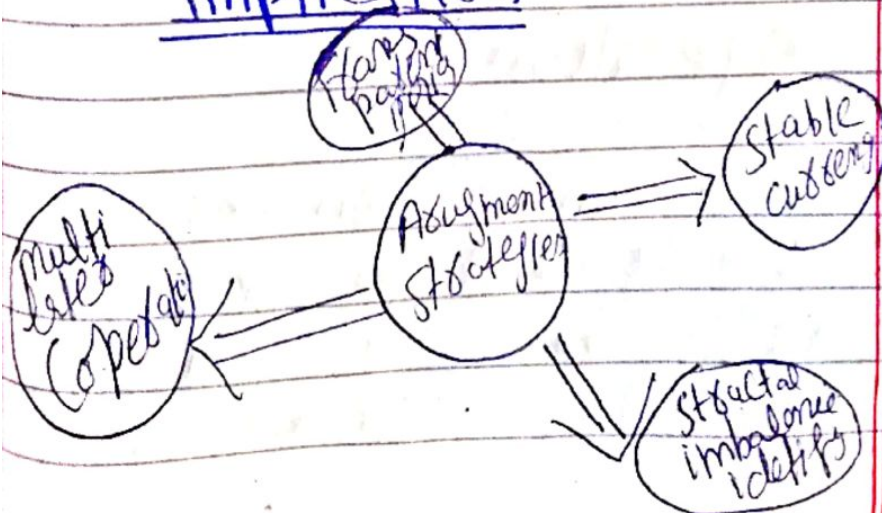
China decrease its dependency on USA. They

used dollar 100% to buy oil. But in 2023 survey, China Reduce one fifth per dependency one fifth per oil purchase on normal currency Yuan.



The Trade dependency of China decrease from 100%

## 6- Strategies to Prevent implication



## 6.1 Transparent monetary policy

make Transparent policy which makes the Currency balance on each Country

## 6.2 Multilateral Cooperation

Make Trade multi-cooperation of IMF and world bank which is effective for every country

## 6.3 Stable structural imbalance

Reduce Trade barriers on products

## 6.4. Adjustment policy

makes policies with Cooperation

## Conclusion

in modern world every Country want to stable. The USA is stable and its want to maintain its



Stability therefore. he wants  
to stable dollar. Due to  
increase Trade and protectionism  
on products

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