Speed Solutions LTD.: What Can We Expect From China's Economy Future?

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The U.S. and China's trade war is going on for a year and a half now (Remember when Donald Trump said trade wars are "easy to win"?). Solution for the situation has not yet to come, and while we're at that, The Hong-Kong Anti-Extradition Law Amendment Bill protests have emerged into an international crisis. According to Speed Solutions LTD. experts, the forecast on the Chinese economy is not optimistic.

How bad is China's economic condition?

Speed Solutions LTD. experts say that the Chinese economy has been slowing down for the better part of the past decade. Furthermore, a recent run of weak data has prompted new concerns. The decline of the Chinese industry started back in 2010. Both the weakening in the domestic economy (and deteriorating external environment, including a global slowdown), and the US-China trade tensions have a role to play in China's slowdown. In reality, the U.S. economy has been hit harder by the trade war.

Speed Solutions LTD. experts forecast, regarding the continuation of the trade war between the U.S. and China, is not that optimistic. The Chinese economy is growing at its slowest pace in nearly 30 years, as Beijing struggles to manage the impact of this war. This raises concerns about the effect on the rest of the world. It is worth mentioning that tentative attempts to resolve the impasse have faltered in recent weeks, placing further pressure on Chinese consumer confidence and choking investments. At this point, it is not clear whether China's leaders want more concessions from the U.S., including the lifting of punitive tariffs that are already in place, before giving the green light to purchases of U.S. goods.

Will an Agreement bring about a solution?

According to Speed Solutions LTD. It seems a trade agreement won't save the Chinese economy, although that can be debatable. While both sides of the trade war face domestic pressure over the trade war, they most likely won't agree without mutual trust. The biggest problem is that the two sides still don't agree on nearly anything. The tariff war appears to be having an impact on national economic trends in China, and such patterns are considered as a significant setback for Beijing's efforts to shift its economy toward greater reliance on consumer and corporate demand. All in all, China's slowdown increases the likelihood of interest rate cuts and other stimulus measures designed to shore up growth and avert job losses that could stoke political unrest.

Global Impact?

According to Speed Solutions LTD., as the Brexit uncertainty is pushing the U.K. to the brink of recession, there might be a chance that we are on the way to a global recession. With global trade deteriorating fast, President Trump intensifying his trade war with China, and factories slowing down in major industrial nations, world commerce is deteriorating quickly, threatening the health of the global economy. However, if you are asking economists, a global recession remains unlikely, even as growth is slowing down. But make no mistake about it, the dangers are mounting, threatening to spread from the factory floor to households in many major economies.

According to Speed Solutions LTD. Europe's economy is being knocked off course by the conflict between the U.S. and China over trade. And if, for instance, the trade war will escalate to include higher U.S. tariffs on cars made in Europe, the overall picture could look even worse.

However, According to Speed Solutions LTD., the damage from trade uncertainty may be spreading to consumers and companies to do their business inside. Ironically, the trade wars between Germany and the U.S., and between Germany and China, are holding up pretty well. To conclude, the main impact that we see on a global scale is the uncertainty about the outcome of the clash between U.S. President Donald Trump and the Chinese Communist leadership, which has been weighing on business's confidence and deterring decisions to invest and buy across global markets.

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