



# Dangerous spiral: on global trade war

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## Highlights

- The global trade war is hotting up as major economies continue to impose tariffs on each other. India is the latest to join the tit-for-tat battle by slapping tariffs as high as 50% on a list of 30 goods imported from the U.S.
- The first shot in the spiralling trade war was fired by the U.S. in March when Mr. Trump unveiled tariffs to discourage the import of steel and aluminium into the country
- For long, global financial markets largely ignored risks of an all-out trade war among major economies, but things are changing quickly.
- This fresh round of volatility suggests investors may be beginning to take threats of a trade war more seriously. The fact is that all sides engaged in a trade war eventually lose.
- The only gainers in a trade war will be special interest groups, such as the U.S. steel industry
- For long term benefit of global trade growth India's position is to deal with the issue through dialogue, and not "measures and counter-measures".

Source: The Hindu

