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The Deteriorating US-China Relations' Impact on China's Economic Crisis in 2024

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Abstract: *This article seeks to identify the effects of the diminishing relations between the United States of America and China on the economic crisis in China in 2024, explicitly considering the impact of geopolitical tensions, financial sanctions, and withdrawal of foreign direct investment on the economy of China. The study employs secondary data collected from economic and financial reports, government records, and publications to analyze the relationship between these two leading world economies and the impact created globally. The themes developed include trade tension, supply chain disruption, sanctions, and trends in foreign investment, which help ascertain the general economic implications of these relations. While analyzing the hypothesis, the results suggest that worsening relations between the United States and China have contributed significantly to China's financial problems, such as financial illiquidity, layoffs of corporate entities, capital flight, and reduction in purchasing power. Due to the political instability between China and other countries, including the US, FDI has declined sharply, with multinational companies fleeing China and impacting other members of the global economy. For future research, the researcher might consider using primary data through qualitative and quantitative methods to draw new and accurate insights from the participants rather than relying on other researchers and also broaden the research by considering other relations between China and other countries, not only the US to address the limitation of this study such as reliance on secondary data and also narrowing to US-Chian relations.*

Keywords: *Sino-American, foreign domestic investment, financial liquidity, corporate layoffs, unemployment, geopolitical issues, GDP*

1. Introduction

The relationship between the United States and China regarding trade, investment, and policies has, over the years, impacted the global economy, such as financial market openness, trade liberalization, and even geopolitical relations [1]. This relationship between the United States and China has always been a complex one that has witnessed both cooperation and rivalry during the next years after beginning with business collaboration and partnership followed by tension resulting from differences in strategic and political standing [2]. However, the two countries' economic interdependence for products and services has played a significant role in the change in financial liberalization, technological advancement, and world economy. Indeed, for a considerable part of the 20th and early 21st centuries, the bilateral economic cooperation between the United States of America and China played a crucial role in shaping the new economies of both nations and stimulating global economic growth.

China's liberalization in the 1980s and its entry to the WTO in 2001 produced phenomenal political and economic results for China and consequent industrialization while serving similar benefits to Western countries, especially the US, in terms of export of products and cheap labor force. Through Chinese exports of inexpensive products to the US and other developed markets, global customers could enjoy relatively more affordable products, which helped keep the inflation rate low in the West. In recent years, however, the tensions between these US and China economic superpowers have escalated, particularly in 2024, leading to significant economic consequences for China. Geopolitical disputes, financial sanctions, and the withdrawal of foreign investments have sharply reduced China's financial liquidity, corporate layoffs, and a marked decline in the country's purchasing power [3]. Based on dependency theory, this paper argues that the deterioration of international relations between the United States and China, compounded by geopolitical crises and economic policies such as sanctions, is the primary driver behind China's economic decline in 2024.

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2. Methodology

2.1 Research Approach: Secondary Data

This research uses a secondary research method to answer the research question on the impacts of the relations between the USA and China on the global economy in 2024 during the Chinese economic downtrend cycle. The secondary data sources that will be considered include industry reports, company financial statements, government reports, economic articles, or relevant peer-reviewed journals. This study mainly benefits from using secondary data, which provides a qualitative view of historical and current financial circumstances and, as such, provides a rich background of the changes in the economic relations of countries in the global market [4]. Another advantage of reviewing secondary data is that one can incorporate the verified information that can assist in checking shorter and longer trends and cycles that rise, particularly regarding China's economic issues in the existing world environment [5].

The secondary sources used in this report, which include economic reports, financial statements, and government data, were collected through Google searches and Google Scholar. Two main criteria were used while collecting these secondary data: relevance to the topic, reputable sources, and timeliness. All the sources used were searched using keywords such as "China economic downturn," "China GDP in 2024," "FDI in China," "US-China relations," "US-China geopolitical issues," "Unemployment in China in 2024," "Purchasing reduction in China in 2024" and "corporate layoffs in China in 2024." These keywords assisted in collecting only sources that were relevant to the topic of U-China relations and its impacts on China's economic downturn. Timeliness was also crucial as the researcher was interested in obtaining the outcome of the US-China relations to China's economic crisis in 2024. Therefore, for the sections on US-China relations, sources published in the time frame of 10 years were considered, while in the section on outcome considered, sources published in 2024 were considered. The rationale for using historical and contemporary reports implies that the situation in 2024 must be seen in light of specific trends in economic behavior. The analysis will evaluate 2024 economic figures and earlier economic data to reveal significant trends and cyclical changes in the Chinese economy.

2.2 Data Analysis: The Thematic Process

For the analysis, thematic will be used to extract themes and patterns from several secondary data accumulated. Thematic analysis is used in primary and secondary data when exploring several sources to draw the main arguments, counterarguments, and emerging topics from different sources [6]. In this regard, themes like 'geopolitical issues,' 'reduction in financial liquidity,' 'reduced flow of foreign investment' and "impacts to corporate layoffs, unemployment, and reduced purchasing behaviors" will be analyzed. These themes will help to evaluate the severity of the Chinese economic decline and also consider how the relations between the United States and China will affect the international economy in 2024. The figure below shows the visual representations of the interactions between deteriorated US-Chian relations and other countries, which reduces liquidity, FDI, and geopolitical issues, contributing to corporate layoffs, consumption decline, and reduced purchasing behavior.

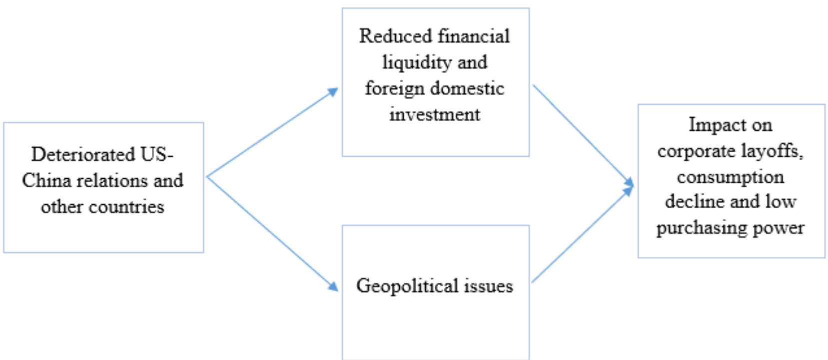

Figure 1: Visual representations of themes

In addition to thematic analysis, quantitative analysis will be done for the statistical data collected from the industrial reports. Specifically, the data will be analyzed through graphs to visually represent GDP, foreign domestic investment, and unemployment rates. By combining the statistical models with

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the existing qualitative data, the study will objectively evaluate the economic impact of deteriorating US-China relations, making the findings more generalizable and reliable.

2.3 Reliability and Validity Testing: Case Study Approach

To strengthen the reliability and validity of the findings, the identified thematic patterns will be checked using case studies and statistics from various sources, which are real-life scenarios from different industries, including technology, manufacturing, and finance. For instance, a case based on the US government meetings with China may cover an analysis of the consequences of US and China trade disputes in integrated circuits. Similarly, a financial case study could examine how the slowdown in China's economy has impacted the international stock markets, especially regarding FDI and stock market performance. Through these cases, the study will ensure that theoretical and empirical data analysis will not be arbitrary but based on real-life economic behaviors and results.

The use of case studies will also enable the cross-checking of secondary data that will be utilized to arrive at the study's conclusion, hence adding credibility to the findings made [7]. The case studies serve to triangulate the data and validate the themes identified through the thematic analysis regarding their applicability across sectors and time horizons. This is because the case studies provide specific examples of real-world scenarios, which will help understand the theme discussed well and show the reliability of that information as it is applicable in real-world cases. This approach of independent confirmation enhances the validity and generalisability of the conclusions, thus making the study's findings more credible. Using case studies as a measure of reliability and validity guarantees that the research remains a theoretical concept and contextualizes its findings into the world economic realities, specifically in the specifics of the US and China relations and China's economic slowdown cycle in 2024.

3. Theoretical Framework

This study will use two main theories to help understand the USD-Chiona relations and their impacts on the Chinese economic downturn.

Dependency theory

According to dependency theory, the global economy was designed such that the developed ''core'' nations profited at the expense of the less-developed ''peripheral'' nations [8]. This theory states that peripheral countries cannot break this vicious cycle because they can only export primary products and workforce, which they sell to the core countries. At the same time, they have to import manufactured goods and capital equipment from these countries. This dependence hinders the peripheral nations from unlocking their complete industrial and technological potential, thereby maintaining their subjugation to the core nations [9]. The theory states that the actions of core countries in world politics, including trade, foreign investments, and even the imposition of sanctions, only help perpetuate this injustice. This is the stage where the economic growth of the peripheral nations becomes constrained because their political economies remain hostage to the fluctuations in the core nations' political economies. Thus, cycles of booms and busts happen in the peripheral nations, leading to their underdevelopment. According to the context of the article, dependency theory can be applied, which states that China, as an emerging economy strengthening its exports and foreign investment, is highly dependent on the US economic policies. The US-China relationship, specifically the stoppage and sanctioning of FDI, proves how Chinese economic well-being depends on the US, corroborating China as the subordinate node to the US as the core node.

Realism theory

Realism is a significant theory in international relations that postulates the global system as systemless, implying that no ultimate authorities enforce laws [10]. The concept of states as significant actors presupposes that they have selfish motives and seek power as a precondition for their security. In this view, conflict and competition are inherent because states always attempt to preserve or enhance their positions in the interstate system [11]. Realists posit that power resources such as military force, economic capabilities, and alliances are how states operate in this structure. The realism theory is relevant as it helps explain the political realities and rivalry between the US and China. The struggle for power, control of the regions considered essential, such as the South China Sea, and the application of sanctions also support the realistic view that states' actions are geared towards preserving power in the international system.

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4. The US-China Relations in the Global Economy

4.1 Growth in China

China is an authoritarian state, with the Communist Party being the paramount authority. With a population exceeding 1.45 billion as of 2024 [12], the country has experienced significant economic and relationship growth. The GDP of China is at 14.72 trillion dollars, which makes it the second largest country in growth, as per the World Bank report of 2022. According to the World Bank, since the opening up and reforms of its economy in 1978, the country's GDP has continuously risen by over 9% every year, and almost 800 million people have been lifted from the poverty level [13]. The Statista report showed that China's GDP had grown significantly since 1985, when it had 310 billion dollars, growing to 1 trillion dollars in 1998 and up to 17.8 trillion in 2022, as shown in Figure 1 [14]. This growth in GDP showed that the country was experiencing a high total monetary value for the foods and services produced within the specific period. In addition to the GDP, the country also experienced a growth in industrial production levels. For example, the Statista report showed that the country experienced growth in industrial production between May 2023, which had a growth of 3.5%, and December 2023, which had 6.9%, as shown in figure 2 [15]. The country's real estate industry has grown significantly, with many commercial and residential houses being built. Reports show that 2018 commercial and residential estates amounted to about 11.28 trillion dollars, gradually increasing to 119.08 in 2020 and 125.10 in 2022 [16]. Other economic industries, such as employment, have also decreased, with the 2023 rate at 5.2% from 5.5% in 2022.

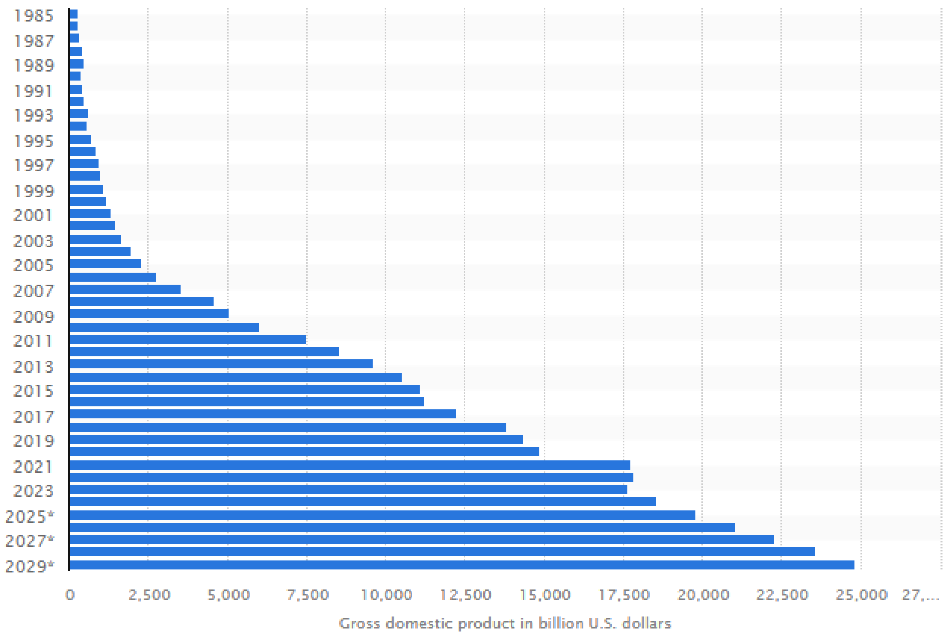

Figure 2: China industrial production GDP between 1985 and predicted to 2029

4.2 Growth in US

The economic state of the US is also worth noting, considering that it has affected their relationship. The US has also experienced growth and a reduction in financial aspects. USD is the first developed country in terms of GDP, with a growth of 25.44 trillion dollars, as per the 2022 report. The GDP level is growing gradually in 2024 since the Bureau of Economic Analysis showed that the annual rate increased by 3% in the second quarter of 2024 [17]. This rate shows a significant increase in the country's growth since, in the first quarter, it had increased by 1.4%. Even though the bureau report shows this as a significant increase, The Conference Board reports see it as a slow growth rate rather than a plunge compared to other years [18]. While comparing the GDP growth in various years, the Statista report shows that the country has indeed grown since the second quarter of 2023; the growth rate was at 2.1%, while in the second quarter of 2024, it is at 2.8% [19] shown in figure 3 below. This means that the US will experience a growth rate in 2024, helping it maintain the largest economy in the world.

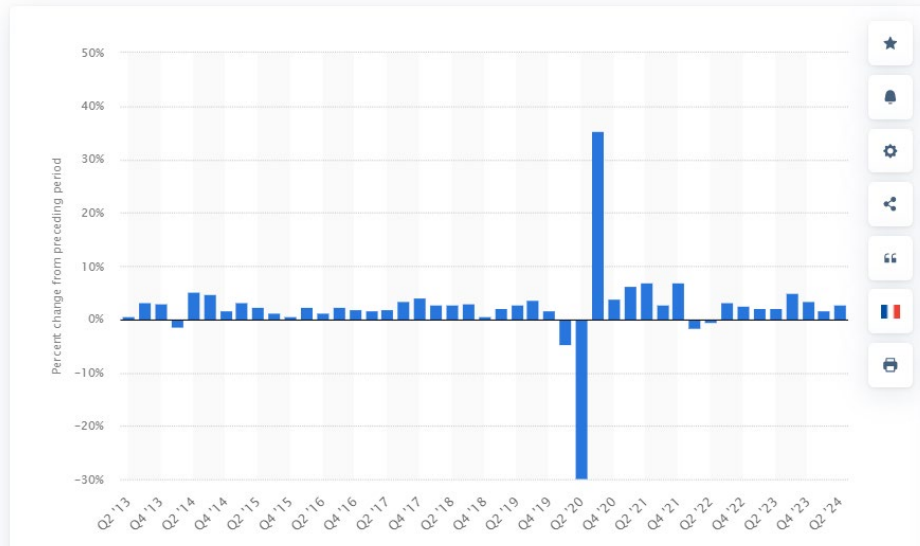

Figure 3: US GDP growth rate

Another essential aspect to consider regarding the economy is the unemployment level. The unemployment rate in the country, as per the August 2024 report, stood at 4.2% [20]. This rate decreased from 4.3% in May 2024, even though it was higher than a year earlier when the jobless rate was 3.8% while the number of unemployed was 6.3 million. This rate shows that even though the US had experienced a reduction in unemployment, it still had a deficit to meet the previous year's rates. In addition to the employment level, the foreign domestic investment rate showed that the country will grow gradually in 2024. In the first quarter of 2024, when China experienced a reduction in FDI, US FDI totaled 76 billion, a 31% increase over the fourth quarter of 2023 [21]. Considering the previous years, for the last 20 years, the US amount of FDI has doubled, where in 2000, it was 1.26 trillion dollars and rose to 5.59 trillion dollars in 2023. This rise in FDI has made the US the top destination for FDI for the last two consecutive years in 2024, hence eliminating China [22].

4.3 Sino-American

The growth of the US and China, making them the first and second largest countries, have contributed to forming relationships among themselves to maximize their growth and become superpowers across the globe. The Sino-American relationship is traced several centuries back, with the US-China Policy Foundation [23] seeing it begin in August 1784, which has brought positive benefits to the two countries and also to the global economy. One of the most significant positive aspects of US-China relations has been their economic interdependence, particularly in trade. For decades, China has been one of the largest trading partners of the United States, and vice versa. In 2023, the US imported goods worth 562.9 billion dollars from China and exported goods worth 192.5 billion to China [24]. Products ranging from electronics to clothing were manufactured at a fraction of the cost compared to domestic production, keeping US inflation low and enabling American companies like Apple and Walmart to flourish. This trade partnership facilitated China's rapid economic growth, with exports to the US driving industrialization and urbanization [25]. China's trade surplus with the US allowed it to accumulate large foreign currency reserves, which were reinvested into US assets like Treasury bonds, helping finance the American budget deficit. This is well emphasized by dependency theory, which explores how the advanced nations continue to flourish at the expense of the other nations [26]. China has been a dependent country, and its economic rise was highly fueled by its role in the global supply chains and the exportation of cheap products to the US. This dependency made US-China relations grow as they had to depend on one another for the two countries to flourish.

Moreover, US-Chinese relations can be seen in their cooperation in governance, especially concerning climate change. While the US and China differ, the two have a collaborative international engagement that demands multilateralism. An example of such cooperation is the signing of the Paris Climate Agreement in 2015, where both countries have been actively lobbying for and securing commitments from other countries regarding the emission of carbon [27]. These two nations are among the world's biggest pollution emitters, making their participation vital for the agreement. Even though China has been accused of having poor environmental policies, it promises to decrease the intensity of its carbon emissions and increase its investment in renewable energy sources. At the same time, under

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President Obama, the US committed to reducing greenhouse gas emissions and urged other developed countries to do the same [28]. This concept shows that even as the competition between the US and China intensified, they could still agree on global issues. However, later, President Trump pulled out of the Agreement, but Biden recently allied in 2020, making the USA a part of the Paris Agreement again in 2020.

Another equally impactful aspect of positive US-China relations has been their scientific and technological collaboration. Over the years, researchers, universities, and corporations in both countries have worked together on numerous technological advancements and innovations. For example, American technology companies such as Microsoft and Intel have established research and development centers in China, tapping into the country's growing talent pool of engineers and scientists. For example, a Microsoft Asia-Pacific Research and Development Group serves as the Microsoft global fundamental research technology incubation and development with over 6000 scientists and engineers in Beijing, forming a comprehensive Research and Development center outside the US [29]. In return, China has benefited from technology transfers and investments that have helped propel its tech industry in artificial intelligence (AI) and biotechnology. Joint research between American and Chinese universities has led to breakthroughs in genetics, medical research, and clean energy technologies. As discussed by dependency theory, because China and the US depend on one another, they had to engage in joint research to benefit their economy.

5. Financial Liquidity Reduction and Foreign Investment Withdrawal

Regardless of the positives in the international relations between the US and China, the fact that the US and China are dependent on one another, as discussed by dependency theory, the deterioration of their international relations has led to the reduction of the financial liquidity and the withdrawal of foreign domestic investment. One of the most significant consequences of the deteriorating relationship between the US and China has been the rapid decline in foreign direct investment in China [30]. FDI has fallen dramatically, with many multinational corporations scaling back their investments or halting new projects altogether due to rising political tensions and concerns over potential sanctions.

The decline in FDI is primarily driven by the US's imposition of tariffs and sanctions and the general uncertainty surrounding China's regulatory environment. For instance, the US government imposed stringent restrictions on investors who may be willing to invest in China [31]. In the recent executive order by President Biden, the proposed Treasury Department prohibited certain US investments in Chinese companies that are developing semiconductors, artificial intelligence systems, and quantum computers, which have reduced the foreign exchange in the country. For example, in 2021, Reuters commented that the US barred their investors from buying or selling publicly traded securities to the target companies, including China's top chipmaker, SMIC. These restrictions have been introduced to help restrict American financing from assisting China in developing advanced technology that may be used for weapons tracking [32]. According to the data released by the China Ministry of Commerce, these bans from the US have caused China to experience a fall in FDI for the 12th consecutive month in May 2024. This is because these banned companies form China's significant foreign domestic investment, and barring their operations reduces the investment.

The reports from the industrial and company have also shown that the Chinese have continuously been experiencing a reduction in financial liquidity, which shows the company's reduction in its ability to pay debts, obligations, or current liabilities without having to raise external capital or take out loans. The Statista report indicated a significant rise in the national debt to the GDP ratio. This report showed that at the end of 2024, the national debt to GDP ratio is expected to rise to 88.58% from 83.64% in 2023 and 77.09% in 2022, as shown in Figure 4 [33]. This national debt to GDP ratio means China relies more on borrowing than its economic output, potentially indicating a financial risk. In 2023, China pledged to reduce the amount of liquidity its banks held as researchers to assist its struggling economy. The reports by CNBC showed that the research ratio requirements for banks were cut by 50 basis points to help provide the economy of China with 1 trillion Yuan to facilitate long-term capital [34]. The report by Reuters showed that the financial institutions in the country issued 5.5 trillion Yuan for long-term deposits called certificates of deposits in their first quarter of 2023 [35]. This reduction in financial liquidity has been attributed to the decrease in the FDI, which has led to the Chinese economic downturns.

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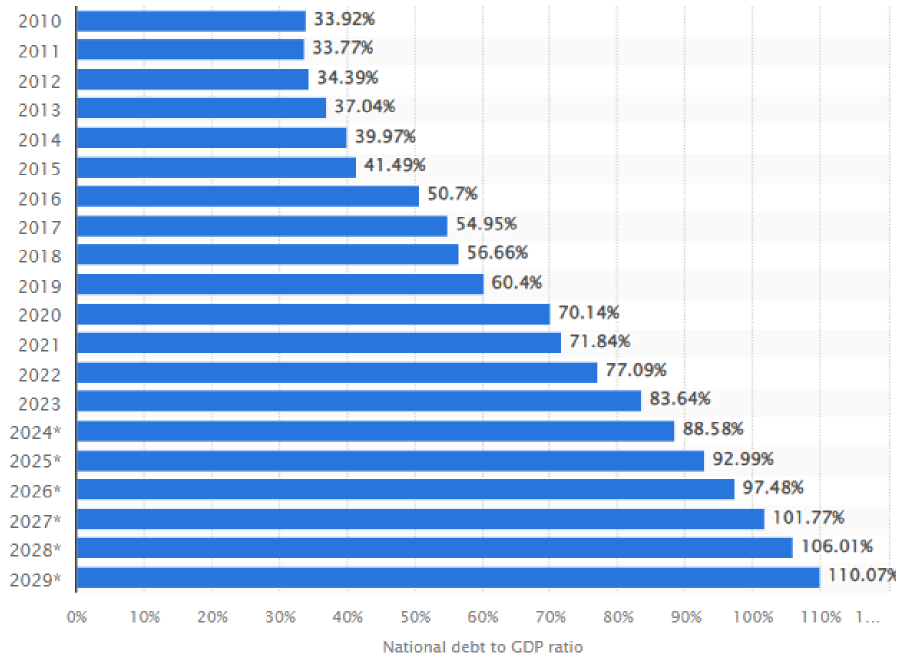

Figure 4: China's national debt to GDP ratio

6. Geopolitical Crisis

The US imposed extensive sanctions on Russia following its invasion of Ukraine in February 2022, marking a significant escalation in geopolitical tensions [36]. These sanctions primarily targeted Russia's financial institutions and energy sectors, weakening its economy and limiting its ability to fund the war. The US cut off central Russian banks such as Sberbank and VTB from the international SWIFT payment system, severely restricting Russia's access to global markets and foreign currency reserves. The US also banned Russian oil, coal, and natural gas imports, a significant blow to Russia's economy, which heavily relies on energy exports. Russian oil imports to the US were halted, and other allies followed suit, further diminishing Russia's global energy revenue [37]. These actions not only damaged Russia's economic standing but also sent a strong political message about the international consequences of its aggression in Ukraine. These tensions have facilitated the US and China's deteriorated relations as China became a vital partner to Russia as they sought to soften the impact of sanctions that the US and other countries imposed over their Ukraine war. This battle between the US and China over the Russia-Ukraine war can be based on the dependency theory, where each wishes to show their superpowers in the world and therefore used such in these weak countries to advance themselves, thus deteriorating relations with other countries.

Regarding China, U.S. relations have deteriorated over several geopolitical flashpoints, particularly the Philippines and Taiwan. The Realism theory discusses this well, suggesting that global politics is usually driven by competition, conflict, and national interests. In the South China Sea, China's expansive territorial claims, which include waters near the Philippines, have been a significant source of tension [38]. China has built military installations on artificial islands in the region, asserting control over vital shipping lanes. In response, the U.S. has ramped up its military presence and reinforced its alliance with the Philippines, conducting joint naval exercises and reaffirming defense commitments under the U.S.-Philippines Mutual Defense Treaty [39]. The U.S. also supported the Philippines in its legal victory at the Permanent Court of Arbitration in 2016, which ruled against China's claims, though Beijing has ignored the ruling. Similarly, in recent years, the US has increased arms sales to Taiwan, including advanced missile systems and fighter jets, in a bid to enhance its self-defense capabilities amid increasing Chinese military activity around the island [40]. US naval ships have conducted freedom of navigation operations in the Taiwan Strait, further angering China, which sees these actions as undermining its sovereignty. These issues have exacerbated the fragile relationship between the U.S. and China, fueling concerns over potential military confrontations in the region. The US imposition of sanctions and military presence in the areas shows the attempt to limit China's rise, revealing what Realism believes is the main

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reason for global politics driven by competition and conflicts.

7. Impacts on Purchasing Power, Corporate Layoffs, and Consumption Decline in China

Due to the challenges in the relations between China and the US, among other countries such as the Philippines, China has experienced a reduction in product purchasing power, corporate layoffs, and a consumption decline in 2024. In the first half of 2024, China's retail sales fell by only 2.1% in August 2023 from a year ago, which missed the expectations of 2.5% growth from the economists' poll by Reuters [41]. This decline in consumption is driven by weakened consumer confidence as households and businesses face economic uncertainty.

The economic uncertainties in China have been attributed to the unemployment level. Statistics show that unemployment in urban areas soared to over 5.1% in the first half of 2024 [42]. Even though this percentage is 0.2% lower than the same period in 2023, unemployment rose from 5.2% in July to 5.3% in August. The youth unemployment rate in China rose from April 2024 to 13.2% in 2024 and 17.1% in June 2024, as shown in Figure 5 below [43]. This unemployment rate reduces disposable income and lower spending capacity among a key demographic. With stagnating wage growth, purchasing power has decreased, leading to declining household consumption. The real estate crisis, with companies like Evergrande defaulting on their debts, has also undermined consumer confidence, causing many to prioritize savings over spending [44]. Furthermore, inflationary pressures on food and energy, exacerbated by geopolitical tensions, have squeezed household budgets. The reduced consumption has led to a feedback loop where businesses, unable to boost sales, are forced to cut costs through layoffs, further deepening the economic slowdown.

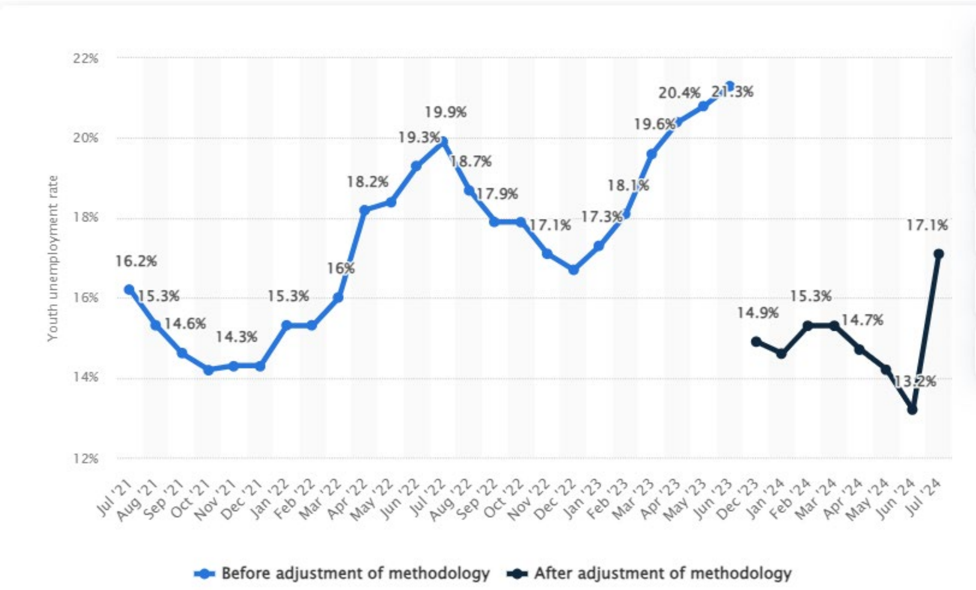

Figure 5: Youth unemployment in China

Corporate layoffs have also become a significant issue as the U.S.-China trade tensions and broader geopolitical challenges impact China's industrial and tech sectors. The technology industry, particularly those reliant on U.S. semiconductor technologies, has faced severe constraints due to U.S. export controls on critical technologies [45]. In 2024, China's manufacturing activity contracted for five consecutive months, with the Purchasing Managers' Index (PMI) falling below 50 in August 2024, signaling a contraction [46]. Global companies with operations in China, like Apple and Tesla, have also scaled back production due to supply chain disruptions and lower demand, contributing to job cuts. For example, Foxconn, a key supplier for Apple, has reduced its workforce in China, shifting some of its production capacity to other countries like India and Vietnam to mitigate risks tied to U.S.-China relations. The Business Human Rights report that Foxconn was accused in 2024 of disguised layoffs through forced job transfers, which made workers protest [47]. This outsourcing trend is reflected in rising capital flight, where foreign direct investment (FDI) in China fell in the first half of 2024 compared to the previous year. As companies lay off workers, consumer demand further declines, creating a cycle of reduced corporate revenues, fewer jobs, and shrinking consumption.

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8. Conclusion and Limitations

8.1 Summary of Findings

The deterioration of the relationship between the United States and China has affected China economically, leading to decreased demand, loss of jobs amongst corporations and firms, and reduced demand for domestic products in 2024. Sanctions from the US, limitations on Chinese companies, and trade restrictions have worsened China's financial situation, especially in the IT and manufacturing industries. Such structural changes have reduced access to imports, interrupted supply chains, and eroded FDI, which have, in turn, curbed China's ability to maintain higher rates of past economic growth. This high unemployment rate, especially among the youth, has dramatically reduced the consumers' confidence and spending, making the circle of misfortune complete. The geopolitical issues regarding Taiwan and the South China Sea have also contributed to the unpredictable environment, forcing both domestic and foreign investors to rethink their investment in the Chinese market, contributing to Capital flight and significant dismissals in critical sectors.

8.2 Implications and Recommendations to Policymakers

The implications of these findings are significant for shaping future policies for policy-makers, international organizations, and the corporate world, as well as for academic literature. Chinese policymakers must work towards expanding the base of trading partners, encouraging domestic innovation, and decreasing the country's dependence on the US economy to counteract present and potential future geopolitical tensions. Supranational bodies, such as the WTO and the IMF, could potentially serve as significant sources of negotiators for trade disputes, advocates of multilateralism, or funding for restoring the affected economy's stability. On the broader picture, corporate decision-makers must rely on flexibility regarding sourcing networks, exploring new markets, and navigating the changing international sanctions and regulations. From an academic perspective, this research contributes knowledge on how geopolitical tensions influence economic performance. The study contributes to understanding global trade, dependency theory, and foreign direct investment (FDI) by investing in the case study of diminishing Sino-US relations and its effects on China's economy. This paper presents a detailed account of how global political choices affect economic conditions and is a valuable reference for international relations, economics, and political economy scholars. Furthermore, the research creates opportunities for further theoretical and empirical analysis by identifying future research directions, emphasizing the significance of harnessing interdisciplinary, mixed-methodology research approaches in investigating the underlying global influences of such conflicts.

8.3 Limitations of the Study

Even though this study achieved its intended objectives, various limitations might call for future research. The first limitation is using secondary sources based on the assumptions and the insights developed by others. Secondary sources must be revised to align perfectly with the intended research objectives. Also, the researcher had no control over this data and was challenged to align with the research question. The other limitation of this study was that it was based only on US-China relations. This study was conducted only in the US regardless of China's deteriorated relations with other countries in places such as Europe. To address these limitations in the future, the researcher might consider using primary data through qualitative and quantitative methods to draw new and accurate insights from the participants rather than relying on other researchers. The qualitative method will help discuss the in-depth insights from the economic experts to discuss the theory behind such deteriorated relations. In contrast, the quantitative method will support declining purchasing power, corporate layoffs, and shrinking consumption claims. This future study might also consider other relations between China and other countries, not only the US.

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