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QUESTION:

THE CORONAVIRUS CREATES NEW CONCERNS IN CHINA’S RELATIONS WITH IT’S ASIAN NEIGHBOURS AND INTERNATIONAL ALLIES.

With the outbreak of the Coronavirus, it led or leads to lots of concerns in China and their relations with their neighbours and international allies. One of the major concerns is how it will affect the world economy. For example, when the epidemic spread it brought to the crash of the stock market. As a precaution, Beijing had given the financial system an unusually high injection of 1.2trillion yuan (€1 56 billion, $171 billion) to keep the domestic money market and banking system functioning. In addition, import duties on good that are important in the fight against the disease were eased. But it's not only the stock markets that have been hit. Chinese consumption has also plummeted as a result of the outbreak. Large New Year's events were cancelled; tourist attractions and cinemas were closed. The doors remain closed at around 2,000 St a r bucks, hundreds of McDonald's restaurants, 130 Uniqlo shops and at a ll30 Ikea stores.

The travel industry has also been badly affected. Several countries issued travel warnings about China; some airlines even suspended flights to China. Lufthansa and its subsidiaries Swiss and Austrian Airlines cancelled their connections to and from Beijing until February29. The Chinese authorities urged its own population to postpone travel abroad and prohibited domestic travel groups.

The outbreak of the coronavirus is meanwhile rippling through the global manufacturing supply chains, affecting especially the car industry. The world's fifth largest carmaker, Hyundai, for examples aid on Wednesday it had to close all its car factories in South Korea because it had been running out of components made in China. The car maker is short on supplies of engine wire harness, and was looking for a new supplier. Executives at a number of car makers and auto parts suppliers warned that plants in Europe and the United States were just weeks away from being forced to close. The entire industry depends on a global network of suppliers, with parts originating in China often passing through companies in several countries before being built into cars in Europe and the US.

In conclusion the Coronavirus outbreak has led to different concerns between China and their neighbours/ international allies. One of this concern is the crashing of the stock market, also shortage of supply.