

FEATURE

Jamie Dimon says Americans should stop thinking of China as ‘a 10-foot giant’—and warns geopolitical tensions are the biggest threat to the world economy

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<https://finance.yahoo.com/news/jamie-dimon-says-americans-stop-104343457.html>

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Emily Elconin—Bloomberg via Getty Images

In this article:

Geopolitical tensions are posing the biggest threat to the world since the Second World War, according to JPMorgan CEO Jamie Dimon—but he argued China isn’t as big a threat to the U.S. as some Americans believe.

In an interview with CNBC affiliate network CNBC TV-18 on Tuesday, the Wall

Street veteran said his biggest concern right now was heightened geopolitical tensions, arguing that they were “absolutely” the biggest threat to the global economy.

Issues like [migration](#), [volatility in the energy markets](#), [food security](#) and the [ongoing war in Ukraine](#) were all affecting global relationships, Dimon noted.

“We have dealt with inflation before, we dealt with deficits before, we have dealt with recessions before, and we haven’t really seen something like this pretty much since World War II,” he told the Indian news channel.

“I think America takes [Russia’s invasion of Ukraine] very seriously, I’m not quite sure how the rest of the world does. You have a European democratic nation invaded under the threat of nuclear blackmail. I think it’s been a good response, but it’s going to affect all of our relationships until somehow the war is resolved.”

While Dimon, who has headed up America’s biggest bank since 2006, said the humanitarian impact of the war was the most vital factor policymakers had to consider, he warned its outcome was also important for the future of the free democratic world.

“We may be at an inflection point for the free democratic world,” he said. “That’s how seriously I take it.”

China not ‘a 10-foot giant’

Every country, including America, is rethinking its own boundaries in the wake of Russia’s attack on Ukraine, Dimon said. National security, energy supply chains and sourcing semiconductors were now all urgent priorities for governments, Dimon noted in Tuesday’s interview.

“Where do I get my rare earths from? Ukraine woke everyone up to that and that’s a permanent state of affairs now,” the JPMorgan boss said.

Crucially, the wider geopolitical and economic backdrop was putting pressure on the relationship between Washington and Beijing, he added.

The bilateral relationship between the U.S. and China has taken a beating in recent years, with the Biden administration [taking a number of steps to weaken Beijing’s bid for economic dominance](#). Those moves—which have included [sanctioning Chinese officials](#), introducing [export controls on U.S. semiconductors](#), and [banning American investment](#) into certain Chinese technological developments—have built on the [\\$360 billion worth of tariffs](#) imposed on Chinese goods by Joe Biden’s predecessor, Donald Trump.

China has [taken retaliatory measures](#) against the U.S., which have included imposing its own sanctions and controls [on certain goods](#).

Alongside the economic rivalry, security and espionage concerns, accusations of Chinese human rights abuses and tensions over Taiwan have all weighed on the ties between the two countries.

While a number of U.S. lawmakers—both [Democrats](#) and [Republicans](#)—have designated China [an “existential” threat](#), Dimon urged the U.S. to stop viewing China as an insurmountable menace.

“I’m an American patriot, so governments are going to set foreign policy, not JPMorgan, but I think Americans should stop thinking that China is a 10-foot giant,” Dimon said. “Our GDP per person is \$80,000, we have all the food, water and energy we need, we’ve got the unbelievable benefits of free enterprise and freedom.”

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