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Ready to talk business

Under Trump's renewed presidency, uncertainty about global partnerships seems inevitable. Still, Asian players remain somewhat more optimistic

Asia is less stressed about Donald Trump's return to the White House than Europe. Allies and opponents alike are under no illusion as to what is in store for them — an erratic president who will pick up where he left off in 2020 when it comes to the broad lines of his policies towards the region. There are therefore concerns that if trade wars were to be reignited, this would have a negative influence on their own development opportunities. In contrast to the hotbeds of conflict in Europe and the Middle East, for which an 'America First' presidency threatens to be highly disruptive, Asian actors are hoping for a continuation of the status quo — and perhaps even a pragmatic deal or two.

The Chinese are almost indifferent as to who moves into the White House. Beijing's reaction to the election result has been markedly unperturbed. China is well aware that cross-party unity prevails when it comes to maintaining the battle for supremacy with China — even if an all-out war is considered barely winnable and therefore to be avoided. Just as the Biden administration perpetuated and intensified its predecessor's China policy, albeit with a clear effort to communicate pragmatically via open channels, Trump seems set to resume the confrontation with the major rival.

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However, there appears to be some disagreement about how this conflict is to be conducted. This depends on which school of thought sets the tone in the second Trump administration. The 'Primacists'surrounding the former deputy national security advisor Matthew Pottinger want to ensure US global dominance by focusing on winning the competition with China, just as it did in the past with the Soviet Union. The 'Prioritisers', with the designated Vice-President J.D. Vance at their helm, are inclined to withdraw from

Europe and the Middle East to be able to focus American resources entirely on China. Trump's own instinct is rather that of an 'Isolationist' who would like to withdraw completely from the so-called Forever Wars and the obligations of hegemony — but who is nonetheless prepared to impose American interests without pulling any punches. With regard to the dispute with China, however, Trump's nominations – Marco Rubio as Secretary of State, Pete Hegseth as Secretary of Defence and Mike Waltz as National Security Advisor are proven China hawks – suggest a further and possibly even significant hardening.

Following a cautious easing of tensions over the past year, Beijing is bracing itself for a further disruptive phase, in which a simmering trade conflict could reignite to become an all-out trade war. On the other hand, Trump, renowned as a dealmaker-in-chief, has repeatedly indicated his willingness to compromise if this is in the interests of the US. The Phase One Deal concluded in 2020 to settle trade disputes with China demonstrates that his words may be followed by deeds. Beijing also recognises that a Trump administration may bring some strategic advantages: if the US were to withdraw, as expected, from multilateral forums and shirk its responsibilities when it comes to global challenges such as the fight against climate change, China is ready to fill this political vacuum on the world stage and increasingly gather the support of the Global South. China's charm offensive *vis-à-vis* Europe – in Beijing's view the decisive swing state in international politics – would only gain in impetus.

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In contrast to China – and also to many other US allies – India has benefited significantly from its positive relationships with the last two US governments. Nevertheless, the re-election of Donald Trump will have implications for Indo-American relations and will force New Delhi to adjust its priorities when it comes to bilateral relations. The importance of these relations has soared in the last 10 years, driven by closer agreement on geopolitical goals, important economic and trade policy interests, a substantial Indian diaspora, an existing base of trust as well as active participation in international institutions. India's positioning is

based on pragmatism, a willingness to do business and favourable conditions — possibly reinforced by the close relationship between Prime Minister Narendra Modi and Trump. Over the next four years, it will be vital for India to further develop its strategically important relations with Washington, to win over the next US government for Indian interests in all relevant policy areas and to avoid being outmanoeuvred by the Trump administration's anticipated protectionism. The latter represents a genuine threat to the Indian growth model and therefore to the country's core interests.

To effectively and strategically exploit the potential of bilateral relations, the areas of technology, trade and economic policy, as well as the strategic focus on the Indo-Pacific and the role of China as the main common geopolitical opponent, would seem to be particularly apt. It remains to be seen how the recent rapprochement between China and India at the BRICS summit in Kazan, Russia, evolves. The best way for New Delhi to tie in Washington is if India's transactional approach is met with pragmatism and an interests-based policy — characteristics for which the dealmaker Donald Trump is renowned. Key requirements for India's strategic orientation are diplomatic skills and an in-depth analysis of US strategic rationalities and interests. The latter are likely to undergo fewer changes than expected in Europe, even though the tone and implementation may vary. Nevertheless, New Delhi appears to be well prepared for Trump 2.0.

Protection is afforded only to those who pay

For the American allies Japan, South Korea and the Philippines, the new Trump administration represents a similar security risk than for the Europeans. To counter Chinese provocations in the South and East China Seas, the neighbouring countries are dependent upon the protection of the United States and have made major efforts to consolidate their bilateral alliances with the US. Trump's message to the Asian allies is, however, the same as that being addressed to the Europeans: protection is afforded only to those who pay. To manage this uncertainty, the conservative South Korean President Yoon Suk Yeol, the newly elected Japanese Prime Minister Shigeru Ishiba and the Philippine President Ferdinand Marcos are trying to position themselves as Trump whisperers and are showering him with praise. There is particular concern in Seoul about the robustness of the American shield

in the face of increasingly heightened provocations from North Korea.

Things are likely to become particularly difficult for Taiwan's president, as he has always pursued the long-term goal of independence from China. During the election campaign, Trump requested Taipei to pay for its own defence, in true extortionist style, claiming that the American insurance policy is not available free of charge. Conversely, Vance wishes to divert US support for Ukraine to Taiwan. In the tense situation confronting Taiwan, such an erratic approach is fraught with danger, as it can lead to strategic miscalculations on all sides. Supporters of Trump would counter that it is precisely this unpredictability that could restore the strategic ambiguity regarding both the type of support and the threshold for its provision by the superpower to the island nation. In this way, they argue, the American deterrent capability, which has suffered considerably in recent years, could be strengthened.

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And what about South-East Asia? As in his first term of office, the region is likely to be low on Trump's agenda. Resentment that he sent a representative to three successive ASEAN summits has not gone away. And yet he could easily be in his element among the region's semi-authoritarian leaders. The foreign policy course of the new Indonesian President Prabowo Subianto, who has publicly demonstrated his disapproval of the US policy towards Gaza and sought to cosy up to China's head of state Xi Jinping during his first overseas visit, is under close observation. The Malaysian Prime Minister Anwar Ibrahim holds similar views. Beyond such signals intended for a home audience, most Southeast Asian countries want to avoid having to choose one particular side at all costs and will continue to work on a security policy level with the US. Many of them are indeed hoping to benefit from the Western diversification strategy. If Trump starts a new trade war, many goods are likely to find their way to the American market via Southeast Asia, as was the case in the previous Trump administration.

The current gag making the rounds in Asia is that the rules-based order is to be succeeded by a deal-based one. The region's pragmatic realists approve. The prospect of a reduction in the rhetoric on democracy and

human rights – perceived to be arrogant and interfering – is particularly welcomed. It is no coincidence that Asia's Westphalian-style fundamental values, anchored as they are in the ASEAN charter, are based on sovereignty, territorial integrity, non-intervention and civil conflict resolution. At the same time, smaller and mid-sized powers have a strong interest in the continued existence of international rules to counter Chinese expansionist ambitions, for example in the South China Sea.

The largest risk of a Trump presidency probably lies in his erratic behaviour, which undermines the US's credibility as a reliable security partner in the region. In case the American allies were to opt for a hedgingstrategy – in other words, a mixed approach that would reduce their dependence on the US and keep other options open – this could encourage China to further extend its sphere of influence. Whether Beijing would choose a more aggressive approach or a charm offensive is a matter of conjecture.



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