

Harris vs. Trump: China Policy

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This is the latest TAG memo examining how the outcome of the U.S. presidential election could shape U.S. policy toward the Indo-Pacific region in 2025. A compendium of all briefs in this series can be found [here](#).

Key Takeaways

China Policy	Trump	Harris
Competition Strategy	<ul style="list-style-type: none"> • Focused on U.S.-China trade deficit and Chinese military modernization • Prefers sweeping, entity-based, and unilateral actions aimed at generating negotiating power 	<ul style="list-style-type: none"> • Focused on technology denial and U.S. industrial investments • Likely to balance unilateral competitive actions and dialogue with Beijing • Favors multilateral leverage
Sources of Risk	<ul style="list-style-type: none"> • Transactional decisions may lead to abrupt policy change • Higher tariffs could contribute to inflation and prompt retaliation • New restrictions might include people-to-people exchanges 	<ul style="list-style-type: none"> • Beijing may probe Harris' resolve on key issues, leading to <i>ad hoc</i> U.S. responses • "Small yards" could become bigger and friendshoring may create growing pains

- While the general negative trajectory of U.S.-China relations will not change after the election, competition is likely to intensify, and relations may become more unpredictable under a second Trump administration. Both Trump and Harris view China as the United States' pacing threat and seek to curtail China's technological advancement, military modernization, and non-market practices. However, their approaches may emphasize different policy instruments.
- If re-elected, Trump would likely prioritize addressing the U.S.-China trade deficit and pursue forceful, unilateral, and transactional measures to build leverage for negotiations – such as universal tariffs on Chinese imports – that could move the two economies closer to full decoupling. In his first term, Trump used tariffs, export controls, investment restrictions, and other competitive actions as tools to accrue negotiating power. Accordingly, subsequent shifts in approach were event-driven or entity-specific.



- **Like Biden, Harris favors severe but targeted restrictions on strategic sectors – following coordination with partners and allies – even while maintaining dialogue with China.** Although Harris’ agenda is more predictable, her personal views on China remain largely unknown, and Beijing may test her resolve on matters such as Taiwan and the South China Sea. China’s probing could lead Harris to deviate from the Biden’s administration’s current approach.

The Candidates in Comparison

TRUMP

Competition strategy: Trump’s overall approach to the U.S. –China relationship will echo the Republican axiom of “peace through strength.” However, transactional elements of both Trump’s persona and his China strategy may lead to debate within a Trump White House and among Trump political appointees over whether the United States should negotiate with China to achieve limited policy goals.

Trump believes that China will respond best to forceful measures and tough rhetoric that can be leveraged for bargaining purposes, but many of his mooted China policy professionals are inclined toward a more principled approach. Key priorities for Trump include cutting the U.S. trade deficit, protecting U.S. jobs and workers, and countering China’s military modernization and military–civil fusion strategy.

Several of Trump’s campaign promises underscore his more unilateral and unpredictable approach to U.S. –China relations. Trump has argued for a 60 percent tariff on all Chinese goods, pledged a “four–year plan” to phase out Chinese products from U.S. markets, and recommended revoking Beijing’s permanent normal trade relations (PNTR) status – a move that would effectively put China in the same trade category as Russia, North Korea, Cuba, and Belarus. But Trump has also indicated that he wants to reach an agreement with Beijing on fully implementing trade agreements inked early in his first administration – his strongest signal to date that he would still be interested in resuming trade negotiations even after proposing universal tariffs on all Chinese goods.

Trump has also advocated for further expansion of the Biden administration’s Section 301 tariffs, including raising existing duties on Chinese EVs from 100 percent to 200 percent. Additionally, he vowed to close “loopholes” in the U.S. –Mexico–Canada (USMCA) free trade agreement that could enable Chinese electric vehicle (EV) manufacturers to avoid U.S. tariffs by selling vehicles assembled in Mexico. At the same time, Trump has signaled some openness to Chinese investment in the United States, inviting Chinese companies such as BYD to build automobile manufacturing plants on U.S. soil – including in Michigan, Ohio and South Carolina – if they employ American workers.



Other China-related policies Trump has explicitly mentioned on the campaign trail include passing a “Trump Reciprocal Trade Act” that would impose retaliatory tariffs on any U.S. trade partners that raise duty rates; banning federal contracts for companies that outsource labor to China; and imposing new measures restricting undocumented Chinese immigrants from entering the United States (especially through the southern border).

Sources of risk: Trump’s unpredictable approach to the U.S.-China relationship will generate significant uncertainty for the international business community. The main drivers of risk include:

- **Retaliation and decoupling:** If Beijing’s response to the Biden administration’s suite of more targeted trade actions is any indication, Trump’s sweeping tariff measures are likely to provoke escalatory trade actions from Beijing. China could respond by embargoing critical mineral exports to the United States and restricting imports of U.S. goods including apparel, legacy chips, and appliances. Trump could also re-designate China as a currency manipulator and target Beijing with a series of punitive, counter-manipulation mechanisms. Alternatively, China may assess Trump to be more willing to negotiate over trade and economic outcomes rather than build on the de-risking policies established during the Biden administration.
- **Fewer guardrails:** Trump could de-prioritize or disband platforms for U.S.-China dialogue including the Economic Working Group (EWG), Financial Issues Working Group (FIWG), and the Commercial Issues Working Group (CIWG). Trump prefers orchestrating leader-level engagements, which he believes are more direct and effective at securing U.S. interests. In a second Trump term, there may be less signaling to the Chinese in advance of competitive actions and fewer opportunities for businesses to raise commercial concerns at working levels of the U.S.-China relationship.
- **Less emphasis on cooperation with allies and partners:** Trump’s transactional view of security alliances and partnerships will overshadow efforts to enhance cooperation on China policy between U.S. allies and partners in the region and across the globe. Trump’s preference for ensuring that the United States gets a “fair deal” could frustrate multilateral efforts to increase regional defense cooperation and restrict China’s technological advancement, such as export control harmonization agreements with Japan and the Netherlands.

Trump’s tariff agenda – if it also targets the European Union (EU) – may complicate the trajectory of the EU’s own tariff negotiations with China and its broader de-risking agenda. Trade tensions between the U.S. and the EU would weaken the potential for trans-Atlantic coordination on tariffs, export



controls, and defense and security cooperation, as well as undercut Brussels' bargaining position vis-à-vis Beijing.

- **Challenges for consumers and investors:** Trump's sweeping tariff plans are likely to spur inflation on consumer goods and potentially undercut the United States' reputation as a free market. By some expert estimates, a 60 percent tariff on all Chinese imports and a 10 or 20 percent tariff on all foreign products will raise costs on importers that translate to about USD 2,600 in additional payments per household per year. That said, Trump's sensitivity to the health of the economy and consumer sentiment may also generate abrupt shifts in tariff policy.
- **Greater scrutiny of entities affiliated with China:** Some Republican lawmakers have expressed interest in reviving the "China Initiative," which heightened federal surveillance on overseas Chinese researchers suspected of espionage. The potential for heightened scrutiny on overseas Chinese researchers and other limits on people-to-people exchange could raise the burdens of compliance for academic institutions, firms, and other organizations engaging with Chinese counterparts. Beijing may respond to those measures with restrictions on the movement of U.S. students and businesspersons to and from China.

HARRIS

Competition strategy: Like Trump, Harris views China as a major threat to the U.S.-led international order. However, her approach to managing U.S.-China strategic competition leverages different tools, combining severe restrictions on specific sectors (i.e., "small yard, high fence") with mechanisms that support stability by maintaining diplomatic channels to Chinese counterparts.

Based on the premise that Washington and Beijing can still compete without resorting to full economic decoupling, Harris' strategy favors continued dialogue with Beijing and multilateral coalitions to strengthen Washington's position on areas of competition. Key priorities for Harris' approach to U.S.-China competition include bolstering supply chain resilience, protecting strategic industries, slowing the technological advancement of Beijing's military-intelligence apparatus, and curtailing China's export of surveillance technologies that facilitate human rights abuses abroad.

A Harris administration's competition strategy is likely to be rigorous and targeted but still oriented toward stability and dialogue. In May 2024, the Biden-Harris administration imposed a series of staggered tariff hikes on select Chinese goods – including electric vehicles, lower-end semiconductors, medical devices, steel products, and ship-to-shore cranes. Notably, most consumer goods manufactured



in China were excluded from the new duties, and Beijing was forewarned of the higher tariffs. The Biden–Harris administration took a similar approach to export controls and investment restrictions, which were launched with warning and specifically targeted at artificial intelligence (AI), semiconductors, and quantum computing. These include the most recent wave of outbound investment curbs launched in late–October in the leadup to the election, which the current administration hopes will become a roadmap for its successor.

Further differentiating her strategy from Trump’s, Harris’ approach to checking China’s economic and military ambitions is distinctly multilateral. Under the Biden–Harris administration, the United States heightened security cooperation with Japan, the Philippines, and Australia and initiated or deepened trilateral engagements (e.g., the U.S.–Japan–South Korea, U.S.–Japan–Philippines, and U.S.–Japan–Australia dialogues) – as well as AUKUS and the Quad. These initiatives were developed in response to Beijing’s increasingly escalatory behavior in the South China Sea, East China Sea, and the Taiwan Strait.

Sources of risk: Harris’ China strategy creates several sources of risk for multinational businesses even though it generally represents more continuity than Trump’s.

- **Probes from Beijing:** China may test Harris’ resolve on several “red line” issues such as Taiwan and the South China Sea. Harris would likely prefer to maintain and incrementally deepen Biden era policies – especially the current series of systematic, sector–based export controls and investment restrictions. However, provocations from Beijing, including greater support for Russia’s military–industrial base and more frequent use of aggressive grey zone tactics against Taiwan and the Philippines, could lead Harris to adopt a more reactive China policy to signal strength and deter future probes. Beijing is also uncertain whether Harris would prioritize connectivity and dialogue over competitive actions and may test her priorities for managed competition by selectively closing channels of communication.
- **“Bigger yard, higher fence:”** Likely expansion in the scope and rigor of existing export controls, investment restrictions, and adjacent policies under Harris could create barriers for firms that develop or manufacture EVs, artificial intelligence (AI), quantum technology, data storage platforms, and semiconductors. Multinational firms should expect new, sector–based additions to the Entity List, increasingly tighter scrutiny of any form of economic engagement with China, and more liberal application of existing controls (e.g., the FDPR) to new sectors. However, the pace of these actions may be much more incremental than during the Biden administration.
- **Protectionism:** Harris’ protective measures – intended to safeguard U.S. strategic industries as much as undercut China’s technological advancement



– are also likely to be affected by domestic politics. Her pro-labor views, as well as forward-looking considerations about a second term, may influence her preferences on China-related tariffs, trade, and investment.

- **Supply chains:** Although Harris does not favor outright decoupling from China, her initiatives on supply chain diversification could still cause challenges for U.S. and foreign manufacturers and shipping companies as they pivot to friend-shoring production, packaging, and shipping centers to Southeast Asia, Mexico, and elsewhere. Many consumer goods, such as toys and apparel, have not been as affected by this transition. However, the impact has already become pronounced in the electronics and advanced technology sectors.
- **Potential for moderate retaliation:** Even if Harris were to maintain high-level U.S.-China communication mechanisms and keep her trade restrictions targeted to specific sectors, Beijing is expected to continue to develop regulatory tools for retaliation and could still retaliate against major policy changes. During the “managed competition” of the Biden era, China consistently responded to U.S. trade restrictions (such as expanding the BIS entity list and reforming de minimis exemptions), including by adding U.S. companies to the Unreliable Entities List (UEL) and rolling back some government purchases of U.S. technology products manufactured by Intel, Micron, and Nvidia.

What Businesses Should Be Watching

Political advisors: The trajectory of either candidate’s China policy will likely be shaped by their inner circle of foreign policy advisors.

- Possible China advisors for a second Trump administration include former National Security Adviser Robert O’Brien; former U.S. Trade Representative Robert Lighthizer; Senator Bill Hagerty (R-TN); Senator Tom Cotton (R-AR); former Deputy Assistant Secretary of Defense Elbridge Colby; and former Deputy National Security Adviser Matt Pottinger. Although generally hawkish, many of these individuals do not entirely agree with Trump on China policy and have reportedly pushed him to adopt a more coherent and targeted approach to U.S.-China relations, as well as pay more careful attention to allies and partners.
- Possible China advisors for a Harris administration include the Vice President’s current National Security Adviser Philip Gordon and Deputy National Security Adviser Rebecca Lissner; current Senior Director for East Asia and Oceania on the National Security Council Mira Rapp-Hooper; current Deputy Secretary of State Kurt Campbell; former Ambassador to Myanmar Derek



Mitchell, and current Secretary of Commerce Gina Raimondo. When selecting her team, Harris is likely to draw heavily from former Obama and Biden officials with experience in the region.

Congressional landscape: Although both Republicans and Democrats favor passing tougher legislation on China, Congressional dynamics will still play a key role in enabling or inhibiting execution of either candidate's agenda.

- China hawks in Congress will look for areas to publicly push both Trump and Harris to compete aggressively with stronger defensive measures (i.e., tariffs, export controls, sanctions, investment restrictions) and provide greater domestic investment to on-shore and friend-shore sectors critical to U.S. national and economic security.
- Depending on control of the White House and Senate, confirmations for senior government posts are likely to be slow. Nominations are generally viewed as the best tool for the Senate to shape executive branch policymaking. In a hyper-partisan Congress, key posts may remain vacant into late 2025.
- Finally, Congress and the new administration may look at the House Select Committee on Competition with the CCP as the best vehicle for advancing a China policy agenda through the next Congress. Members and staff instrumental in driving the work of the committee to date are likely to populate key roles in the next administration, but it remains to be seen whether Trump or Harris views the Select Committee's work thus far as a bipartisan roadmap for China policy.

China's stance and actions: The U.S.-China relationship does not depend solely on Washington. Regardless of who wins the election, Beijing's own decision-making on thorny issues such as industrial policy, trade policy, military modernization, ties with Moscow, Pyongyang, and Tehran, and fluctuations in China's economy will drive President Xi Jinping's perceptions about the balance of power and Beijing's progress on its drive to achieve technological self-sufficiency. Additionally, China will test each candidate – Harris on security redlines and continued dialogues, Trump on tariffs and overtures for leader-level negotiations – and modulate its strategy based on their responses.

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