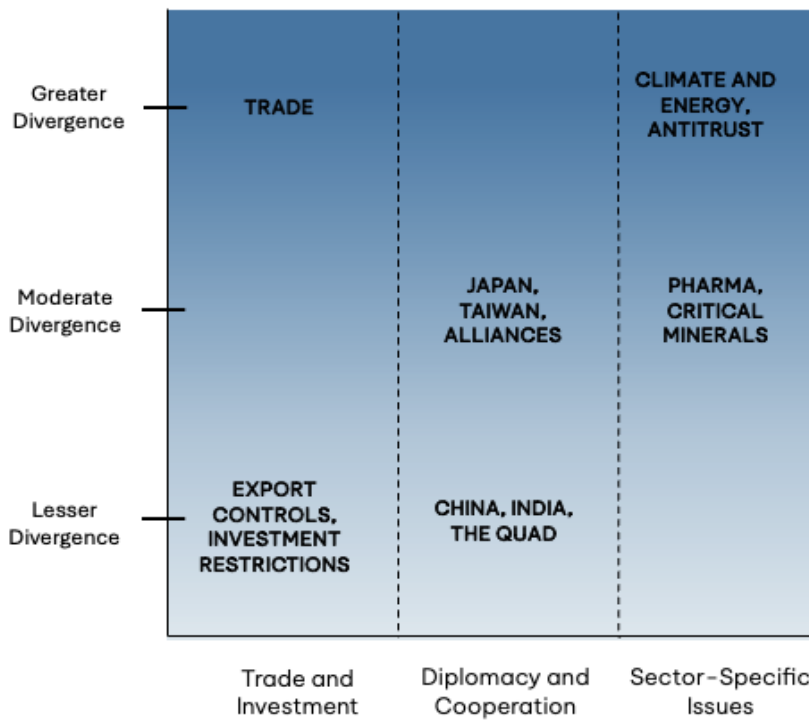# Harris vs. Trump Indo-Pacific Policies Summary

OCTOBER 22, 2024

Key Takeaways

Harris vs. Trump Agendas on Trade, Foreign Policy, and Business

- **Trade and Investment:** Harris and Trump both aim to protect U.S. domestic industry and constrain China's technological advancement, but Trump is much more enthusiastic about applying new tariffs on China. Regarding technology denial, Trump would try to accrue negotiating leverage through transactional, unilateral, and entity-based approaches to controls on exports and foreign investment. Harris would likely maintain her predecessor's "whole-of-government," item-based, and multilateral strategy.

- **Diplomacy and Cooperation:** Harris and Trump diverge in their approaches to bilateral and multilateral engagement, including alliances. Harris will prioritize coalition-building and is likely to favor maintaining dialogue and guardrails with China. Trump is inclined to make the U.S. trade deficit and accusations of "free-riding" a focal point of diplomacy and will advocate for an aggressive, "peace through strength" China strategy.

- **Sector-Specific Issues:** Less predictably, both campaigns have somewhat different approaches to pharmaceuticals, critical minerals, energy, anti-trust policy, and other issues, which will be shaped by Congressional, executive agency, and state-level politics.

With two weeks to the U.S. election, TAG takes a look at where Kamala Harris and Donald Trump stand on key trade, foreign policy, and industry issues that are most likely to impact the Indo-Pacific region. Additional briefs from our Elections24 series are now made available on the Commentary section of the TAG Media website page, located here. This memo summarizes the key findings of those reports.

Trade and Investment

Issue	Harris	Trump
Trade Policy	- Aims for expansion of bilateral trade with key partners; no universal tariffs - Cautious support for IPEF and other multilateral trade arrangements - Pro-labor and pro-environment stance could limit FTA participation	- Trade policies, including high tariffs on China, to focus on deficit reduction - Some transactional bilateral talks - Skeptical of multilateral trade pacts (e.g., CPTPP, IPEF) and WTO
Export Controls	"Small yard, high fence" strategy on AI and quantum technologies - Multilateral alignment with Japan, South Korea, Taiwan, and the Netherlands	- Unilateral approach to imposing or easing restrictions - Transactional and reactive measures against specific Chinese entities
Outbound FDI	- Sector-based approach to preventing growth of China's defense-intelligence apparatus - Retain targeting and implementation lead at Treasury	- Tight scrutiny of companies accused of contributing to China's military-civil fusion - Could re-task DoD with targeting and Treasury with implementation
Inbound FDI	- Could push to remove CFIUS' country-agnostic targeting and grant further authority to regulate greenfield investments - Likely to pressure allies and partners to adopt similar controls	- Tough stance on curbing foreign threats to U.S. infrastructure, privacy, and technology - Narrow, entity-based approach aggressively targeting foreign ICT companies

NOTABLE TRENDS

Similarities: Both candidates support tighter export controls on advanced semiconductors, quantum computers, artificial intelligence (AI), and other emerging technologies; greater federal oversight over inbound and outbound foreign investment in strategic industries; and tariff hikes on Chinese EVs, batteries, solar panels, semiconductors, medical devices, personal protective equipment, and steel. Trump and Harris are also equally focused on supply chain security and resiliency.

Differences: Trump advocates for a 10-20 percent universal tariff on imports, a 60 percent universal tariff on most Chinese goods, and a 200 percent duty on Chinese EVs. He is skeptical of the WTO and multilateral arrangements like IPEF, which he has pledged to abolish. He favors entity-based, event-driven, and transactional targeting of Chinese entities, to be used as leverage in negotiations on other issues. Harris favors a "small yard, high fence approach" that involves narrow tariffs and restrictions on advanced technologies. Her strategy entails coalition-building with Japan and others to internationalize controls. Harris has been less critical of trade

multilateralism, but she opposed USMCA and the CPTPP.

Risk for businesses: No matter who wins the election, U.S. jobs and strategic competition with China will remain the two most important factors driving U.S. trade and investment policy. The election results could stoke inflation. Multinational firms in all sectors – especially semiconductors and biotech – should prepare for limitations on trade, higher compliance burdens for exports and investments (including more rigorous application of the Foreign Direct Product Rule), and more aggressive scrutiny of transactions with China and other "countries of concern."

Bilateral and Multilateral Relations

Issue	Harris	Trump
Japan Policy	• Further integrate Tokyo into bilateral and multilateral security architecture • May pressure Japan to diversify supply chains and strengthen export controls	• Could slow down trilateral dialogues with some partners (e.g., South Korea and the Philippines) • Likely to create friction by pushing Tokyo to boost defense spending
India Policy	• May broaden economic partnership and deepen technology cooperation • Could emphasize human rights and democracy in U.S.-India bilateral relations	• Could take steps to boost defense trade and reduce licensing burdens • Trade frictions and India-Russia ties may create tensions despite personal relationship with Modi
China Policy	• Favors guardrails, multilateral coalition building, and targeted measures, but policies could shift as Beijing probes Harris' resolve • Likely to keep U.S.-China working groups while tightening trade, FDI, and export restrictions	• Prefers building up negotiating leverage with sweeping, unilateral actions and tough rhetoric • Will focus heavily on tariffs; may revoke China's PNTR status, expand Section 301 duties, and generally move towards decoupling
Taiwan Policy	• Likely to adhere to longstanding U.S. "one China policy" and current gradual approach to trade expansion • May stress Taiwan's role as a model for democracy in the region	• Described Taiwan as a bargaining chip and has transactional view of its geopolitical value • Likely to maintain arms sales but could also focus on trade deficit
Indo-Pacific Alliances	• Will deepen ties and push for intra-regional cohesion through cross-linkage and tech sharing • Likely to refrain from public criticism of allies and emphasize collective action against shared threats	• Likely to pressure U.S. partners to "pay their fair share" and steer away from open-ended commitments • Advocates for transactional approach to cost-sharing, and can skew toward confrontation
The Quad	• May support deepening of existing working groups on key public goods and push for more frequent meetings • Likely to continue new Quad initiatives on maritime domain awareness, investment, and tech	• Quad likely to remain a notable exception to Trump's general dislike of multilateral diplomacy • Could scale back Biden era cooperation mechanisms on climate change and global health

NOTABLE TRENDS

Similarities: Harris and Trump agree that China is the United States' current "pacing threat" and broadly recognize the important role Indo-Pacific allies and partners play in protecting U.S. regional interests amid Beijing's aggressive behavior in the South China Sea, East China Sea, and Taiwan Strait, as well as Pyongyang's increasingly hostile provocations on the Korean Peninsula. The candidates are likely to further arms sales to Japan, South Korea, and Taiwan and strengthen joint interoperability, intelligence gathering, and command and control measures with like-minded countries despite divergent rhetoric on bilateral relations.

Differences: Harris is likely to deepen coordination on issues that extent beyond security cooperation (e.g., climate, public health, technology) and keep the traditional calculation that the short-term expense of supporting partners' defense will lead to long-term stability under the U.S.-led liberal international order. Apart from the Quad and AUKUS, Trump views multilateral diplomacy as undermining U.S. negotiating leverage. Trump's view on relationships is more transactional, with his sense of their value refracted through the lens of the U.S. trade deficit. Trump is also less likely to allocate resources to institution-building and cultivating shared values.

Implications for risk: A second Harris presidency is unlikely to change the tenor of U.S. Indo-Pacific diplomacy. That said, China's efforts to probe Harris' resolve as a new head of state could cause her to deviate from the former administration's systematic approach to U.S.-China relations. A re-elected Trump may be inclined to de-prioritize working-level talks on public goods, and given his preference for bilateral engagement, he could also reduce the frequency of "minilateral" discussions with Japan, South Korea, the Philippines, and Australia. Trump's support for universal duties could create tension with allies and partners, and his tariffs on Chinese imports may incur widespread retaliation from Beijing.

Sector-Specific Issues

Issue	Harris	Trump
Pharma	• Possibly negotiate more Medicare drugs and deepen IRA requirements on affordable pricing • May advance international coordination on drug access, development, and supply chains	• Has taken a combative stance toward "big pharma," including anti-kickback measures • Could revive "Most Favored Nation" plan tying U.S. drug prices to OECD equivalents
Critical Minerals	• Continue existing measures to diversify sourcing and boost extraction • Deepen and expand multilateral collaboration	• May reduce collaboration, especially on environmental sustainability • Likely to continue policies on identification, stockpiling, acquisition, and funding
Energy	• Likely to strengthen U.S. renewable energy infrastructure and industries	• Will prioritize traditional energy sources and could try to repeal IRA

	• Favors multilateral approach to combating climate change and accelerating green energy research	• May further link energy policy to competition with China and withdraw from climate pacts
Antitrust	• Likely continue "whole of government" approach to deter corporate overreach • Favors sweeping "pro-enforcement" strategy, granting greater regulatory power to the FTC, DOJ and others	• May leverage narrowly-targeted proceedings to advance public interest goals • Will likely return to issue-driven, tit-for-tat scrutinization of specific targets

NOTABLE TRENDS

Pharmaceuticals: Both Harris and Trump are broadly interested in lowering drug prices, insulating U.S. pharmaceutical supply chains, and supporting domestic production of active pharmaceutical ingredients (APIs) and personal protective equipment (PPE). Harris is likely to enhance cooperation on supply chain security and information-sharing mechanisms between the Department of Health and Human Services and other federal agencies; execute provisions within the IRA that lower out-of-pocket costs; and expand the range of drugs open to price negotiations under Medicare. Trump could revive key first term initiatives such as his "Most Favored Nation" (MFN) plan tying U.S. drug prices to retail pricing in wealthy OECD countries and reinforce various forms of anti-kickback restrictions targeting pharmaceutical benefit managers (PBMs).

Critical Minerals: Regardless of the election outcome, Washington will likely aim to accelerate funding for domestical critical minerals production and further empower federal agencies to monitor related suppliers and stockpiles. Harris may approve additional grants, programs, and other forms of support for surveying, mining, and prospecting, as well as new avenues of cooperation with like-minded countries. Trump is likely to preserve many Biden era critical mineral policies on identification, stockpiling, acquisition, and funding given that they built upon his first term measures. However, he may de-prioritize the U.S.-led international coalition on mineral security.

Climate and Energy Policy: Harris is likely to expand investments in renewable energy, green infrastructure, and green technology. Her agenda also includes a commitment to supporting multilateral efforts on climate change. Trump is inclined to expand nuclear energy production, maintain existing commitments to oil and gas, and repeal the IRA – which he labelled the "Green New Scam." He will likely withdraw the U.S. from multilateral climate agreements and target IRA provisions related to EV tax credits, methane fees, crude oil taxes, and government-funded incentives to purchase renewable energy technology.

Antitrust: Harris has little incentive to deviate from Biden's blanket "pro-enforcement" strategy that gave greater regulatory power to the Federal Trade Commission (FTC), the Department of Justice (DOJ), and other agencies in its "whole of government approach" to promoting fair competition. Trump would likely

return to the selective, tit-for-tat scrutinization of specific mergers to advance public interest goals that extend beyond consumer protection. A second Trump administration could also see a return to the competitive dynamics between the FTC and the DOJ that developed during his first term.

Appendix: The TAG E24 Library

The memos linked below examine how the outcome of the 2024 U.S. presidential election could shape key Indo-Pacific policies, including tariffs, export controls, investment restrictions, and security cooperation.

Trade and Investment

- <u>Indo-Pacific Trade Policy</u> | March 8, 2024
- <u>Export Controls</u> | March 28, 2024
- <u>Outbound FDI</u> | June 3, 2024
- <u>Inbound FDI</u> | September 5, 2024

Bilateral and Multilateral Relations

- <u>Japan Policy</u> | April 10, 2024
- <u>The Quad</u> | April 30, 2024
- <u>India Policy</u> | July 30, 2024
- <u>Taiwan Policy</u> | September 25, 2024
- <u>Indo-Pacific Alliances</u> | October 2, 2024
- China Policy (forthcoming)

Sector-Specific Issues

- <u>Antitrust</u> | May 16, 2024
- <u>Critical Minerals</u> | July 1, 2024
- <u>Pharmaceuticals</u> | July 16, 2024
- <u>Climate and Energy</u> | October 15, 2024

The Harris vs. Trump series was developed and authored by the TAG Research Team with insights, intelligence, and other support from TAG's Elections24 Task Force and all TAG staff.