

U.S. Economic Policy Under President Trump

POLICY DIALOGUE SERIES
THE OUTLOOK FOR INDONESIA'S TRADE IN
THE TRUMP ERA





What do we know about the Trump Administration's
trade and economic policy?

We don't know anything yet.

Donald J. Trump's 7 Point Plan To Rebuild the American Economy by Fighting for Free Trade



- 1. Withdraw from the Trans-Pacific Partnership, which has not yet been ratified.
- 2. Appoint tough and smart trade negotiators to fight on behalf of American workers.
- 3. Direct the Secretary of Commerce to identify every violation of trade agreements a foreign country is currently using to harm our workers, and also direct all appropriate agencies to use every tool under American and international law to end these abuses.

7 Point's Continued



- 4. Tell NAFTA partners that we intend to immediately renegotiate the terms of that agreement to get a better deal for our workers. If they don't agree to a renegotiation, we will submit notice that the U.S. intends to withdraw from the deal. Eliminate Mexico's one-side backdoor tariff through the VAT and end sweatshops in Mexico that undercut U.S. workers.
- 5. Instruct the Treasury Secretary to label China a currency manipulator.
- 6. Instruct the U.S. Trade Representative to bring trade cases against China, both in this country and at the WTO. China's unfair subsidy behavior is prohibited by the terms of its entrance to the WTO.
- 7. Use every lawful presidential power to remedy trade disputes if China does not stop its illegal activities, including its theft of American trade secrets - including the application of tariffs consistent with Section 201 and 301 of the Trade Act of 1974 and Section 232 of the Trade Expansion Act of 1962.



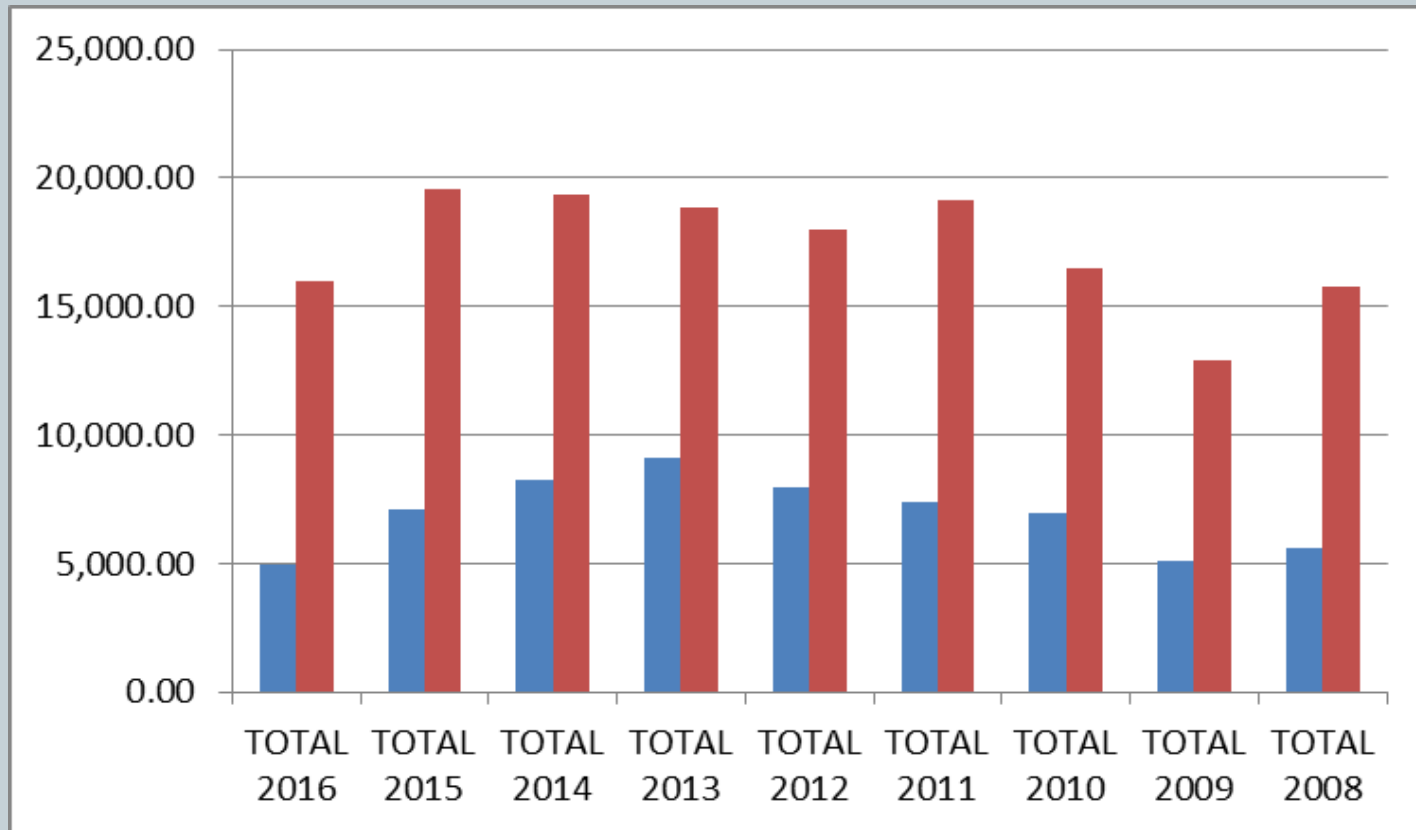


- Transactional Economic Policy
- **Trump teases agreements with Ford, Dow Chemical to create jobs** (The Hill, 12/9)
- ***Trump to Announce Carrier Plant Will Keep Jobs in U.S.*** (NYT, 11/29)
- Priority is Keeping Jobs in the U.S. and Creating New Manufacturing/Construction Jobs



- Preference for bilateral trade deals
 - May want to reconsider existing deals if they appear to be disadvantageous to U.S. workers
- Look at partners with trade surplus with US
- What about Indonesia?

US-Indonesia Trade 2008-16 (Oct)



What Can Indonesia Do?



- **Indonesia is already doing a lot to boost it's own economy**
 - Ease of Doing Business Rankings
 - DNI Revisions
 - Tax Amnesty
 - 14 Economic Reform Packages
 - Potential Trade Deals with EFTA, Australia, EU

What Can Indonesia Do? U.S. concerns



- **Still some areas of concern**
 - U.S. Exports falling since 2013
 - TBTs: LCR, quotas, standards
 - Oil and Gas law
 - IPR protection
 - Sanctity of contracts, criminalization of commercial disputes, rule of law