

**Trump and the Indo-Pacific: Are we going to peel onions with our  
naked eyes?**

**Thursday, 6 March, 2025**

I cordially welcome everyone to this second session of our webinar on the new Trump Administration and its implications for the Indo-Pacific.

While the previous session focussed on strategic affairs (but often veered into economic affairs), this session will focus on trade and economic policy (but will no doubt touch upon strategic affairs!).

Because that is the flavour of the day now – President Trump’s trade policy indicates that the terms of trade will be determined by political might and pressure tactics, rather than economic efficiency.

It has been just over a month and a half since President Trump retook office, but he has already sent shockwaves across trading partners.

We have seen a flurry of executive actions, two rounds of tariffs on friends and foes alike, and a desire to levy ‘reciprocal’ tariffs – which would distort the entire premise of a rules-based trading system.

There is a clear intent to not be bound by any institutional constraints – whether they be of co-equal branches of the U.S. government such as Congress, or in terms of legal frameworks laid down in Free Trade Agreements or at the World Trade Organisation.

There is less talk of rule-based agreements, and more of “arrangements” which can “manage” the trade relationship a country has with the US.

The use of tariffs to achieve U.S. domestic policy goals of curbing illegal immigration and drug supplies, and forcing trading partners to commit to policy action, also marks a shift. Trade negotiations are transforming into deals to achieve non-trade ends.

The pretence around alliance-building has been taken out - international economic relationships are being reduced to zero sum games.

Sadly, the President’s obsession with this “art of the deal” trade policy brings with it real inflationary costs to not just the US, but also the global economy. The consequences will be felt around the world – by consumers, businesses, and economies.

So, where do we go from here?

What does Trump’s trade policy mean for the present and future of the multilateral trading system?

What does it mean for regional trade agreements, and other, nascent trade architectures which have emerged in the Indo-Pacific region in the past few years?

Will countries be so busy scrambling to meet Trump's demands and find acceptable deals, that the broader economic cooperation agenda will take a backseat? Is this scorched earth trade policy here to stay, and are we going back to an era of managed trade?

What will it mean for American companies and consumers who will face rising input costs, shortages and price hikes? Will we see companies relocating to the U.S. to avoid tariffs?

And what are the opportunities all this creates, and how best can countries in the Indo-Pacific region leverage these opportunities?

There are no easy answers, but we are privileged to have a top-notch panel with us today to help think through some of these issues.

Let me welcome and thank Pascal, Martin, Kanwal, Stuart and Karl for taking out the time and joining us today. They have all been thinking deeply and writing extensively, trying to make sense of what Trump's trade policy priorities mean for the world.

Just around 13 years ago, Pascal, as then WTO D-G, had convened a panel to analyse 21<sup>st</sup> century challenges and chart a course for the future of trade.

I think we will all agree that we once again find ourselves on the precipice.

We are turning against ‘predictability and stability’ in global trade, which was the foundational objective of the WTO.

We are surrounded by increasing uncertainty, and with very little idea of how the months and years ahead will shape up.

We need to navigate the challenges, leverage the opportunities, and preserve the institutional architecture as best as we can. Our collective economic destiny may depend on it.

Thank you once again to everyone for joining us today, and I look forward to a productive discussion.

Please type in your questions in the chatbox so that they can be taken up in the Q&A session.

I now hand over to the opening speaker.