

Trump's China policy 2.0: Balancing hawks and economic interests

The incoming administration faces conflicting priorities between punitive trade measures and fostering business ties with China.



By Ofir Dayan / Published on Dec. 10, 2024

On Jan. 20, 2025, President-elect Donald Trump will be inaugurated amidst a great-power competition shaping US foreign policy. Trump recently announced his cabinet nominees, including figures known for their hawkish stances on China and others with significant commercial ties to the nation. This duality mirrors Trump's own ambivalence – on one hand, his campaign to "make China pay" for what he deems unfair trade practices, and on the other, his open admiration for Chinese President Xi Jinping. As in previous administrations, Taiwan and economic issues are likely to dominate Sino-American relations. However, this time, the cabinet room will include a broader spectrum of opinions and interests regarding China.

Trump's rhetoric during the campaign underscores his primary focus on economic concerns in US-China relations. In a televised debate with Vice President Kamala Harris, the Democratic presidential candidate, he mentioned China twice, both times in economic contexts, advocating for steep tariffs on Chinese imports. Similarly, in a three-hour interview on Joe Rogan's popular podcast, Trump referred to China 11 times, with four mentions tied to proposals such as imposing 100–200% tariffs on Chinese electric vehicles.

One notable nominee is Howard Lutnick, selected as Secretary of Commerce. Lutnick shares Trump's commitment to addressing the loss of American jobs to China, supporting proposals like 60% tariffs on Chinese goods. However, Lutnick's connections to China complicate his hawkish stance. His financial services firm, Cantor Fitzgerald, operates a branch in Hong Kong and partners with a Chinese government-controlled enterprise. This partnership has facilitated listings of Chinese companies on US exchanges, and Cantor's partner maintains ties with Huawei, raising concerns among US intelligence agencies.

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