

Why a stronger China has little to fear from a second Trump administration

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Beijing has room to manoeuvre and stay aloof as it focuses on playing a more responsive game against a belligerent Trump

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As the key pieces fall into place for positions in US president-elect Donald Trump's cabinet, tea-leaf readings abound, especially with regard to the incoming administration's [hawkishness towards China](#).

To say that Beijing can cope with Trump's return with consummate ease is surely an exaggeration. However, there is a strong case to be made that China is in a better strategic position than four years ago, when current US President Joe Biden took over from the first Trump administration and went on to continue his predecessor's tariffs and sanctions against China.

With Trump returning to office, China can afford to be more patient than when Biden took power. It can wait for [domestic politics](#) in Washington to play out and for Trump to turn transactional as a self-styled master deal-maker.

Republicans have won control of both houses of Congress and the presidency, so Trump is likely to have a great deal of freedom to pursue many of his campaign promises. Even so, the odds are that he will founder on at least two of his most high-profile pledges: [the mass deportation](#) of undocumented immigrants and slashing the size of the federal government through the so-called Department of Government Efficiency.

It is clear that Trump aims to shake American society to its foundations. The country now hosts more than 11 million undocumented immigrants and, over time, they have become an indispensable part of the country's societal fibre. It is thanks to their efforts that US cities can function at a bearable cost. If Tom Homan – [Trump's "border tsar"](#) – follows through on the president-elect's promises to the letter, it will lead to chaos across the country.

Meanwhile, [Elon Musk](#) – whom Trump has chosen to lead the Department of Government Efficiency alongside Vivek Ramaswamy – has said his new unit could cut “at least US\$2 trillion” from the US\$6.75 trillion federal budget and that the number of federal agencies should be reduced from more than 400 to 99 or fewer.

This is no simple maths exercise but, rather, high-stakes politics whose scope and scale require far more than a simple populist mandate to succeed. These efforts are likely to meet resistance from both Democrats and deeply entrenched institutions which see them as recklessly anti-establishment and un-American.

As a result, Trump is likely to have fallen short of his pledges by the 2026 midterm elections and could lose his Republican majority in one or both chambers of Congress. Signs of internal dysfunction are already emerging: Trump loyalist Rick Scott was denied [Senate majority leadership](#), and fellow loyalist Representative Matt Gaetz [withdrew from consideration](#) for attorney general over allegations of drug use and sex with minors.

Outside the US, expectations of Trump's “America First” foreign policy are causing confusion and estrangement. European Union and Chinese officials are in talks over alternatives to tariffs on electric vehicle imports from China, possibly as a hedge against Trump's pledge of big tariff hikes across the board. Elsewhere, Russia has hardened its bargaining position over its invasion of Ukraine amid Biden [giving Kyiv permission](#) to strike Russian territory with US missiles.

The second Trump administration is expected to take a heavy toll on Chinese exports. If Trump makes good on his pledge to impose tariffs of [60 per cent or higher](#) on Chinese-made goods, estimates suggest that it could shave 1 per cent or more off [China's GDP growth rate](#).

Let's assume this is the case. Set aside China's efforts to expand into other markets and the central government spending [trillions of yuan](#) to stimulate domestic consumption and cushion the shock of Trump's tariffs. Also, let's ignore for now the inflationary pressures these tariffs will unleash on the US economy and their effects on the Trump administration's ability to stick to its plan.

How will China react to all this? The most likely answer is that it will tough it out and emerge more resilient, as it has over the past six years. No one should underestimate the determination of the leadership in Beijing to ensure “[the great rejuvenation](#) of the Chinese nation” is not disrupted.

China has a great deal of room to manoeuvre and stay aloof as it focuses on playing a more responsive game against a belligerent Trump administration. The country's technological advancement continues despite Washington and its allies' attempts to stymie it. At the same time, China's role as leader of [the Global South](#) is steadily growing as these developing countries try to make a better living with China's help, as seen by its leading role at the Group of 20 and Asia-Pacific Economic Cooperation forum summits this month.

To sum up, the second Trump administration is likely to struggle in the 2026 midterms and eventually converge on the foreign policy line currently taken by Biden. Japan and European allies will be placated one way or another. The US will work out a new framework with China in which Beijing continues to be engaged on the trade front while technological competition between the two persists. This will especially be the case if talks with Russia to end its war with Ukraine are protracted.

In his book, *The Art of the Deal*, Trump describes "bravado" as "the final key to the way I promote" a deal. That certainly appears to be the case today, judging by his re-election campaign. Now it's time to see how it works on a world more ready for him.

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