

America First 2.0: How Trump's 2024 Presidency Shapes ASEAN's Future

Chang Liu

*School of Asian Studies, Beijing Foreign Studies University, Beijing, China
983321602@qq.com*

Abstract: With Trump announcing his candidacy for the 2024 U.S. presidential election, the potential return of the "America First" policy is poised to profoundly impact the global geopolitical and economic landscape. As a vital engine of global economic growth and a strategic hub, ASEAN countries experienced significant repercussions from the "America First" policy during Trump's first term. This study aims to explore how a potential second Trump presidency could reshape U.S.-ASEAN relations and how ASEAN nations might respond to the new geopolitical realities. This study combines "historical analysis" and "textual analysis", approached from the perspectives of "policy continuity" and "economic dynamics". This study assesses how U.S. first-term policies significantly affected ASEAN's economic and security landscape, particularly in trade and investment. Correspondingly, ASEAN countered these impacts by strengthening regional integration (e.g., RCEP, AEC) and deepening cooperation with regional powers. In the next term, the U.S. may shift toward greater economic and security engagement with ASEAN, balancing ASEAN's concerns with its own Indo-Pacific interests. For ASEAN, the new term presents both challenges and opportunities. ASEAN should enhance regional integration, adjust diplomatic strategies to balance major power competition, and strengthen collective response capabilities.

Keywords: ASEAN, America First, Regional Comprehensive Economic Partnership (RCEP), Foreign Direct Investment (FDI)

1. Introduction

For many years, Southeast Asian markets have been influenced by global trade dynamics and changes in world geopolitics. ASEAN is a significant factor in the global economy as it has an intricate network connection with supply chains and trade partners and engages substantial powers such as the United States. External influences such as trade disputes and fluctuations in U.S. policies are well discussed in the relevant literature. Trump's initial presidency was marked by the imposition of various trade obstacles and significant tensions in transatlantic and global commerce[1]. These actions directed the international world's vulnerability of ASEAN towards local growth solutions through regional frameworks, hence utilizing the RCEP. ASEAN is now encountering fresh economic and geopolitical changes since Trump returned to the White House for the second term in 2024[2]. Literature on Trump's presidency during his first term in the White House is available. Nonetheless, there are still questions about what might befall ASEAN financial markets with a new "America First" policy or how ASEAN countries might respond. The dynamics of prior investigations leave out prognostics, though excluding these assessments provides an inadequate prognostication of

forthcoming challenges and solutions [3]. This study has enriched our study of using historical studies and prediction analysis that assess the likely implications of Trump's 2024 presidency on ASEAN countries. Therefore, the results generated in this study are relevant and valuable to several stakeholders. The collected data provides policymakers with tools to boost economic resilience while building stronger regional integration.

2. Historical Context

During his presidency from 2016 to 2020, Donald Trump substantially transformed U.S. foreign trade policies under the "America First" doctrine. Under Trump's leadership, foreign trade talks focused on balancing trade deficits while redoing international agreements and rectifying perceived global trade wrongs, especially regarding China. The essential elements of his foreign trade plan consisted of TPP withdrawal and increased trade confrontations with China. The U.S. became opposed to multilateral agreements, so it started prioritizing bilateral deals that would allow it to benefit from its economic strength in negotiations.

The U.S.-China trade conflict further underlined Trump's protectionist position. In 2018, the government enacted tariffs on \$360 billion of Chinese imports, citing inequitable trade practices, intellectual property infringement, and a substantial trade deficit. In September 2018, the United States incrementally raised duties on \$250 billion worth of yearly imports from China, asserting its intention to protect American companies from inequitable Chinese practices and to diminish the bilateral trade deficit. China imposed taxes on \$110 billion worth of imports from the United States [4]. While the trade war highlighted systemic issues in U.S.-China trade relations, it also raised concerns about the long-term impact on global trade stability and economic growth. Trump's policies reflected his administration's broader goals of reshoring manufacturing jobs and reducing dependence on foreign market. While these actions appealed to domestic constituencies, they strained relations with trade partners and created ripple effects across global markets, particularly in Asia.

ASEAN has developed a strategic approach with the United States throughout its history through economic and security partnerships. FDI flows from the U.S. to ASEAN reached \$74.36 billion in 2023 while maintaining an essential role as a trade partner through electronics, textiles, and automotive part exportation. Through stronger military cooperation with the U.S., the Philippines and Vietnam have been assisted in conducting joint exercises. The Trump administration has a tendency not to recognize the Indo-Pacific strategic framework, which may negatively affect ASEAN's international trade environment and make ASEAN's trade prospects not optimistic. Unpredictable multilateral behavior from Trump led ASEAN to experience uncertainty. Nevertheless, ASEAN proved its stability by diversifying its economic ties and developing the integration process further. Through the AEC and RCEP, the bloc also intensified regional integration through exports to other nations such as Japan, South Korea, and the European Union [5]. Trump's first-term policies transformed ASEAN's economic and geopolitical map by focusing on the region's significance in the global value chain and the Washington-Beijing contest. Trade and security relations between ASEAN and the U.S. started in the past, but during Trump's presidency, the relationship experienced some tension, making the bloc seek deeper integration and diversification [6]. Such experiences offer a basis for considering how ASEAN may deal with Trump's unpredictable second term.

3. Analysis of Current Trends: Potential Shifts and Continuities in U.S.-ASEAN Relations

The re-election of Donald Trump as President of the United States in 2024 signals both potential shifts and continuities in U.S.-ASEAN relations. Under "America First" leadership, the future of U.S.-ASEAN relations will fundamentally evolve due to previous administration actions and present-day geographical and monetary obstacles.

One of the most significant shifts likely involves Trump's continued emphasis on bilateralism over multilateral trade agreements. In his initial term, Trump exited the Trans-Pacific Partnership (TPP) and sought bilateral trade agreements, use U.S. economic might to obtain advantageous conditions. This approach is expected to continue, potentially creating opportunities for individual ASEAN nations to negotiate directly with the U.S. but undermining regional unity and integration efforts such as the RCEP. Another change involves the intensifying tensions between the U.S. and China. The Trump administration designated China as a strategic adversary and enacted actions to mitigate Beijing's expanding influence in the Indo-Pacific region. This rivalry affects ASEAN due to its economic interdependence with both superpowers. ASEAN economies, particularly Vietnam and Singapore, could benefit from trade diversions as firms relocate production to bypass U.S.-China tariffs. However, as trade wars and tariff barriers continue to escalate, the neutrality policy that ASEAN countries have adhered to in the past has been shaken, and they have to take some measures to express their stance. The protectionist policies enacted by Trump, including border and increased tariffs, will return in some form. The export competitiveness of ASEAN manufacturers within U.S. markets faces the risk of decline because of these trade policies. Trump's plan to bring manufacturing jobs back home could push down foreign direct investment (FDI) flows into ASEAN member states [7].

Throughout history, the U.S. has provided maritime support to ASEAN members, including the Philippines and Vietnam, through funding and conducting Freedom of Navigation Operations [8]. U.S. assistance will persist as Washington seeks to maintain its influence across the Indo-Pacific region. Under Trump's Indo-Pacific strategy, the U.S. advocates for a "free and open" area in alignment with ASEAN's rules-based order and economic network priorities. ASEAN countries may access financial resources to build sustainable infrastructure and develop their international trade through overseas development assistance under the Asia Reassurance Act and other ASEAN initiatives.

4. ASEAN's Strategic Responses to Trump's First Administration and Potential Challenges Under Trump's 2024 Presidency

The ASEAN countries implemented various significant economic measures in reaction to the protectionist policies upheld by President Trump during his 2017-2020 administration. The membership developed new regional economic bonds, which were combined with expanded international trade relationships and better support for the ASEAN Economic Community. The cooperative moves of ASEAN member states created a defense system that protected their economies from American trade barriers throughout a time of worldwide commercial conflict.

Regional Integration Via RCEP

The RCEP served as a pivotal tool for ASEAN's approach to economic challenges via regional commercial integration. The RCEP was signed in November 2020, becoming the largest free trade agreement globally, including about 30% of the world's GDP [9]. RCEP's provisions reduced tariffs on 90% of traded goods, streamlined customs procedures, and promoted supply chain cooperation. RCEP's implementation of ASEAN's intra-regional trade grew by 10%, which shows that it has effectively bolstered regional economic cooperation [10]. Numerous corporations relocated production to ASEAN nations, including Vietnam, Thailand, and Malaysia, in response to U.S. tariffs on Chinese products and the U.S.-China trade spat. This transition allowed ASEAN nations to expand their market share in electronics and textiles, resulting in a 5% increase in ASEAN manufacturing [11].

Diversification of Trade Partnerships

ASEAN also pursued diversification strategies to decrease its dependence on the US market by strengthening ties with the European Union (EU), Japan, and India. In 2020, ASEAN and the EU

signed the ASEAN-EU Strategic Partnership, which is aimed at developing digital economy initiatives and renewable energy investments (McGregor, 2024). By increasing foreign direct investment (FDI), Japan had a significant role in ASEAN's resilience, which went up to \$18 billion in Japan's FDI in ASEAN in 2022 with a 12% year-on-year increase. ASEAN's infrastructure and digital trade strengthened, weakening its dependence on the US and China, which was paid for with this financial inflow [12]. Moreover, ASEAN also became a vital trade partner for India as the ASEAN-India Free Trade Agreement (AIFTA) helped raise bilateral trade by 15 % between 2019 and 2022. The trade expansion was significant in the pharmaceuticals, technology, and agribusiness sectors, which are important in ASEAN in terms of economic diversification and resilience [13].

Strengthening the ASEAN Economic Community (AEC)

AEC significantly contributed to regional integration by standardizing trade rules, fostering cross-border investments, and advancing digital trade. The ASEAN Digital Integration Framework Action Plan, a key initiative under the AEC, took the lead in spreading digital trade across the region. For example, develop robust and affordable digital infrastructure, including broadband and 5G networks. Enhance regional data connectivity through initiatives like the ASEAN Internet Exchange Framework. Spreading digital trade supports the deployment of emerging technologies such as IoT, AI, and cloud computing.

Potential Challenges Under Trump's Second Term

While ASEAN's strategic responses helped mitigate economic shocks during Trump's first term, his potential return in 2025 presents new challenges, including heightened U.S.-China competition, trade policy uncertainties, and FDI risks.

Implications for Foreign Direct Investment (FDI) and Digital Economies

Under Trump's second term, a renewed "America First" policy could reduce U.S. FDI in ASEAN markets, affecting manufacturing, technology, and finance industries. The digital economy is also at risk. Trump's aggressive stance on Chinese tech firms could force ASEAN to choose between U.S. and Chinese digital infrastructure. Given that Huawei and Alibaba dominate Southeast Asia's digital landscape, U.S. restrictions could disrupt ASEAN's innovative city projects, fintech sectors, and e-commerce growth. ASEAN's response may involve expanding digital partnerships with Japan, South Korea, and the EU to create independent tech ecosystems, preventing overreliance on either U.S. or Chinese technologies.

Tariff and Trade Policy Uncertainties

Trump's isolationist trade policies could create market uncertainties for ASEAN economies. His first administration imposed tariffs on steel, aluminum, and electronic components, disrupting ASEAN's U.S. exports [14]. If similar protectionist measures are reinstated, ASEAN countries like Vietnam, Malaysia, and Thailand—which benefited from supply chain shifts during the first trade war—may face a reversal of economic gains. Additionally, Trump's hostility towards multilateral trade agreements could weaken U.S. economic engagement with ASEAN. His threat to abandon the Indo-Pacific Economic Framework (IPEF) further exacerbates concerns that ASEAN will lose a key financial partner.

Future Strategies for ASEAN: Navigating Trump's Second Term

As ASEAN anticipates Donald Trump's potential return to the U.S. president in 2024, the region confronts considerable economic and geopolitical problems. Trump's "America First" approach to foreign policy, marked by protectionism and a focus on national interests, requires ASEAN to adopt adaptive strategies that strengthen regional resilience, foster diversification, and align with emerging U.S. priorities. Below are some detailed strategies ASEAN can pursue to navigate the challenges and opportunities presented by Trump's second term.

Strengthening Regional Economic Resilience

One of the most critical strategies for ASEAN in the face of Trump's policies is strengthening regional economic resilience. ASEAN has already initiated this process through such projects as RCEP, which minimizes the reliance on the American market by forming a single economic space with China, Japan, South Korea, and some other countries. RCEP makes it possible to secure ASEAN economic interests by providing market access in more countries, hence minimizing the effect of the tariffs imposed by the U.S. on ASEAN exports. Moreover, the AEC aims to promote trade, services, and investment within the ASEAN region. The AEC establishes a unified market and production network to facilitate the movement of commodities, services, investments, and skills within the ASEAN area.

Strengthening the AEC will assist ASEAN in minimizing the effects of external shocks on the economy and guarantee that internal factors determine the economic growth in the region than the global ones.

Diplomatic and Geopolitical Maneuvering

Given Trump's transactional and often unilateral approach to foreign policy, ASEAN must navigate carefully between competing global powers, especially the U.S. and China. Geopolitical non-alignment will continue to be one of the fundamental principles of ASEAN's functioning. However, it must cooperate selectively with the U.S., especially in security and technology. ASEAN countries can thus tap into the strategic value of having a relationship with the U.S., but at the same time, they should not be drawn into conflicts that exist between the US and China [15]. ASEAN will also be important in diversifying its trading partners to reduce risks of overdependence on the US and China. India, Japan, South Korea, and the European Union will be the countries that will be of importance when it comes to diversification. The political position of India, its relatively high growth rate, and the development of technologies in the country can make it an enjoyable alternative to China. ASEAN's trade with Japan and the EU has also been on the rise, and building up these relations will give ASEAN the flexibility to avoid the adverse effects of increased protectionism from the US.

Leveraging U.S. Policy Priorities

ASEAN should also reflect on U.S. priorities of interest, such as the digital economy and green energy, since ASEAN is capable and requires innovation in these areas. However, Trump's administration has shown interest in supporting digital infrastructure and green energy, mainly through cooperation with countries that share the same opinion. Thus, by pursuing such priorities, ASEAN can secure new investments and technologies potentially derived from the U.S., such as the Smart Cities Partnership. With the increasing sustainable energy policies in the US, ASEAN is well poised to develop renewable energy, especially solar, wind, and hydro energy. Such focus on sustainability aligns with current global trends and may help attract US private sector investment in green technologies.

5. Conclusion

In conclusion, as ASEAN prepares for Donald Trump's potential return to the U.S. presidency in 2024, the region confronts both opportunities and threats that will influence its economic and geopolitical trajectory. It is about time that ASEAN repositions itself and adapts to the 'America First' trade policies that include protectionism and a preference for bilateral as opposed to multilateral agreements. Therefore, it will be critical to promote RCEP and the ASEAN Economic Community, promoting regional economic resilience that will lessen the region's reliance on America and boost intra-regional trade. Also, diplomacy will be important to enable ASEAN to avoid taking sides by balancing between the two superpowers and expanding its trade relations with new partners, such as India, Japan, South Korea, and the EU. In addition, to support the sustainable development of the ASEAN region, it is possible to align priorities with the United States in the digital economy and green energy fields to attract investments. In this regard, ASEAN's capacity to manage the tensions between regional

integration, partners' diversification, and adjustment to US policy orientations will ensure the economic sustainability and independence of the region amid the intensifying competition and volatility. While existing literature has explored various aspects of U.S.-ASEAN relations, several critical areas remain under-researched in the context of a potential Trump 2024 presidency and its implications for ASEAN, which present opportunities for future scholarly inquiry. The research methodology of this study primarily concentrates on the examination of relevant secondary data, and the analytical perspectives are somewhat limited. Future research will adopt more direct and objective methods, such as case studies, to explore the bilateral relations in the USA-ASEAN economic and trade domain from a broader range of angles and in greater depth.

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