



The Bottom Line

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TRADE UNDER A BIDEN ADMINISTRATION

Summary

Presumptive President-elect Joe Biden is expected to take a more measured and multilateral approach to trade policy than President Trump, observers say, but is also unlikely to make significant short-term changes to tariffs and other restrictions imposed by his predecessor.

Background

The Obama/Biden administration's approach to foreign policy was marked by restraint—notably, a reluctance to use force. It used drones for surveillance, targeted terrorists with airstrikes, and imposed sanctions on nations and individuals but ruled out large-scale intervention. On one hand, Barack Obama's trip to Cuba in March 2016 brought dramatic changes in U.S. policy and was widely praised throughout Latin America. Obama criticized Cuba's human rights record, but he connected with its people. His premise in opening relations with Cuba was that engagement would bring about more change than decades of isolation.

On the other hand, the nuclear agreement the U.S. and five allies reached with Iran in 2015 proved to be disappointing. Critics argued we shouldn't deal with Iran, but the Obama administration attacked the most critical problem—Iran's march toward nuclear weapons—and negotiated terms that paused Iran's quest to develop a nuclear strike capability. By design, the agreement did not solve many other problems with Iran, including its support for the Syrian government and insurgents in Iraq and elsewhere in the Middle East.

Current Status

Press reports, citing experts and analysts, indicate that a President Biden will have little political room to reduce or eliminate the Section 301 tariffs currently in place on hundreds of billions of dollars' worth of goods imported from China. Biden has criticized Trump for the

manner in which he imposed the tariffs, which are widely acknowledged to have burdened the U.S. businesses and consumers who ultimately pay them.

However, he has also expressed a willingness to utilize tariffs when necessary, though he has pledged to consult with allies a part of that process. Considering that both Republicans and Democrats now appear to agree on the need for the U.S. to take a tougher line on trade with China, while Biden may not levy any new tariffs on China, at least in the near future, he also will likely maintain those already in place until a better solution to the problems the tariffs were designed to address becomes available.

Similarly, there is expected to be little to no change in the existing Section 232 tariffs on steel and aluminum products—industries that are typically sensitive to imports in the best of times and especially so now amid the pandemic-related economic uncertainty. However, there could be room to adjust or eliminate the Section 301 tariffs on imports from the European Union if a Biden administration opts to negotiate a resolution to the two sides' long-running dispute over aircraft subsidies.

Impact

The Biden administration is expected to prioritize U.S. domestic growth, but be much more amenable to multilateral cooperation, including within international institutions, such as the World Trade Organization (WTO). Biden has said he intends to enlist the help of major trading partners to resolve longstanding trade grievances with China, but will not enter into any new free trade agreements “until we have invested in Americans and equipped them to succeed in the global economy.” Toward that end, the White House is likely to be more proactive in advancing efforts to secure reforms at the WTO that will enable that body to more effectively address, not only China, but also a raft of other 21st century trade issues.

RESOURCES:

[Obama Foreign Policy: Success and Notable Missteps](#) (Huffpost)
[What's Next for U.S. Trade Policy?](#) (Sandler, Travis, Rosenberg)
[Trump vs. Biden: An International Trade Briefing](#) (Pillsbury Law)