

GETTING TO ASIA

BY MATTHEW P. GOODMAN

U.S. Asia hands like to paraphrase Woody Allen when describing the key to a winning strategy in the region: “80 percent of success is showing up.” By setting off on an extensive first trip to the region early next month, President Donald Trump will get points for passing this threshold test. But beyond this lie many questions: does the Trump administration have a broad Asia strategy; will the president offer a constructive vision for U.S. engagement in the region, particularly on economic affairs; how will he interact with Asian leaders and ordinary citizens?

The president’s 12-day itinerary is exhaustive—and likely exhausting for him personally. After a stop in Hawaii, he will take the traditional tour around Northeast Asia: Japan, South Korea, and China. Then he moves on to Vietnam to attend the annual Asia-Pacific Economic Cooperation (APEC) leaders’ meeting. The final stop is the Philippines, where he will hold a series of meetings with Southeast Asian leaders (though he will reportedly leave before the annual East Asia Summit).

In the run-up to the trip, senior Trump administration officials have started to speak out about U.S. interests in the region and to offer an organizing principle for U.S. engagement: “a free and open Indo-Pacific.” Secretary of State Rex Tillerson used this phrase in his [first major address](#) at CSIS on October 18, and the White House echoed it in a [press release](#) previewing the trip. The phrase, combined with a reference by Tillerson to “predatory economics,” is a thinly veiled attempt to suggest U.S. pushback against Chinese assertiveness in the maritime spaces of Asia.

Despite this, senior administration officials have laid out a fairly conventional set of objectives for the president’s Asia trip. At [another recent event at CSIS](#), for example, the State Department’s senior official for APEC, Matt Matthews, said the United States will work with the other economies to “advance an Asia-Pacific architecture that opens markets, promotes high standards, reduces trade barriers, and promotes free and fair trade.” He went on to present U.S. priorities in digital trade, structural reform, trade facilitation, services, and women’s economic empowerment.

This agenda is so conventional as to deepen the uncertainty about Trump administration trade policy in the region. The president’s early decision to withdraw from the Trans-Pacific Partnership (TPP) raised serious questions in the region about U.S. credibility and commitment. The White House has paid lip service to pursuing bilateral trade agreements as an alternative to regional arrangements like TPP; however, no such negotiations have been announced, and many experts are skeptical that bilateral deals would generate better economic or political results.

Reinforcing these concerns have been the president’s repeated threats to withdraw from the North American Free Trade Agreement (NAFTA)—an Asia-Pacific deal, in that it brings together the three largest countries of the eastern Pacific, all members of APEC. Trade watchers in Washington believe the bilateral U.S.-Korea trade deal (KORUS) is next on the chopping block. The administration’s threats of unilateral action if bilateral trade deficits do not come down have also rattled regional partners. All of this has led to hedging behavior as countries pursue [alternative trade arrangements with China and other partners](#).

Against this backdrop, the Trump administration urgently needs a comprehensive, coherent, and constructive strategy—or at least a compelling narrative—toward the Asia-Pacific region. Economics must be at the core of this narrative: regional partners want our military presence as a guarantor of stability, but they don’t want that alone; they are also looking for credible American leadership on economic affairs. The withdrawal from TPP has left a huge hole in the U.S. presence in the region.

In a [report released this month](#), CSIS outlined the elements of a regional economic strategy that the administration can launch in the context of the president’s upcoming trip. As the report notes, a successful strategy requires several key



Upcoming Events

- November 7: Global Security Forum (CSIS)
- November 10: APEC Leader’s Meeting (Da Nang, Vietnam)
- November 13–14: East Asia Summit (Manila, Philippines)
- November 17–21: Fifth Round of NAFTA Renegotiation Talks (Mexico City, Mexico)

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characteristics: it must be comprehensive, have a long-term focus, and be articulated and implemented consistently. It should be integrated with broader U.S. strategy in the region, supporting our objectives on other priorities such as North Korea and maritime disputes.

The CSIS report offered four main recommendations for how such a strategy could start to be implemented. First, the administration should clearly articulate U.S. interests, objectives, and priorities in the region. Secretary Tillerson's speech at CSIS, to be followed by President Trump's expected speech in Vietnam, was a good first step. But the details need to be fleshed out after the president returns from Asia. Crucially, this will require filling key policy positions in the administration, including the assistant secretaries of state for East and South Asia.

A second step is to begin reestablishing U.S. leadership on market opening and high-standard rule making in the region following the decision to withdraw from TPP. As previously argued [here](#), the United States has a critical interest in high-standard rules that, among other things, protect the free flow of data across borders, support labor rights, and subject state-owned enterprises to market disciplines. The administration can advance these rules in a number of ways: by negotiating an improved NAFTA that imports TPP-style disciplines, and by making full use of APEC, a consensus-based regional forum that has done valuable work to advance principles on [issues like innovation and good regulatory practices](#). The Asian Development Bank (ADB), in which Japan and the United States play a predominant role, provides a platform for developing broadly agreed-upon principles to govern [infrastructure investment in the Asia Pacific](#).

The administration must also develop tailored bilateral strategies for key economies in the region. With Japan, a like-minded treaty ally, the administration should use the bilateral dialogue led by Vice President Mike Pence and Deputy Prime Minister Taro Aso to expand economic cooperation in third countries, in areas from development

assistance to space policy. With South Korea, another ally, the administration should negotiate improvements to KORUS that deepen liberalization and support growth, while also expanding cooperation in the many areas where our interests align. With China, President Trump should make clear to President Xi Jinping that the United States will insist on a mutually beneficial economic relationship, one that involves elements of cooperation but is also free from discriminatory Chinese policies like trade-distorting subsidies and forced technology transfers.

As this last point suggests, a successful Asia strategy should include a robust response to policies that restrict trade and investment. The administration is not wrong to take on foreign policies that fuel manufacturing overcapacity or enable theft of U.S. intellectual property. Indeed, more could be done in these areas, such as [working with Congress to strengthen Section 337](#) of the Tariff Act of 1930 to sequester imports that incorporate stolen intellectual property. But these efforts must meet several tests: they must be consistent with our obligations in the World Trade Organization (WTO); they should be done in coordination with our allies and partners; and their [success should not be measured](#) by how much they reduce U.S. bilateral trade deficits.

The Trump administration has gotten off to a slow and frankly erratic start on its policies in the Asia Pacific. The president's upcoming trip is a chance to recalibrate and get beyond the transactional, zero-sum approach that has characterized regional policymaking to date. Showing up is the first step—but only the first—toward developing a much-needed comprehensive strategy in a region that is vital to U.S. interests.

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Simon Says...

In his October 18 speech at CSIS, Secretary of State Rex Tillerson said the Trump administration would work to prevent the Indo-Pacific becoming “a region of disorder, conflict, and predatory economics.” Asked by CSIS president John Hamre about this unusual turn of phrase, Tillerson spoke about Chinese infrastructure financing mechanisms that saddle borrowing countries with debt and do little to promote growth. He said the United States needs to “counter” these Chinese arrangements.

To be sure, the United States has a range of legitimate policy concerns about China's “Belt and Road” infrastructure initiative (BRI), from social and environment safeguards to open procurement processes to debt sustainability. However, the region needs infrastructure investment, and it seeks constructive contributions from both China and the United States. Washington should be careful not to imply broad opposition to BRI, which could backfire and harm our interests—commercial as well as strategic—in the Asia Pacific.