



Trump 2.0: Examining the Regional Impact on Japan, Korea, and Taiwan

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Introduction

Donald Trump's decisive victory over Kamala Harris in the 2024 U.S. Presidential election, along with Republican victories leading to a majority in both the U.S. Senate and House of Representatives, will change the landscape and direction of U.S. domestic and foreign policy, the functioning and norms of government, and institutional dynamics and influence in fundamental ways.

From a trade and international economic policy perspective, Trump's emphasis on the use of tariffs as the primary policy tool is not new, as they were used in the first Trump administration and continued in some cases in the Biden administration. However, Trump's emphasis during the campaign and post-election period suggests the possibility of a much wider and pronounced use of tariffs than in his first term, or under the Biden administration, where tariffs were primarily targeted at select goods from China and steel and aluminum from a range of countries, including Japan and Korea.

From a foreign policy perspective, the most notable change from the Biden administration in Trump 2.0 will be the clear shift away from the emphasis on alliances and collective security back to Trump's "America First" approach. This shift will have clear implications for U.S. allies and partners in the Indo-Pacific, including Japan, Korea, and Taiwan.

For global companies with manufacturing operations and supply chain networks in Asia — particularly China and Southeast Asia, but also Japan, Korea, and Taiwan — this portends to be a tumultuous time as Trump 2.0 policy details become concrete.

Understanding the direction and details of U.S. policy, the rationale for tariffs and how they will be applied, and the processes for possible exemptions, exclusions, or redresses is essential.

Furthermore, understanding who the key government stakeholders involved in this policy shift and the response to it, and developing a solid strategy to manage and mitigate it, are essential for all companies doing business in Asia and the United States.

The GR Company has prepared this report to help clients prepare to navigate this new environment. It outlines broad policy frameworks that will likely be utilized by the Trump 2.0 administration and provides perspective on the key nominees for Cabinet and sub-Cabinet positions with jurisdiction over Japan, Korea, and Taiwan that have been named to date. The report also includes a section outlining actionable steps taken to adapt and thrive under the new administration.



Trump 2.0: Likely Direction on Trade and Foreign Policy

On the premise that past is often prologue, Trump 1.0's "America First" policy serves as a useful starting point for anticipating what Trump 2.0 might entail. Key components of Trump's first-term policies vis-à-vis Japan, Korea, and Taiwan included the following:

- Trade and International Economic Policy:
 - Tariffs applied on U.S. imports of steel and aluminum from Japan and Korea (as well as \$360 billion worth of goods from China).
 - Threats of additional tariffs to coerce Japan into negotiating a limited trade agreement, namely the U.S.-Japan Trade Agreement, covering some agricultural and manufactured goods.
 - Threats to terminate the U.S.-Korea Trade Agreement (KORUS) unless changes were made in some areas, resulting in a revised agreement.
- Foreign Policy:
 - Pressure on Japan and Korea to increase total defense spending and the level of host-nation support for U.S. forces in both countries.
 - Trump personally took an interest in meeting with Kim Jong-Un on several occasions, none of which led to concrete results, even as he was coordinating with Japan and South Korea.
 - Withdrawals from global agreements and organizations, such as the Paris Climate Accord and the World Health Organization, signaled that international cooperation to address global problems was not a viable approach.
- Energy Policy:
 - Emphasis on domestic fossil fuel production and U.S. energy independence; continuation of Obama-era liquefied natural gas (LNG) export policies.
 - Deregulation and reversal of Obama administration's clean energy plan that became an obstacle for fossil fuel production.

While the Trump 2.0 policies remain unclear, campaign pledges and announcements made on 25 November 2024 on social media by the President-elect signal that tariffs will be a substantially larger aspect of the policy approach in Trump 2.0.¹ It is also likely that the administration will take an aggressive or "hawkish" approach to China on trade/supply chains, fentanyl, economic security, technology, and other economic

¹ Whether threats of tariffs are merely negotiating tactics remains to be seen in the case of the 25% tariffs announced for Mexico and Canada that are contingent on unspecified measures to halt the flow of undocumented immigrants and fentanyl into the United States.



matters, particularly in pursuit of campaign threats to apply tariffs of 60% or more on all goods imported from China.

The operative question is what the intention of any tariffs will be. Possible strategic or tactical uses of tariffs under Trump 2.0 include:

1. Leverage to launch broader trade negotiations aimed at achieving more far-reaching objectives with targeted countries;
2. Source of government revenue to help offset extension of the 2017 tax cuts currently under consideration in Congress;
3. Mechanism to adjust the U.S. trade balance with specific countries;
4. Tool to alter strategic economic relationships with specific countries in specific product areas, such as China and automobiles;
5. Blunt coercive instruments to achieve non-trade policy objectives, as is the case with the threatened tariffs on Canada, Mexico, and China over immigration and fentanyl, and on Denmark (Greenland), Panama, and Canada over refusal to surrender territory or outright sovereignty; or
6. All of the above, depending on the circumstances.

Country Risk Factors

It is clear from Trump's campaign that China will be the primary target of any tariff and trade action, as was the case in Trump 1.0. As a rough guide, the discussion in Washington regarding how Trump 2.0 will determine which countries in addition to China to target with tariffs or other measures centers on four key criteria:

1. Trade surplus with the United States (or U.S. deficit with) and its direction or trend;
2. Level of aggregate defense spending and purchases of U.S. military goods;
3. Exchange rate vis-à-vis the dollar and record of intervention; and
4. Level of holdings in U.S. Treasury securities.

Mitigating factors include the level of foreign direct investment (FDI) in the United States and energy purchases from the United States.

There will likely be a focus on specific products as well. Key targets may include finished goods such as autos/parts, intermediate goods, electrical equipment like semiconductors, and metals (e.g. steel, aluminum). Broadly speaking, Trump 2.0 policies will continue and likely substantially strengthen the Biden administration's efforts to thwart tariff and/or sanction circumvention by China and other targeted countries, including Russia, Belarus, and Iran, through transshipment via third countries.



Applying these criteria to Japan, Korea, and Taiwan, all have several risk factors that could pose potential issues, with some mitigating factors, as outlined below.



Impact on Japan, Korea, and Taiwan

U.S.-Japan Overall Impact

Risk Factors/Negatives:

- Trade surplus with the United States, although it is steady at \$65-70 billion rather than showing a sharp escalation. The surplus is concentrated in automotive, electrical equipment, and chemicals.
- Currency intervention in 2023-24 as the yen weakened vis-à-vis the dollar.
- Largest holder of U.S. Treasuries at \$1,233.3 trillion (as of 24 September 2024).

Mitigating Factors/Positives:

- Largest source of FDI in the U.S. (\$688 billion on stock basis as of 2023), and the largest foreign employer of U.S. workers, with 968,000 employees as of 2023.
- Commitment to increase defense spending by 67% by 2027 to achieve the target of 2.0% of GDP; a substantial purchaser of U.S. weapons systems, with an agreement on expanded cooperation reached in April 2024.
- Major purchaser of U.S. LNG and eager to secure additional supply.

U.S.-Japan Trade

Trump's focus on the trade imbalance is well known in Tokyo, as is his penchant to use tariffs as a tool to address them or force other specific actions. Japan's chronic trade surpluses with the United States or, what Trump views as "unfair" trade balance, average between \$65-70 billion annually. Combined with a current account surplus exceeding 2% of GDP, Japan is already on the U.S. Treasury's Monitoring List. Japan shares this designation with countries like South Korea, reflecting ongoing current account surpluses and foreign exchange policies.

In 2018, Japan was subject to tariffs on aluminum and steel due to "national security" concerns authorized by Trump 1.0 under Section 232 of the *Trade Expansion Act of 1962*. With Trump proposing 10% or 20% across-the-board tariffs on all products from all countries, including allies, in Trump 2.0, Japan could be a target given its surplus and currency reserves. However, these negative factors may be partially offset by Japan's high level of FDI in the United States, its pledge to increase defense spending and cooperation, and its interest in purchasing more LNG from the U.S.

Under Trump 1.0, the risk of tariffs on Japanese cars forced Japan into negotiating a limited bilateral trade agreement, the U.S.-Japan Trade Agreement, which covered some agricultural and manufactured goods, but excluded automobiles and light trucks. Although the agreement reduced Japanese tariffs on many U.S. agricultural products



such as meat, cheese, and sugar, these items still have high tariff rates of around 30% to 40%. These items could become specific targets for negotiations in Trump 2.0, although the Japanese government would likely seek concessions in return.

It also remains to be seen what Trump 2.0 will pursue in automotive trade, as this sector is the main driver of the trade imbalance. Some Trump advisors have limited understanding of the Japanese automotive market and may push the use of U.S. tariffs as leverage to open it to U.S. vehicles, but Japan has low tariffs already. It is unlikely that the U.S. will relax or reduce the 25% duty on light trucks/SUVs in return, as a primary goal is to encourage more investment in U.S. manufacturing, so this could be a source of contention. Trump 2.0 may also advance action to reduce the transshipment of Japanese vehicles and parts through third countries, particularly Mexico.

It is highly unlikely that Trump 2.0 will reduce tariffs on Japanese steel and aluminum beyond what was done under the Biden administration in a 2022 agreement, given concerns over Mexico becoming a hub for Chinese metal imports, and the view by Trump and his economic advisers that steel and aluminum are critical industries for national security.

In this context, the proposed acquisition of U.S. Steel by Nippon Steel, a deal Trump has repeatedly stated he would not allow, will continue to be an issue over the next few months. On 3 January, the White House issued an official announcement of President Biden's decision to block the acquisition, which was jointly condemned by U.S. Steel and Nippon Steel the same day. On 6 January, the two steel companies jointly filed lawsuits against the U.S. government and separately against Cleveland-Cliffs, the American steel manufacturer also eyeing the acquisition of U.S. Steel, its CEO, and the president of the United Steelworkers union. The lawsuit against the government alleges violations of due process, citing the public nature of Biden's comments on the deal prior to the Committee on Foreign Investment in the United States (CFIUS) rendering its ruling. The companies are seeking a court ruling to overturn the decision and reopen the investigation, although this is considered a long shot by legal experts.

President-elect Trump posted on Truth Social on 6 January, "Wouldn't it be nice to have U.S. Steel, once the greatest company in the world, lead the charge toward greatness again? It can all happen very quickly!" He also wrote, "Why would they want to sell U.S. Steel now when Tariffs will make it a much more profitable and valuable company?"

On 7 January, U.S. Steel CEO David Burritt appealed to Trump via CNBC to reevaluate the deal: "We have a new president that will take a fresh look at this. We understand what his current views are, but he's a smart guy." Burritt rejected claims that there are national security concerns, adding "In fact, it strengthens national security, it strengthens economic security, it strengthens job security. In fact, it grows the business."



The atmosphere got more charged on 13 January with [verbal attacks](#) by the Cleveland-Cliffs CEO, who called Japan “evil”, and claimed, “Japan taught China how to dump” steel on the U.S. market. Cleveland Cliffs maintains it has a “domestic” solution via a joint bid for U.S. Steel with Nucor which is valued at billions less than the Nippon Steel offer.

The Government of Japan (GOJ) learned certain lessons or tactics for engaging with Trump in the first term, which included presenting graphics outlining new Japanese investments in the United States and other ways Japan contributes to the country. The government will have to be proactive in doing the same in Trump 2.0.

Case in point: Trump welcomed a pledge by Softbank CEO Masayoshi Son, who traveled to Mar-a-Lago, Trump’s Florida residence, on 16 December, to invest \$100 billion in the U.S., with the goal of creating 100,000 jobs over the next five years in the fields of AI, data centers, and related industries. Son was attempting to play the game other tech moguls are playing on a grander scale, but was put on the spot by Trump, who urged him to invest \$200 billion, to which Son replied, “I will try.”

Further on the positive side of the ledger, Trump will ease the Biden-imposed limits on new LNG export licenses, which Japan would welcome and encourage. The President-elect’s recent [social media post](#) pledging to expedite the federal permits for energy and construction projects exceeding \$1 billion could encourage Japanese firms to expand their presence and investment in the U.S. energy sector. [The challenge](#) for Japan’s energy sector lies in its coastal LNG facilities, which are highly vulnerable to natural disasters such as earthquakes and tsunamis, as well as the storage capacity limitation that provides only 36 days of domestic natural gas supply under normal conditions.

There are other areas of cooperation, including defense technology and AI, where Japan could contribute to fostering a healthy U.S.-Japan alliance. However, Japan risks being caught in the crossfire between the United States and China as the Trump 2.0 administration intensifies its economic statecraft to reduce dependence on China. For example, the [BIOSECURE Act](#), which passed the U.S. House of Representatives in September 2024 but not the Senate, targets Chinese biotech firms to safeguard national security and curb data misuse. Additionally, in December 2024, the Commerce Department added several Chinese semiconductor firms to its [entities list](#).² While opportunities for cooperation on economic resilience and supply chain bolstering exist, Japan must proactively prepare to assert its stance with the Trump 2.0 administration.

² A semiconductor R&D, production, sales and services firm called KINGSEMI Japan K.K. based in Kyoto, Japan is added to this list. The firm is associated with KINGSEMI Co. Ltd. which started from a Chinese state-backed institution, Chinese Academy of Sciences. <https://en.kingsemi.com/index.php/About/index>



U.S.-Japan Security Collaboration

The most fundamental change for Japan will be the very different approach Trump takes to alliance management compared to Biden, who prioritized collective security and close alliance relations. Under Biden, security cooperation expanded to include co-production of weapons systems, realignment of command-and-control (C2) operations, servicing of U.S. Navy warships in Japan, and intelligence sharing. There is no indication at this point that Trump will seek to unwind any of these commitments, although it would be prudent for Japan to point to cost savings for the U.S. military where possible.

Japan can bolster its case by demonstrating its commitment to being a loyal customer of the United States in acquiring military hardware, such as missile systems that include [short-range air-to-air missiles](#) (AIM-9X Block II Sidewinder Missiles), [mid-range air-to-air missiles](#) (AMRAAM), and [Tomahawk missiles](#).

Despite sharing the same goal of limiting China's regional/global influence and territorial threats in Northeast and Southeast Asia and the Taiwan Strait, Trump has a very different view of the American military presence in the region and the economic costs of that presence. In Trump 1.0, there were contentious negotiations over "burden sharing" of the costs of U.S. forces in Japan, and this issue will likely emerge again, even as Japan has pledged to increase defense spending by 67% by 2027 (whether this can be achieved is still a question). It is worth pointing out that Japan [has been committed](#) to ease the financial burden on the U.S. Forces in Japan (USFJ) through the Special Action Committee on Okinawa (SACO) and the U.S. Forces realignment-related expenses. Japan has allocated approximately \$1.5 billion for SACO and realignment costs in 2024, continuing a steady increase in the budget. Furthermore, the Japanese government also [bears](#) the labor costs of Japanese workers at the USFJ bases, utilities, and other related costs for the USFJ. In short, Japan's defense budget already encompasses significant support for the USFJ, a point that Japan could potentially use to fend off demands from the Trump 2.0 administration.

The main question revolves around the mutual security under Article V of the Treaty of Mutual Cooperation and Security and whether Trump would authorize the use of U.S. forces to protect Japan in the event of an attack. While Biden reiterated strong, unequivocal support for Article V on multiple occasions, Trump's past comments have characterized the agreement as "unfair" to the United States because Japan is not obligated to defend the United States. Japan's defense commitment to the U.S. remains ambiguous, as it is not explicitly stated in the 2015 [Guidelines for Japan-U.S. Defense Cooperation](#).



Additionally, there is no clear coordination mechanism between Japanese forces and the USFJ for contingencies in Japan.³ Japan has also been a stalwart supporter of Ukraine, and this may be an area of difference.

Moreover, U.S.-Japan coordination in the event of a Taiwan contingency remains a topic of debate. The mayor of Yonaguni town, Japan's westernmost island, visited Washington, D.C., calling for greater commitment by Japan and the United States and urging a clearer stance on defending Taiwan. Meanwhile, the governor of Okinawa visited D.C. in September and underscored diplomacy rather than the buildup of deterrence in Okinawa. Such unaligned messages from Japan would send mixed impressions to the Trump 2.0 administration.

Government Dynamics

Prime Minister Shigeru Ishiba does not have a strong position following the October general election, where the Liberal Democratic Party (LDP) lost 68 seats to opposition parties, thus losing the parliamentary majority it had held with coalition partner Komeito for the first time since 2009. He is unlikely to be able to establish the same rapport former Prime Minister Shinzo Abe enjoyed with Trump. Ishiba's early request to meet with Trump in late November following the APEC Summit in Peru was refused by the Trump camp – a contrast to Abe's reputation as the first foreign leader to meet Trump in 2016 before he assumed office. Ishiba's inability to secure an early meeting with Trump may be seen as a slight against both Japan and its prime minister, as Trump welcomed the widowed Akie Abe to his Mar-a-Lago resort in December 2024.

While Ishiba is generally seen as lacking the diplomatic skills and personal warmth that late Abe (or that of his predecessor, Kishida) had, even with his relationship with Abe, Trump still took actions that cut against Japan's interests, such as initiating tariffs on aluminum and steel, rejecting Abe's request to return to the Trans-Pacific Partnership (TPP), and threatening additional tariffs unless Japan negotiated a stand-alone bilateral agreement narrowly focused on U.S. agricultural exports and a limited range of Japanese industrial exports to the U.S.

³ Upgrading C2 framework between the Japanese forces and USFJ has been a recent topic being discussed at the top cabinet levels as seen in the recent joint statement following the U.S.-Japan 2+2 meeting in July 2024. <https://www.defense.gov/News/Releases/Release/Article/3852169/joint-statement-of-the-security-consultative-committee-22/>



U.S.-Korea Overall Impact

Risk Factors/Negatives

- Korea's trade surplus with the U.S. is projected to triple from \$20 billion in 2020 to \$60 billion in 2024. Much of this uptick is concentrated in automotive, electrical equipment like semiconductors, and chemicals/batteries.

Mitigating Factors/Positives

- Inbound FDI from Korea to the U.S. has increased from \$60.5 billion in 2020 to \$76.7 billion in 2023 on a stock basis, concentrated in “red states,” namely those with a majority Republican voter base, such as Georgia, Texas, Tennessee, etc.
- Korea and the U.S. agreed to a new five-year deal to increase Korean monetary support for U.S. bases and troops in Korea, with an 8.7% increase slated for 2025, followed by 5% annual increases. Whether this will suffice for Trump remains to be seen, although it likely will not.

With Trump's victory and the imminent establishment of Trump 2.0, Korea will need to make significant adjustments to its key policy directions vis-à-vis the United States in diplomacy, security, and trade. Over the past three years, the Yoon Suk-yeol administration has been closely aligned with the Biden administration, viewing the global landscape as entering a “new Cold War” and prioritizing the strengthening of the U.S.-Korea alliance as such, and pursuing a values-based diplomatic approach in line with the Biden administration's policies.

However, with Trump aiming to differentiate himself and his administration across all fronts from Biden's approach, Korea must recalibrate its strategy toward the U.S. and initiate strategic engagement with the incoming administration. In addition to this challenge, domestic political turmoil stemming from President Yoon's declaration of martial law and subsequent impeachment has created an administrative vacuum at a pivotal moment, further heightening uncertainty in the U.S.-Korea relations.

U.S.-Korea Trade

The impact of the Trump administration on the U.S.-Korea trade relations will be multifaceted, presenting both risks and opportunities. On the one hand, tariff policies, pressure to reduce the U.S. trade deficit, pledges to repeal the *Inflation Reduction Act* (IRA) in part or in whole, and the expansion of “Buy American” initiatives aimed at reshaping supply chains around domestic priorities pose significant challenges for Korea.



On the other hand, Trump's emphasis on revitalizing U.S. manufacturing could create opportunities for Korean industries with strong competitive advantages, while some companies may benefit from replacing products and components of Chinese origin as part of U.S. efforts to counter China. In short, the impact of "Trumponomics 2.0" will vary depending on each sector and company's alignment with U.S. trade policies, positioning within the trade war between the U.S. and China, and synergies with U.S. strategic industries. Thus, strategic decision-making and tailored responses have never been more critical for Korean businesses.

With the U.S. trade deficit with Korea escalating from \$20 billion to \$60 billion since 2021, the Trump administration is expected to apply significant pressure early on to reduce it. Trump, who criticized the U.S.-Korea Free Trade Agreement (KORUS FTA) as an "unfair" trade deal during his first term, may once again call for its renegotiation. The appointment of Peter Navarro—who previously led the KORUS renegotiations—as senior advisor for trade and manufacturing further signals the likelihood of additional renegotiations and the possible introduction of tariff policies.

Trump has already expressed a critical view of Biden's flagship industrial policies, notably including the IRA and the *CHIPS and Science Act* (CHIPS Act), raising concerns for Korean companies that have invested in the U.S. in anticipation of supply chain tax breaks and subsidies. Trump's opposition to subsidies for foreign companies under the CHIPS Act could lead to a reduction in support for Korean semiconductor firms operating in the U.S. Regarding the IRA, since its benefits—such as attracting foreign investment and creating jobs—have primarily favored Republican-leaning states, a complete repeal is unlikely. Instead, Trump may use executive orders to modify implementation or selectively eliminate key provisions of the act, weakening its overall impact. This would directly affect Korean battery companies for example, which have aligned their strategies with the IRA and had captured a 42.4% share of the U.S. battery market as of last year. Facing such potential disruptions, these firms will need to reassess and adjust their strategies to adapt to the shifting political landscape.

Policies aimed at strengthening domestic manufacturing supply chains and raising barriers for foreign companies entering the U.S. market also present significant challenges for Korean firms. The Trump administration is expected to tighten trade barriers through tariffs, while offering incentives—such as lower corporate tax rates and reduced regulations—only to companies that relocate their manufacturing operations to the U.S. and hire American workers. Additionally, stronger restrictions targeting China, including tighter regulations on parts and components of Chinese origin, could directly or indirectly harm Korean exporters to the U.S. if Trump imposes restrictions on rerouted Chinese exports. Korean firms operating in countries such as Mexico and Vietnam could also face disruptions.



Despite these challenges, some industries strategically prioritized by the new administration may present opportunities for Korean companies. Trump's "America First" manufacturing agenda is expected to drive significant investment in advanced industries and related infrastructure. Korean chipmakers with U.S. operations, for example, could benefit from increased government support for facilities and R&D, expanding their market access accordingly. Additionally, increased infrastructure development and reshoring policies aimed at boosting domestic manufacturing are likely to increase demand for machinery and equipment. Both semiconductors and machinery are among Korea's top ten export sectors, and as of September 2024, Korea ranks 5th globally in semiconductor exports and 12th in machinery exports. The Trump administration is also expected to roll back the Biden administration-driven energy regulations and revive focus on traditional energy industries, including oil, natural gas, and nuclear power, which will likely drive demand for drilling equipment, parts, and raw materials related to fossil fuel infrastructure. Furthermore, Korean shipbuilding companies, which rank second in the world in exports as of September 2024, are well-positioned to capitalize on increased U.S. demand for energy transport vessels, components, and maintenance, repair, and overhaul (MRO) services. This expectation was underscored during the first U.S.-Korea heads of state call following Trump's election, during which cooperation in the shipbuilding industry was discussed.

The recent AI boom in the U.S. is driving a surge in infrastructure and energy demand, offering new opportunities for U.S.-Korea trade relations. The rapid expansion of data centers, a key driver of rising electricity consumption, is expected to increase demand for infrastructure development. There is growing interest in Small Modular Reactors (SMRs) and related nuclear facilities as solutions to AI-driven power needs, which will drive demand for equipment and components. Furthermore, the growing need to replace the aging U.S. power infrastructure, combined with the construction of new manufacturing plants driven by reshoring and the increasing energy consumption of AI data centers, is expected to further boost demand for power infrastructure. In this context of supply chain policies and measures to counter China, Korean companies are experiencing growing demand for transformers and related components in the U.S. market. Notably, U.S. imports of Korean transformers reached \$220 million in 2023, reflecting a significant 461.9% year-on-year increase.

U.S.-Korea Security Collaboration

Trump's "America First" foreign policy approach will pose a significant challenge to Korea's foreign and security policy. Under the Biden administration, the Yoon administration strengthened the U.S.-Korea alliance and expanded security cooperation, including trilateral cooperation with Japan and engagement with NATO, advancing the alliance into a comprehensive strategic partnership based on values-based diplomacy.



Trump's focus on addressing what he views as an unfair imbalance—where the U.S. bears disproportionate costs while allies benefit—extends from trade to military security contributions. As he did in his first term, Trump will likely continue to demand increased defense cost-sharing from allies, including Korea. He stated during his campaign that he would seek a ninefold increase in Korea's defense contributions. While this figure is unrealistic and likely political rhetoric, some level of increase appears unavoidable. In October 2024, Korea and the U.S. reached a Special Measures Agreement (SMA) for the years 2026–2030, which included an 8.3% increase in Korea's 2026 defense contributions to \$1.09 billion (1.52 trillion won) and indexed future increases to inflation.

However, Trump could disregard this agreement and demand renegotiation, which would strain the alliance if his demands exceed Korea's fiscal capacity to comply. Discussions are already underway in Korea on potential responses to the new administration's imminent demands to renegotiate defense cost-sharing. Proposed ideas include a transactional approach, such as securing nuclear fuel enrichment and reprocessing rights, pursuing the acquisition of nuclear-powered submarines following the AUKUS precedent (defense and security partnership between the U.S., U.K., and Australia), and expanding defense cooperation in areas like MRO for naval vessels and aircraft. The possibility of reducing the U.S. troop presence in Korea has even been raised as a negotiating point if demands from the U.S. become excessive.

The future of the strengthened U.S.-Korea-Japan security cooperation under Trump remains uncertain. Trump's preference for bilateral over multilateral engagements suggests that he may deprioritize trilateral cooperation. However, as competition with China intensifies – expanding from economic to military and security fronts – the need to maintain U.S.-Korea-Japan cooperation could persist. Such cooperation would allow the U.S. to reduce its security costs in the East Asian region while simultaneously maximizing its ability to contain China.

While North Korea may not be a top priority for the Trump administration, South Korea remains highly sensitive to potential shifts in U.S. policy on this front, particularly the possibility of a renewed U.S.-North Korea dialogue, as seen during Trump's first term. Trump has repeatedly stated that “getting along with Kim Jong-un is a good thing,” signaling his preference for personal diplomacy and the potential for a “big deal” with North Korea. During Trump's first term, U.S.-North Korea talks followed the South-North dialogue, allowing South Korea to facilitate or participate to some extent. However, with inter-Korean relations sharply deteriorating under the Yoon administration, renewed bilateral U.S.-North Korea negotiations without the input of South Korea would limit Seoul's ability to influence the process or advocate for its interests on the North Korean nuclear issue. If Trump and Kim strike a deal that excludes core denuclearization measures and instead tacitly accepts North Korea as a nuclear-armed state, the implications for South Korea's security would be significant. Such an outcome would further legitimize North Korea's nuclear status and solidify a threat to South Korea's national security at a time when its leverage in the negotiation process is limited.



Government Dynamics

Korea's unsettled domestic political situation creates uncertainty around domestic policy and diplomacy. At this juncture, the outcome of President Yoon Suk-yeol's impeachment proceedings will shape the extent of this impact and Korea's response. Nonetheless, Korea will have to be prepared to make significant adjustments and shifts in its foreign policy and security cooperation strategies with the U.S.

It remains to be seen how quickly the two governments will begin to engage on economic and security matters until there is greater clarity on the situation. But it is fair to say that Korea is exposed and somewhat vulnerable given its growing trade surplus and the possibility that the incentives under the IRA for EVs and batteries will be revoked. Korea has skilled diplomats and bureaucrats, and there is active preparation and planning despite the political uncertainty.



U.S.-Taiwan Overall Impact

Risk Factors/Negatives:

- While noted China hawks such as Marco Rubio and Mike Walz have expressed a positive view of the relations with Taiwan, there is uncertainty regarding the extent to which a second Trump administration would support Taiwan compared to his first term. The U.S. commitment to defending Taiwan remains unclear.
- The U.S. trade deficit with Taiwan has more than doubled between 2019 and 2023, from \$18.7 billion to \$47.5 billion.
- Taiwan's semiconductor industry could face significant challenges as a result of escalating U.S.-China technological and trade tensions.

Mitigating Factors/Positives:

- The nominees for U.S. Secretary of State and National Security Adviser are both openly pro-Taiwan, emphasizing a commitment to supporting Taiwan against Chinese military threats.
- Potential new arms sales to Taiwan could strengthen Taiwan's defense capabilities while also addressing the U.S. trade deficit with Taiwan.
- During his first term, Trump was vocal about his diplomatic support for Taiwan. With a Republican-majority Congress, there is a strong likelihood of passing additional pro-Taiwan legislation and maintaining a supportive foreign policy.

From Taiwan's perspective, Trump's return to the presidency is viewed through a national security lens, contrasting with the largely economic concerns of other U.S. allies. Given Taiwan's unique political status and ongoing threats it faces, national security considerations take precedence. In addition to evaluating the Trump campaign's statements on Taiwan in 2024, it is crucial to assess U.S.-Taiwan relations during his first term and compare them with those of the Biden administration and previous presidencies.

U.S.-Taiwan Trade

Compared to the Biden administration, U.S.-Taiwan trade relations received less emphasis during the Trump administration, with both sides seemingly downplaying the issue. During Trump's first term, Taiwan aligned with the "Made in USA" initiative by establishing manufacturing facilities in the United States, such as the [Foxconn](#) plant in Wisconsin, which was highly touted by Trump but never materialized, and the [TSMC](#) facility in Arizona (Trump's team is credited with getting the TSMC investment process started). However, formal economic cooperation was relatively limited, with the only major development being the establishment of the [Economic Prosperity Partnership Dialogue \(EPPD\)](#) in late 2020. In contrast, the Biden administration launched the more



ambitious [U.S.-Taiwan 21st Century Trade Initiative](#), culminating in the signing of its first agreement in June 2023, which came into effect in December 2024. Additionally, the Biden administration initiated the U.S.-Taiwan [Technology Trade and Investment Collaboration \(TTIC\)](#) in 2021 and discussions on an [Avoidance of Double Taxation Agreement](#) in 2024.

According to U.S. government data, Taiwan ranked as the United States' 8th largest merchandise trading partner as of November 2024, with total trade amounting to \$128 billion. Taiwan was the 10th largest export market for U.S. goods, valued at \$40 billion, and the 8th largest source of imports, worth \$88 billion. However, the U.S. deficit with Taiwan more than doubled from 2019 to 2023 (\$18.7 to \$47.5 billion after peaking at \$51 billion in 2022). This will likely be a point of contention in Trump 2.0. Closing this deficit is unlikely in the short term, although Taiwan could help mitigate it with pledges to purchase more LNG, weapons, and agriculture from the U.S., with trade discussions expected to remain centered on strategic and security considerations.

During the Trump administration, the EPPD commenced in November 2020, addressing issues such as supply chain resilience, countering China's economic coercion, digital trade, and 5G networks. This dialogue reflected a focus on economic security and strategic priorities over trade deficits. Conversely, the Biden administration's U.S.-Taiwan 21st Century Trade Initiative pursued a broader agenda, including anti-corruption measures, regulatory best practices, service regulations, customs and trade facilitation, and support for small- and medium-sized enterprises. While [the first agreement under this initiative entered into force in December 2024](#), [negotiations for the second agreement](#) began in August 2024. However, it remains uncertain whether these efforts will maintain the same momentum under a Trump 2.0 administration. Another major uncertainty is for Taiwan's semiconductor and high-tech industries, as Trump has criticized TSMC's crucial role in U.S. supply chains, as well as the bipartisan CHIPS Act funding that has supplemented TSMC's massive investment in Arizona.

U.S.-Taiwan Security Collaboration

Compared to previous administrations, the Trump 1.0 administration marked a significant shift by being outspoken in its support for Taiwan and advancing U.S.-Taiwan diplomatic and security cooperation. This was evident from the outset, beginning with [Trump's receiving of a congratulatory phone call from then-Taiwanese President Tsai Ing-wen](#) shortly after his election. This gesture was followed by legislative measures enabling senior American and Taiwanese officials to conduct reciprocal visits, and allowing President Tsai to make [high-profile visit-like transit stops](#) in the United States. Additionally, security cooperation between the two countries expanded, exemplified by the approval of advanced arms sales to Taiwan and enhanced support for Taiwan's participation on the international stage, including the upgrading of the [Global Cooperation and Training Framework \(GCTF\)](#) to incorporate new official partners.



During his re-election campaign, Trump's statements, such as his suggestion that "[Taiwan should pay more](#)" for U.S. support and his evasive stance on committing U.S. troops to defend Taiwan, raised questions about the potential direction of his policy toward Taiwan in a second term. However, it remains uncertain whether he would adopt a less Taiwan-friendly approach. Trump's nominee for Secretary of State, Senator Marco Rubio of Florida, is a [vocal advocate for Taiwan](#) and is known for his [staunch opposition to China](#) and other regimes labeled as part of the "Axis of Evil," including Iran, Cuba, and Venezuela. His focus on human rights abuses in China and his strong support for Taiwan have led to him being [sanctioned by China](#). Notably, [Rubio met with then-Vice President Lai Ching-te in 2020](#) during Lai's visit to the U.S. National Prayer Breakfast. Rubio would be the first Secretary of State to be sanctioned by China, and his [hawkish stance toward Beijing](#) could signal Trump's continued commitment to supporting Taiwan.

Perhaps one of the most significant areas where a second Trump administration could strengthen U.S.-Taiwan relations is through arms sales, which would enhance Taiwan's defense capabilities while simultaneously reducing the U.S.-Taiwan trade deficit. According to the [Forum on Arms Trade](#), the Trump administration approved a total of \$18.27 billion in arms sales to Taiwan, including advanced weaponry such as F-16V Block 70 fighter jets, M1A2 Abrams tanks, HIMARS rocket launchers, and MQ-9B drones. By comparison, despite authorizing a record-breaking 20 arms sales deals as of 29 November 2024, the Biden administration's total arms sales to Taiwan amounted to \$8.082 billion. Following Trump's re-election, [rumors have surfaced that Taiwan's Lai administration is considering a \\$15 billion arms purchase in 2025](#). This potential package reportedly includes advanced systems such as F-35 stealth fighter jets and AEGIS warships. Whether or not these rumors are accurate, arms sales could serve as an effective means for Taiwan to demonstrate its commitment to self-defense. At the same time, such agreements would support job creation in the U.S. manufacturing sector and help address the trade imbalance between the two nations.

Government Dynamics

In Taiwan's January 2024 presidential election, Lai Ching-te secured victory, delivering the ruling Democratic Progressive Party (DPP) an unprecedented third consecutive term in office. Prior to assuming the presidency, Lai served as Vice President under Tsai Ing-wen's second administration (2020–2024). Tsai's presidency spanned the entirety of Trump's first term and nearly all of Biden's tenure, during which the U.S.-Taiwan relationship was described as "[stronger than ever](#)" and "[the best in history](#)." President Lai has [pledged to continue Tsai's foreign policy path](#), emphasizing Taiwan-U.S. partnerships and a commitment to maintaining the peaceful status quo. During a transit stop in Hawaii as part of his South Pacific state visits, [Lai reaffirmed his commitment](#) to strengthening Taiwan-U.S. relations, with a particular focus on security cooperation and supply chain resilience, especially in the semiconductor and high-tech sectors. The pro-sovereignty DPP remains highly motivated to deepen cooperation with like-minded



democratic allies, particularly the United States and Japan. However, the DPP narrowly lost its majority in the Legislative Yuan (LY) to the Kuomintang (KMT) by a single seat.

The KMT has formed a parliamentary majority in alliance with the third-largest Taiwan People's Party (TPP), positioning itself to challenge the DPP-led government. The opposition coalition passed a [controversial parliamentary reform bill](#) that sparked [mass protests](#) and was subsequently [ruled partially unconstitutional](#) by the Constitutional Court. Furthermore, as of December 2024, the LY remains deadlocked due to KMT and TPP boycotts, stalling the review of the 2025 government budget and the confirmation of Constitutional Court Grand Justices nominees.

In contrast to the DPP's pro-sovereignty and pro-democracy platform that secured a third presidential victory, the KMT's electoral strategy increasingly emphasizes differentiation through closer ties to the Chinese Communist Party (CCP). In the 2024 election, the KMT framed its campaign as a "Choice between War and Peace," arguing that the DPP's anti-CCP stance could lead to conflict, while portraying itself as the guarantor of peace through increased cross-strait exchanges with China. While this narrative contributed to the KMT's presidential defeat, its parliamentary majority allows it to wield significant influence, including obstructing government budgets that could complicate President Lai's ability to appease a potential second Trump administration by increasing defense spending and purchasing advanced U.S. weapons systems. Moreover, the KMT's overtly pro-China exchange rhetoric might create the impression that the Taiwanese public supports closer ties with China, potentially [causing problems in the eyes of Trump](#).



Strategic Actions to Navigate Trump 2.0 in Japan, Korea, and Taiwan

With anticipated tariffs and a return of “America First” initiatives, with a greater linkage between economic and national security described in this report, businesses must prepare for a drastic change in global markets and investment.

Below are key points to consider which can help businesses navigate the uncertain and fluid U.S. political and economic policy dynamics:

Analyze Policy Changes

- Analyze anticipated tariff and “America First” initiatives’ impact on the industry, trade, and the regional alliance.

Identify Risks and Opportunities

- Assess challenges and opportunities associated with the changes.

Establish Proactive Strategy

- Develop robust plans to address tariff impacts and trade disruptions, including identifying and understanding possible exemption or exception processes and other ways to minimize disruption or adverse impact.
- Build strong relationships with key government stakeholders in the U.S. and Asia to navigate and advocate for/against policy changes.

Stay Alert

- Monitor policy updates, key appointments, and opportunities for exemptions or redress to stay prepared.

Focusing on these critical areas provides the strategic framework needed to navigate the complex U.S. policy shifts. By mitigating risks described in this report, businesses will be able to identify emerging opportunities and leverage them effectively in a timely manner. Moreover, businesses will strengthen their ability to maintain a competitive edge in an increasingly dynamic market.



ANNEX: Key Trump 2.0 Personnel for Japan, Korea, Taiwan

As of 15 January 2025, President-elect Trump has nominated people for all Cabinet positions and some sub-Cabinet positions. Under the U.S. constitution Cabinet officers must be approved by the Senate in accordance with the traditional advice and consent process. The Senate is poised to move quickly on two key nominees, Senator Marco Rubio of Florida for Secretary of State and Congressman Mike Walz (R-FL) for National Security Advisor. The nominations of former Representative Tulsi Gabbard for Director of National Intelligence, and Fox Weekend host and Minnesota National Guard officer Pete Hegseth for Secretary of Defense are more problematic given concerns in Congress about the qualifications and background of the candidates, but as of this writing the process for them is moving.

Trump 2.0 nominees who will have primary roles in any engagement with Japan, Korea, Taiwan on trade and international economic policy, export controls, export promotion, investment screening, energy, and national security are outlined below. This is not a comprehensive list at this point as there will be additional sub-cabinet appointments that follow. We will keep a running update and report as warranted.

We are documenting things nominated officials may have said, or past positions taken, as a way of indicating direction and ideology. However, it is our expectation that the policy direction comes from the President, and he has prioritized the selection and nomination of “loyalists” to work out the details and implement his policies for a reason. It bears watching what impact, if any, these officials will have on policy or diplomatic relations once in office and we will monitor this closely.

*[PAS] = *Presidential Appointment with Senate Confirmation*.

Main Cabinet Nominees

- *Vice President: **J.D. Vance*** (R-OH), Senator from Ohio.

Department of State

- [PAS] *Secretary of State: **Marco Rubio*** (R-FL), Senator from Florida.
- [PAS] *Under Secretary of State for Economic Growth, Energy, and the Environment: **Jacob Helberg***, former Commissioner of the U.S.-China Economic and Security Review Commission.
- [PAS] *Assistant Secretary of State for East Asian and Pacific Affairs: TBD*
- *Deputy Assistant Secretaries in the Bureau of East Asian and Pacific Affairs: TBD*
- [PAS] *Special Envoy/Representative to North Korea: TBD*



Department of the Treasury

- [PAS] *Secretary of the Treasury*: **Scott Bessent**, Founder and CEO, Key Square Group, former Chief Investment Officer for Soros Fund Management LLC
- [PAS] *Deputy Secretary of Treasury*: **Michael Faulkender**, Vice Chair of the Center for American Prosperity and Chief Economic at the American First Policy Institute
- [PAS] *Under Secretary for International Affairs*: TBD
- [PAS] *Assistant Secretary for International Markets and Investment Policy*: TBD
- [PAS] *Assistant Secretary for Investment Security*: TBD
- [PAS] *Assistant Secretary for International Finance*: TBD
- *Deputy Assistant Secretary for Asia*: TBD

Department of Defense

- [PAS] *Secretary of Defense*: **Pete Hegseth**, former Member of the Minnesota National Guard and Fox Weekend host.
- [PAS] *U.S. Secretary of the Navy*: **John Phelan**, Co-Founder of MSD Capital LP; he will be the first civilian to hold this position without military experience.
- [PAS] *U.S. Secretary of the Army*: **Dan Driscoll**, Senior Advisor to Senator JD Vance and former U.S. Army Ranger.
- [PAS] *U.S. Secretary of the Air Force*: TBD
- [PAS] *Commander of the U.S. Indo-Pacific Command*: TBD
- *Commander of the U.S. Pacific Fleet*: TBD
- *Commander of the U.S. Army Pacific*: TBD
- [PAS] *Assistant Secretary of Defense for Indo-Pacific Security Affairs*: TBD
- *Deputy Assistant Secretaries of Defense for East Asia*: TBD
- *Director for Asia, Joint Staff (J5)*: TBD

Department of Interior

- [PAS] *Secretary of Interior*: **Doug Burgum**, Governor of North Dakota.
- *Director, Office of Insular and International Affairs*: TBD

Department of Agriculture

- [PAS] *Secretary of Agriculture*: **Brooke Rollins**, current President and CEO, America First Policy Institute; former Assistant to the President for



Intergovernmental and Policy Initiatives, Acting Director, Domestic Policy Council, and Assistant to the President for Strategic Initiatives

- [PAS] *Under Secretary for Trade and Foreign Agricultural Affairs*: TBD

Department of Commerce

- [PAS] *Secretary of Commerce*: **Howard Lutnick**, Chairman and CEO of Cantor Fitzgerald LP, a finance firm headquartered in New York
- [PAS] *Under Secretary for International Trade*: TBD
- [PAS] *Assistant Secretary for Global Markets*: TBD

Department of Energy

- [PAS] *Secretary of Energy*: **Chris Wright**, Founder, CEO, and Chairman of the Board of Liberty Energy.
- [PAS] *Administrator of the National Nuclear Security Administration*: TBD
- [PAS] *Assistant Secretary for International Affairs*: TBD
- [PAS] *Assistant Secretary for Energy Efficiency and Renewable Energy*: TBD
- *Director of the Office of Nuclear Energy*: TBD
- *Deputy Assistant Secretary for Asia and the Americas*: TBD

Department of Homeland Security

- [PAS] *Secretary of Homeland Security*: **Kristi Noem**, Governor of South Dakota.
- [PAS] *Commandant of the U.S. Coast Guard*: TBD
- [PAS] *Commissioner of U.S. Customs and Border Protection*: TBD
- [PAS] *Director of Cybersecurity and Infrastructure Security Agency*: TBD
- [PAS] *Under Secretary for Intelligence and Analysis*: TBD
- *Assistant Secretary of Countering Weapons of Mass Destruction*: TBD

Independent Agencies

- [PAS] *Director of the Central Intelligence Agency*: **John Ratcliffe**, former Director of National Intelligence under Trump 1.0 and Member of the House of Representatives from Texas.
- [PAS] *Administrator of the Environmental Protection Agency*: **Lee Zeldin**, former Member of the House of Representatives from New York's 1st District.



- [PAS] *Chair of the U.S. Securities and Exchange Commission*: **Paul Atkins**, former SEC Commissioner.
- [PAS] *Chair of the Federal Trade Commission*: **Andrew Ferguson**, Commissioner of the FTC.

Executive Office of the President

- *National Security Advisor*: **Mike Waltz** (R-FL), Member of the House of Representatives from Florida's 6th district and former U.S. Army veteran.
- [PAS] *Director of National Intelligence*: **Tulsi Gabbard**, former Democratic member of the House of Representatives (HI) and U.S. Presidential Candidate in 2020.
- *Director of the National Economic Council*: **Kevin Hassett**, former Chairman of the CEA under Trump 1.0.
- [PAS] *Chair of the Council of Economic Advisers*: **Stephen Miran**, Senior Strategist, Hudson Bay Capital and former Senior Advisor for Economic Policy at the U.S. Department of Treasury.
- [PAS] *Director of the Office of Science and Technology*: **Michael Kratsios**, former Chief Technology Officer at the White House and Under Secretary of Defense.
- "Co-Heads" of *Department of Government Efficiency*: **Elon Musk**, CEO of Tesla, SpaceX, and Owner of X (former Twitter); and **Vivek Ramaswamy**, Entrepreneur and Republican U.S. Presidential Candidate in 2024.
- "A.I. & Crypto Czar": **David Sacks**, former COO of PayPal.
- *Senior Counselor for Trade and Manufacturing*: **Peter Navarro**, former Director of the White House National Trade Council.

U.S. Trade Representative

- [PAS] *U.S. Trade Representative*: **Jamieson Greer**, former Chief of Staff at USTR under Bob Lighthizer.
- [PAS]⁴ *Deputy U.S. Trade Representative*: TBD

Ambassadors

- [PAS] *Ambassador to Japan*: **George Glass**, former Founder, President, CEO of Pacific Crest Securities; former U.S. Ambassador to Portugal in Trump 1.0.
- [PAS] *Ambassador to Korea*: TBD

⁴ Senate confirmation required only if the position is considered the same rank as the ambassador.



- [PAS] *Ambassador to China*: **David Perdue**, former Senator (R-GA) and CEO of Reebok, Pillowtek, and Dollar General.
- [PAS] *Permanent Representative to the U.N.*: **Elise Stefanik** (R-NY), Member of the House of Representative from New York's 21st District.

Nominees' Past Engagements in East Asia

J.D. Vance (Vice President)

Vance is firmly in the China hawk camp but lacks experience or expertise in Asia. He has notably called for greater focus and emphasis on Asia – particularly China – as the United States pivots away from Ukraine. Last September, Vance [described](#) the possibility of invasion of Taiwan as “the thing we need to prevent more than anything” because “it would be catastrophic for this country. It would decimate our entire economy.” Vance opposed Nippon Steel’s proposed acquisition of U.S. Steel Corp., [criticizing it](#) as “a critical piece of America’s defense industrial base was auctioned off to foreigners for cash... I will do everything in my power to protect the future of our nation’s security, industry, and workers.”

Vance has no history of engagement with Korean counterparts and has yet to outline his stance on U.S.-Korea relations in detail. He has, however, [expressed his commitment](#) “to make sure our allies share the burden of securing world peace,” echoing Trump’s own overall stance emphasizing the transactional aspect of security relationships.

Department of State

Marco Rubio (Secretary of State)

Senator Rubio is primarily known for his interest in Latin America and China and has direct exposure to Asia in general as the former Chairman of the East Asia and Pacific Subcommittee of the Senate Foreign Relations Committee. His priority in that role was U.S. policy vis-à-vis China, including technology and intellectual property-related issues.

Senator Rubio's connection to Japan dates back to 2014, when he visited as a member of the Senate Committee on Foreign Relations, where he met with then-Prime Minister Abe. In 2015, he affirmed that the Senkaku Islands "are the territory of our ally Japan." Senator Rubio understands Japan's role as a pivotal American ally in the Indo-Pacific, but there is little in the public record to provide more insight into his views on Japan beyond a few general statements. He clearly understands alliances and collective security – as indicated by his support of NATO – but it remains to be seen how he would approach Japan given Trump's criticism of the financial burden of U.S. troops in Japan. Rubio



would be one of the participants in the “2+2” dialogue (“Joint Consultative Committee”) between the Secretaries of State and Defense and their counterparts, the Ministers of Foreign Affairs and Defense.

Rubio is likely to view the bilateral relations through the prism of the relationship and economic security concerns related to China, but as his following comment on the proposed sale of U.S. Steel to Nippon Steel on 5 January 2024 reveals, this is no guarantee that there will be agreement on all matters:

“Of course it is true that Japan is an ally. Our friendship with Tokyo is beyond dispute and essential as we confront the threat of communist China together. But even the best of friends don't see eye to eye on everything—to argue otherwise in the dangerous realm of national security would be foolish. It is common sense that there are some things you shouldn't entrust to others when you can do them yourself. Managing America's steel factories, which manufacture the fundamental building blocks of modern civilization, is one of those things. It's no insult to Japan to say so.”

Regarding the Korean peninsula, Senator Rubio is known for sponsoring a bill to reauthorize the *North Korean Human Rights Act of 2004* on two separate occasions – in 2022 and 2024 – which has not been approved by Congress, but which nonetheless highlights his continued interest in and perspective on North Korea.

Senator Rubio has met with South Korean dignitaries including former Minister of Foreign Affairs Yun Byung-se over the years while serving on the Senate Foreign Relations Committee. He has voiced support for “continuing deepening of [U.S.-Korea] security and economic ties,” as well as for “strengthening [Japan, Korea, and the U.S.] alliance as we face the shared threat of Communist China.”

Senator Rubio is also a [vocal advocate for Taiwan](#) and is known for his [staunch opposition to China](#) and other regimes labeled as part of the “Axis of Evil,” including Iran, Cuba, and Venezuela. His focus on human rights abuses in China and his strong support for Taiwan has led to his being [sanctioned by China](#). Notably, [Rubio met with then-Vice President Lai Ching-te in 2020](#) during Lai's visit to the U.S. National Prayer Breakfast. Rubio will be the first Secretary of State to have been sanctioned by China, and his [hawkish stance on Beijing](#) could signal Trump's continued commitment to supporting Taiwan.

Jacob Helberg (Under Secretary for Economic Growth, Energy, and the Environment)

Helberg has served as a Commissioner on the U.S.-China Economic and Security Review Commission, so has significant experience in U.S.-China matters. He has also served as Senior Advisor to the CEO of Palantir Technologies, the big data software firm co-founded by Peter Thiel. Helberg's career and published materials, such as his 2021 book, “The Wires of War: Technology and the Global Struggle for Power,” have focused on



technology policy and national security risks in U.S.-China relations. He was a strong proponent of banning TikTok in the U.S. He does not have extensive public involvement with Japan or Korea.

Department of the Treasury

Scott Bessent (Secretary of the Treasury)

Bessent is the founder and CEO of Key Square Group, a hedge fund that generally pursues a “macro” strategy. Bessent also previously worked for George Soros as a principal at Soros Fund Management and was reportedly instrumental in the Soros firm’s famous shorting of the British pound in the 1990s. This broad approach focused on macroeconomic fundamentals, currencies, and government debt instruments theoretically makes him well suited to run the Treasury.

In pre-nomination interviews, Bessent outlined a “3-3-3” plan – which he alluded was loosely based on the “Three Arrows” concept of former Japanese Prime Minister Shinzo Abe.⁵ In essence, this plan would strive for 3% GDP growth through deregulation and stimulated private investment, a 3% of GDP target for U.S. fiscal deficits through sharp cuts in federal spending, and a 3 million barrel per day increase in U.S. oil production.⁶ As Treasury Secretary, Bessent will have oversight responsibility for all domestic and international financial policies of the United States, as well as exchange rates, financial regulatory bodies such as the Financial Stability Board and the Basel Committee, and multilateral financial institutions such as the IMF and World Bank. Bessent would have direct engagement with counterparts from Japan and Korea in these organizations, as well as through bilateral dialogues.

Bessent will also serve as Chairman of the Committee on Foreign Investment in the United States (CFIUS), which could be tasked with reviewing Nippon Steel’s bid for U.S. Steel, depending on the court’s ruling (unlikely, but possible). In addition, he faces the challenge of addressing trade imbalances with allies like Japan and Korea via Trump’s tariffs while maintaining economic stability. Some key things to watch from the Treasury will be the policy direction on exchange rates and current account balances. There has been discussion in Trump’s circle about the benefits of a weaker dollar to support U.S. exports and rebalance trade, including speculation about a “deal” (some call it a Mar-a-

⁵ Abe’s vaunted Three Arrow plan met with mixed results. It involved monetary expansion, fiscal stimulus, and the “Third Arrow” of deregulation of key industries, the labor market, etc. Japan’s economy has performed modestly well, but structural problems remain, and the Third Arrow reforms were never of the sweeping nature Abe had hoped for because of the political difficulties in pushing them through.

⁶ A growth rate of 3% is attainable, as this has been achieved under both Trump and Biden; the question is whether it is possible on a sustainable basis, particularly with the questions about tariffs and immigration looming. A 3%/GDP fiscal target is possible in theory, but difficult in practice given the need for sharp cuts in spending in not only non-discretionary defense spending, but also defense, social welfare (Social Security and Medicare/Medicaid). Increasing oil production 3 million barrels per day is theoretically possible but highly unlikely as the industry does not want to expand drilling or production capacity to that extent due to the impact it would have on prices.



Lago Accord, after the 1985 Plaza Accord) among certain economies. Treasury Secretaries generally tout the benefits of a strong dollar, the main reserve currency, so it will be worth watching how Bessent manages these competing goals. The Trump administration is not likely to be as accepting of intervention in the exchange markets by the GOJ as the Biden team was, given the emphasis placed on trade and current account balances vis-a-vis the United States.

Michael Faulkender (Deputy Secretary)

Faulkender, a domestic finance and economic policy expert, will oversee the Treasury Department's day-to-day operations and policy implementation as Deputy Secretary. Like Secretary-designate Bessent, his portfolio may include international aspects, such as managing exchange rates and monitoring foreign purchases of U.S. Treasury bills. He is currently Chief Economist and Vice Chair of the Center of for American Prosperity at the America First Policy Institute and professor of finance at the Robert H. Smith School of Business at the University of Maryland. In Trump 1.0, Faulkender served as Principal Deputy Assistant Secretary and then Assistant Secretary of Economic Policy from 2019 to 2021.

Department of Defense

Pete Hegseth (Secretary of Defense)

The nomination of Pete Hegseth, a Fox News commentator and host of Fox and Friends Weekend since 2014 and former Minnesota National Guard combat veteran to be Secretary of Defense has been met with skepticism, given his personal history and lack of experience running large organizations, let alone one as complicated as the Pentagon.

Hegseth does not have many public views on Japan, although he has been quoted as saying of the U.S. troops who launched the nuclear attacks on Japan in World War II, "They won. Who cares." He is known as a China hawk and has no real expertise or experience in China, but his views will comport with those of Trump, Rubio, and Waltz to some extent. Hegseth is known to have shifted his previously hardline stance on North Korea, to one that has effectively mirrored that of Trump during his first term – for example, expressing support for Trump's efforts at diplomacy with Kim Jong-un.

He has criticized the cost of basing U.S. forces overseas, so he is likely to be on board with any Trump 2.0 efforts to pressure the Governments of Japan and Korea to pay more for hosting U.S. forces in their respective countries. In Trump 1.0, there were contentious negotiations over "burden sharing" for the cost of U.S. forces in Japan, and that will likely come up again even though Japan has pledged to increase defense spending by about 60% by 2027.



In addition, there are myriad issues involving the Department of Defense in Japan, including the Secretary's participation in the "2+2" dialogue with the Secretary of State and Japan's Minister of Defense and Minister for Foreign Affairs. Under Biden, cooperation on security has expanded significantly, including co-production of weapons systems, realignment of command-and-control operations, cybersecurity, allowing the servicing of U.S. Naval warships in Japan, and intelligence sharing. There is no indication at this point that Trump will seek to unwind any of these commitments, although the more Japan can point to cost savings for the U.S. military, the better. This bears watching, however.

John Phelan (Secretary of the Navy)

While Phelan's lack of military experience is notable, he is cut from the cloth of preferred Trump officials – a dealmaker with financial experience running investment firms. In that capacity, his experience was focused on Europe rather than Asia, so he also lacks direct experience in the region. There are important issues at stake, including the commitment under Biden to allow Japan to service Navy warships in Japan. There is no indication at this point that Trump 2.0 would seek to stop this, but it is too early to tell.

The Trump administration's stated intention to "strengthen cooperation with the Korean government and the shipbuilding sector" could potentially create opportunities for the Korean industry, particularly in the shipbuilding sector.

Dan Driscoll (Secretary of the Army)

A U.S. Army veteran, Driscoll served in Iraq in 2009. He has no public record of engagement with Japan, Korea, or Taiwan.

Department of Interior

Doug Burgum (Secretary of the Interior)

Burgum's direct purview over anything related to Japan, Korea, and Taiwan would be limited to decisions about permitting oil and gas exploration and production on public lands. Burgum's position as a strong advocate of the oil and gas industry comports well with Asian demand for more U.S. LNG and oil.

As the Governor of North Dakota, Burgum worked to strengthen and expand trade and energy ties between the United States and Japan, including efforts to accelerate the cooperative development of decarbonization, sustainable aviation, carbon capture, ammonia/hydrogen, and other clean energy technologies through relationships with Japanese companies.



Burgum emphasized the importance of the U.S.-Korea alliance during meetings with President Yoon Suk-yeol and Minister of Trade, Industry and Energy Ahn Duk-geun during his visit to Korea in October 2024. He expressed strong support for the “Washington Declaration” on nuclear deterrence and highlighted opportunities for deeper cooperation in energy, agriculture, aerospace, and hydrogen production. During the visit, he signed an MOU with the Korea Research Association for Unmanned Vehicles (KRAUV) to advance collaboration in Unmanned Aircraft Systems (UAS) research.

Department of Agriculture

Brooke Rollins (Secretary of Agriculture)

Rollins has dedicated her career to domestic policy and agricultural issues in which she has no reported engagements with Japan, Korea, or Taiwan. All three countries are major markets for U.S. agricultural products, ranging from beef and pork to corn, wheat, and soybeans.

Department of Commerce

Howard Lutnick (Secretary of Commerce)

In announcing Lutnick, Trump said “he will lead our Tariff and Trade agenda, with additional direct responsibility for the Office of the United States Trade Representative.” This raised concerns in the trade community and on Capitol Hill because of the traditional role assigned to USTR and the U.S. Trade Representative in leading trade negotiations, a role that Congress has statutorily provided. It also raises questions about the role of Trump’s nominee for U.S. Trade Representative, Jamieson Greer, who was Chief of Staff to Lighthizer in Trump 1.0 (see below). The USTR is typically a Cabinet officer with the rank of ambassador. Early signs are that Lutnick and Greer are forming a complementary relationship based on their relative strengths and responsibilities, with Lutnick holding broad authority over the trade agenda, while Greer provides the knowledge and experience to implement it.

Lutnick is reportedly a strong believer in the “America First” policy who [has called out](#) U.S. allies, including European nations and Japan and Korea, for their “unfair” trade partnership with the U.S. He is least shy in threatening those countries with 10% tariffs and seeks to renegotiate the trade deal allowing more U.S. cars to enter European, Japanese and Korean markets.



Department of Energy

Chris Wright (Secretary of Energy)

Wright has dedicated his career as the CEO of a Colorado-based energy firm, Liberty Energy, in which he has no reported engagements with Japan. Wright is an outspoken proponent of fracking as a means to exploit U.S. energy, and he has also downplayed the risks of climate change in numerous public comments.

As Secretary of Energy, Wright would be directly involved in a number of areas where U.S. cooperation with Japan, Korea, and Taiwan is part of the DOE's portfolio. These include LNG and oil exports and the permits required for them. Wright is on record as favoring more permits for LNG exports.

The DOE under Biden has focused on promoting renewable energy – solar, wind, geothermal, EVs, batteries, etc. – including through cooperative bilateral energy dialogues with Japan and Korea. The emphasis of these dialogues will change, with more U.S. emphasis on carbon, including oil and LNG, and nuclear development. Japan and Korea can work with this, but given the emphases the governments of Japan and Korea have placed on net-zero and decarbonization objectives, there may be some differences.

Department of Homeland Security

Kristi Noem (Secretary of Homeland Security)

In 2014, as a Representative in Congress from South Dakota, Noem [took part](#) in a congressional delegation visit to Japan, Korea, and China, which aimed to bolster diplomatic relations and trade opportunities. She has been an advocate of the U.S.-Japan Trade Agreement in 2019 as she stated in a [social media post](#): “A new trade deal with Japan would not only be very beneficial for our country, but also help set the table for future deals in Asia, giving our ranchers & farmers the support they desperately need.”

As Homeland Security Secretary, she will have an entirely different portfolio vis-a-vis our Asian allies, which cuts across cooperation on intelligence, technology, immigration, and secure trade.

Independent Agencies

John Ratcliffe (Director of the Central Intelligence Agency – CIA)

Another China hawk, Ratcliffe resigned his Texas congressional seat in 2020 to serve in the Trump 1.0 administration in a short stint as Director of National Intelligence. Critics at the time described him as overly partisan and lacking the experience to manage the



nation's intelligence systems. He is not known for any particular views on Japan but made some notable comments about Shinzo Abe in the aftermath of his assassination. Specifically, Ratcliffe praised the late Prime Minister for his keen awareness of China's regional/global ambitions, the need for concerted, decisive actions to counter those moves, and his foresight in ordering Japan's head of intelligence to meet with Ratcliffe immediately after he assumed the DNI position. This was, of course, Abe's way of ensuring that Ratcliffe understood Japan's concerns.

During his tenure as a congressman, Ratcliffe supported legislation to enhance U.S.-Taiwan cybersecurity cooperation. He introduced an amendment to the FY2020 *National Defense Authorization Act* that required the Department of Defense to report on the feasibility of establishing a high-level, interagency U.S.-Taiwan working group for coordinating responses to emerging cybersecurity issues. Ratcliffe's hawkish stance on China and his support for robust intelligence and defense capabilities are likely to influence U.S. policy toward Taiwan, particularly in the areas of cybersecurity cooperation and strategic support against potential Chinese aggression.

As a congressman, Ratcliffe backed U.S.-Taiwan cybersecurity cooperation, promoted defense initiatives and advocated for policies countering Chinese aggression and enhancing strategic support. Ratcliffe takes a pragmatic approach to balancing U.S. priorities in addressing global security threats, recognizing the complexities of managing multiple adversarial regimes. Prior to his confirmation as National Intelligence Chief in 2020, he described North Korea's nuclear weapons program as "deeply concerning," stating that "the threat these weapons pose to the United States and our allies in the region cannot be overstated." However, in a 2021 discussion at the Heritage Foundation, Ratcliffe suggested that Iran posed a more urgent threat, leaving room for implicitly recognizing North Korea as a nuclear weapons state. How his views might shape U.S. policy remains uncertain, as intelligence chiefs typically focus on analyzing and presenting intelligence rather than advocating specific policy actions.

Lee Zeldin (Administrator of the Environmental Protection Agency – EPA)

Zeldin's political career has focused on domestic issues and policies, primarily of those impacting his home state of New York, and he has no record of meaningful engagements with Japan or Korea. In line with Trump 2.0 objectives, Zeldin's role as the head of the Environmental Protection Agency (EPA) will be to lead and oversee the agency's efforts to roll back many of the Biden-era environmental and energy regulations that are viewed as harmful to business and economic growth. Under Trump 1.0 scores of environmental regulations and standards were modified or eliminated to reduce the burden on businesses. This will be the playbook in Trump 2.0, with emphasis on reducing or eliminating any regulations that impede the "Drill, Baby Drill" initiative and maintaining U.S. energy dominance. Such policies will align with the interests of Japan, Korea and Taiwan to purchase more U.S. LNG.



Paul Atkins (Chair of the Securities and Exchange Commission – SEC)

In 2007, as the Commissioner of SEC, Atkins delivered a speech at the American Chamber of Commerce in Japan gathering in Tokyo calling for cross-border regulatory collaboration including with Japan to address the challenges posed by the globalization of financial markets.

Andrew Ferguson (Chair of the Federal Trade Commission – FTC)

Ferguson has worked in the judicial profession for many years and does not have involvement with Japan of any significance. Ferguson attended the 2024 Taiwan International Conference on Competition Policy/Law, where he delivered remarks focusing on competition and consumer protection law. During his visit, he expressed his appreciation for the opportunity to visit Taiwan and Taipei for the first time. While his role as FTC chair could influence policies affecting U.S.-Taiwan economic relations, no specific actions or statements regarding Taiwan's political status are mentioned in the available information.

Executive Office of the President

Mike Waltz (National Security Adviser)

Waltz is viewed as a hawk on China, perhaps more of one than Senator Rubio. There will be unity between Waltz and Rubio on the approach to China, and the recognition of Japan's role in the region. Waltz appreciates the importance of alliances, but like Trump, has called on European allies to significantly increase their defense spending to shoulder more of the burden for Ukraine, and their own defense. We are likely to see this play out with Japan. Japan has been a stalwart supporter of Ukraine, so there is some speculation in the Japanese media that this could be a point of potential difference with the Trump administration.

As Waltz said in a Tweet on "X" 12 November 2024:

"America will keep its allies close, we will not be afraid to confront our adversaries, and will invest in the technologies that keep our country strong. America's greatest strength is its booming economy and our energy dominance, and those tools will keep us out of wars and allow us to once again lead from a position of strength."

One area that will be positive for Japan is that the Trump administration will immediately lift the suspension of approvals for new U.S. LNG export projects imposed by the Biden administration. Waltz, Rubio and others will be fully on board with this, as reflected in the comment above.



Waltz and Rubio have collaborated on a “Congressional Guidance for a National Maritime Strategy,” that laid the groundwork for the “Ships for America Act,” proposed legislation aimed at reducing the risk of dependence on China for commercial ships by rebuilding U.S. shipbuilding capacity. In this context, Waltz and Rubio have called for closer cooperation with Japan and Korea in developing new commercial and naval ships.

Waltz is expected to take a positive stance on advancing the U.S.-Korea alliance and support a hardline approach to North Korea, in line with the “maximum pressure” strategy of economic sanctions and diplomatic isolation used by the Trump administration. During his visit to Korea’s DMZ last year, Waltz met with then-Foreign Minister Park Jin to discuss Korea’s Indo-Pacific strategy and emphasized the importance of U.S.-Korea cooperation on shipbuilding and regional defense. More recently, Waltz has emphasized the need for stronger defensive measures against North Korea. In an August press conference, he prioritized investments in missile defense to counter the North Korea’s nuclear threats, stating that such measures are essential “so that a regime like North Korea can never hold [the U.S.] hostage.”

Waltz has also demonstrated strong support for Taiwan. As a member of the Congressional Taiwan Caucus and the House China Task Force, Waltz has emphasized Taiwan's strategic importance, particularly in advanced chip production and global trade. He advocates for arming Taiwan to deter Chinese invasion, viewing it as a critical step in countering China's regional ambitions. Waltz has been vocal about the need to accelerate arms transfers to Taiwan and reassure Pacific allies. In his book, he proposed a five-part strategy to deter China, which includes enhancing Taiwan's defense capabilities. Waltz has also stressed the importance of convincing the American public of Taiwan's centrality to U.S. security interests.

Tulsi Gabbard (Director of National Intelligence)

Gabbard’s nomination has raised serious questions, given her past statements and actions regarding Syria’s use of chemical weapons and alignment with Russia’s positions. Gabbard has been involved in foreign policy throughout her career, but her congressional career has focused more on the Middle East than the Indo-Pacific. It is unlikely that Gabbard will have any significant involvement in bilateral affairs, but Japan, Korea, and Taiwan will be relevant to her portfolio in terms of information sharing and intelligence gathering. The U.S. and Japan have agreed to step up intelligence sharing under the Biden administration. This has been limited because of information security concerns in Japan, but efforts are being made to address the problems and progress is being made.

Gabbard has often positioned herself at odds with Trump’s views on the challenges on the Korean Peninsula, arguing for an anti-interventionist approach. As a co-sponsor of the *North Korea Sanctions and Policy Enforcement Act*, she emphasized the need to



break the cycle of “provocations-crises-negotiations” in a 2013 congressional debate. During Trump’s 2019 meeting with Kim Jong Un, Gabbard expressed skepticism about its effectiveness, attributing North Korea’s refusal to abandon its nuclear arsenal to the U.S. longstanding history of foreign intervention.

Kevin Hassett (Director of the National Economic Council (NEC))

Hassett is generally viewed by Wall Street and traditional Republicans as a serious, “mainstream” pro-business Republican, not from the MAGA camp. He served as Chairman of the Council of Economic Advisers from 2017 to 2019 in Trump 1.0, so he is familiar with the President-elect and many of the people around him. Hassett served as economic advisor to the presidential campaigns of George W. Bush, John McCain, and Mitt Romney, as well as a Treasury adviser during the George H.W. Bush administration, so he is a known entity in GOP and business circles. He has also served as Director of Economic Studies at the American Enterprise Institute, a staffer at the Federal Reserve, and professor at Columbia University School of Business. His primary areas of interest have been fiscal and macroeconomic policy.

Hassett has had some direct engagement with Korea, including delivering a keynote speech titled “U.S.-China Trade Conflict and the Korean Economy” at the 2019 Global Economic Investment Forum in Seoul.

Stephen Miran (Chair of the Council of Economic Advisers)

Miran has very distinct ideas about current account balances and the relation to exchange rates, and how adjustments can be made. These views are likely to come into play as Trump 2.0 addresses the chronic trade deficit with Japan and the growing deficits with Korea and Taiwan. Miran has also defended the use of tariffs as a tool to force adjustment and achieve specific policy objectives.

Michael Kratsios (Director of the Office of Science and Technology)

Kratsios served in the White House under the first Trump administration as Deputy Assistant to the President for Technology Policy and Chief Technology Officer (U.S. CTO), and then as Under Secretary of Defense for Research and Engineering at the Department of Defense. In June 2019, Kratsios visited Japan, representing the U.S. for the G20 Digital Ministerial summit. Kratsios called for further cooperation in the Japan-U.S. Policy Cooperation Dialogue on Internet Economy.

Elon Musk (“Co-Heads” of Department of Government Efficiency)

Musk has direct business interests in Japan through his various companies. He had hoped that Japan would be a major market for Tesla, but it has not turned out that way, as Tesla’s sales are not substantial in Japan given the competition. Musk noted in



January 2024 that “There are some geographies where our market share is remarkably low, like Japan.” Tesla and Musk’s primary interest is obviously China, but this is worth watching in the context of Trump’s focus on trade deficits in general, and the automotive sector in particular, with Japan and other trading partners.

In April 2023, Musk made his first visit to Japan since 2014. He was well received by political and business leaders. Tesla’s relationship with Panasonic is particularly important, as Panasonic manufactures batteries for Tesla in the United States. Starlink, the satellite service, is also used in Japan, including by the Self-Defense Forces after the earthquake earlier in 2024. Japan has been the largest overseas market for “X,” the social media platform, although there are growing concerns there, as elsewhere, about disinformation and the nature of discourse now among users. Musk caused a stir in January of last year when he commented on “X” that “Japan will disappear if something doesn’t change” regarding the demographics and low fertility rate. Musk has also publicly supported the government’s effort to bring more nuclear power capacity back online, given the growing demand for electricity from data centers and AI.

Musk has demonstrated a growing interest in Korea through both business and political engagements, though it remains unclear whether his views and involvement will ultimately be regarded as positive. Musk has commented on Korea’s declining fertility rate on “X” and has consistently shown interest in the country’s martial law crisis, sharing posts and opinions during moments of domestic unrest.

Musk’s engagements have included discussions with Korean leadership and participation in key events. Following a virtual meeting with President Yoon Suk-yeol in 2022, Musk held an in-person discussion with Yoon during the president’s state visit to the United States in April 2023. During this meeting, Yoon highlighted Korea’s advanced manufacturing capabilities and skilled workforce, presenting the country as a prime candidate for Tesla’s expansion. Musk responded positively, indicating Korea as a strong contender for a Tesla Gigafactory. He also participated virtually in events such as the AI Seoul Summit, where he discussed innovation and safety in AI governance.

On the business front, Musk’s influence continues to grow in Korea. SpaceX collaborated with the Korean government on the Project 425 initiative, launching a military reconnaissance satellite, demonstrating increasing aerospace ties. Meanwhile, Tesla achieved record sales of over 20,000 vehicles in Korea in 2024, reclaiming its position as the second-largest player in the domestic EV market and surpassing Hyundai in EV sales. Musk has also acknowledged Korean investors on “X” after Tesla emerged as one of the most widely held stocks among Koreans.

Musk’s ties to Taiwan are complex and controversial. As CEO of Tesla, Musk has significant business interests in China, which has influenced his public statements about Taiwan. He has repeatedly stated that Taiwan is an integral part of China, drawing sharp



criticism from Taiwanese officials. Musk's comments have sparked diplomatic tensions, with Taiwan's government firmly rejecting his claims and emphasizing the island's sovereignty.

On the business side, Tesla has been pushing its suppliers to diversify production outside both China and Taiwan due to geopolitical risks. This move is affecting Taiwanese suppliers, some of whom are relocating portions of their supply chain in response. Interestingly, Tesla's early technology had strong connections to Taiwan, with key components for its first models sourced from Taiwanese companies. Musk's statements and business decisions regarding Taiwan highlight the complex interplay between corporate interests and geopolitical sensitivities in the region.

Vivek Ramaswamy (Commissioner of Department of Government Efficiency)

Ramaswamy established his fortune through a strategic business deal between his biotech startup, Roivant Sciences, and Sumitomo Dainippon Pharma (Sumitomo) in 2020. In 2019, Sumitomo agreed to purchase a 10% stake of Roivant for around \$3 billion. As a candidate for the Republican nomination in 2024, Ramaswamy stressed the importance of strengthening the U.S. alliances with Japan, Korea, and India to reduce economic dependence on China. He also indicated that Japan has a significant role to play in maintaining regional stability and economic security.

David Sacks (AI & Crypto Czar)

As one of the “Paypal Mafia”, Sacks is tied into the Peter Thiel/Musk/J.D. Vance orbit. Since leaving Paypal, Sacks has been focused on technology startups and venture capital investments, primarily with a domestic U.S. focus. He does not have significant business interests in Japan and Korea. It is possible that he could engage with Japan and Korea in any discussions around global standards and regulatory frameworks for AI and crypto, but from early indications his role is more of an internal advisory one.

Peter Navarro (Senior Counselor for Trade and Manufacturing)

Navarro was a relevant and controversial player in trade debates and policy in Trump 1.0, and “My Peter,” as Trump famously called him, is back for Trump 2.0. Navarro is the hardest of the trade hardliners, and has been vocal and aggressive in pushing tariffs as a means of bringing U.S. trading partners to heel in the ways Navarro and Trump want regarding trade balances. He showed no favoritism toward allies or enemies alike: all would be subject to tariffs and other restrictive measures. He has been critical of Japan for running large surpluses with the U.S. based on automotive trade. He was also instrumental in persuading Trump that the U.S.-Korea FTA (KORUS) was a bad deal. Cooler heads persuaded Trump not to terminate the agreement, but it was renegotiated in 2018. With Korea's trade surplus with the U.S. trebling since 2021, it is reasonable to expect that Navarro will push internally for some action vis-a-vis Korea.



The impact of Navarro in Trump 2.0 will once again hinge on his ability to push his hardline views over internal opposition, and how well more reasonable officials counter his influence with the President.

U.S. Trade Representative

Jamieson Greer (United States Trade Representative – USTR)

Greer served as Chief of Staff to U.S. Trade Representative Robert Lighthizer in Trump 1.0. He is considered a Lighthizer acolyte and tracks with him on China's disruptive role in the global economy and the need for strong U.S. measures to counter it. Greer is respected by career staff inside the Winder Building (the USTR offices), which is often not the case with political appointees due to their lack of knowledge of trade policy. Career officials consider him as a smart, serious, and knowledgeable practitioner in the trade policy field.

The questions about Greer revolve around his political effectiveness, or potential lack thereof, in a Cabinet of high-profile, wealthy Wall Street executives like Bessent and Lutnick, and what the intended role of the USTR will be in Trump 2.0. Traditionally, the U.S. Trade Representative has taken the lead role in trade policy and negotiations, a role Congress specifically delegated to the office. When Trump announced Lutnick as nominee as Secretary of Commerce, he said that Lutnick would “oversee our tariff and trade policy.” This has not been further clarified, although Lutnick and Greer appear to be on the same page and have established a complementary relationship in which Lutnick sets the direction and Greer and the USTR would likely play a lead negotiating role in any engagement with Japan, Korea, and Taiwan on tariffs and market access issues.

Greer's approach to trade policy carries potential risks for the U.S.-Korea economic relationship. As Chief of Staff to the USTR in 2017, Greer led a U.S. delegation to Seoul where he pointed out that the U.S. goods deficit had doubled following the KORUS FTA. He emphasized the need for amendments or modifications to the agreement and called for negotiations to address the trade imbalance and other unresolved issues. In June 2024, Greer also authored an article expressing concerns about Korea's platform regulations, implying potential friction in U.S.-Korea trade dynamics. He highlighted the potential impact on U.S. tech companies, warning that such regulations could exacerbate trade tensions and create challenges for bilateral cooperation.

Greer's nomination suggests a potential influence on U.S.-Taiwan trade relations. As a member of the Global Taiwan Institute's U.S.-Taiwan relationship team, Greer has expertise in Taiwan-related matters. In his testimony before the U.S.-China Economic and Security Review Commission, Greer discussed U.S.-China trade relations, which indirectly affect Taiwan's economic position. He has also emphasized Taiwan's economic influence



in the U.S., specifically highlighting the impact of investments such as TSMC on U.S.-Taiwan economic ties.

Ambassadors

George Glass (Ambassador to Japan)

George Edward Glass was announced as the nominee for Ambassador to Japan by President-elect Trump via Truth Social on 16 December. Glass served as U.S. Ambassador Extraordinary and Plenipotentiary to Portugal in Trump 1.0 from 2017 to 2020, so he has diplomatic experience. Having been approved by the Senate previously, Glass will have no trouble securing approval this time.

Glass founded and ran an Oregon-based investment bank, Pacific Crest Securities, from 1990 to 2014 before selling it. His oldest son has lived and worked in Japan. In making the announcement, Trump highlighted Glass's "business acumen" as a key feature he will bring to this critical position, while also noting "we [Trump administration] consider Japan to be very important."

During his tenure as Ambassador to Portugal, Glass was involved in Portugal's relations with China. He repeatedly warned the Portuguese government about allowing Chinese investment in sensitive technology and infrastructure sectors such as 5G, particularly regarding the activities of Huawei. This focus on economic security will be a critical and central part of the relationship with Japan.

With negotiations over host nation support for U.S. troops in Japan up for renewal by 2026, Glass will have his hands full getting up to speed on these issues. Trump seems to believe that Glass' business executive mindset and negotiating skills will give him with an advantage as these negotiations proceed.

David Perdue (Ambassador to China)

Prior to his political tenure, Perdue was a CEO of several companies, including Reebok, where he played a major role in expanding business across Asia, including China. As a senator from Georgia, Perdue called for larger U.S. naval force to address challenges posed by adversaries like China in the Indo-Pacific region.

Perdue has shown support for Taiwan throughout his political career. In 2018, he met with Taiwanese President Tsai Ing-wen, indicating diplomatic engagement with Taiwan. In a recent op-ed, Perdue called for greater strategic clarity on Taiwan, suggesting a more assertive stance in support of the island. His nomination as ambassador to China may influence U.S.-Taiwan relations, particularly given his hawkish views on China and his emphasis on maintaining regional stability.



With regard to the Korean peninsula, Perdue was known as a vocal supporter of what he called Trump's "maximum pressure" approach to North Korea during the latter's first term. Perdue also emphasized the need for "credibility for the threat of the use of force" in this context and notably supported the denuclearization of the Korean peninsula "with China's cooperation." Perdue is strongly supportive of close security ties between Korea and the U.S., and has been critical of Trump's unfavorable views of the status quo (e.g., joint military exercises), calling "coordination with the South Korean military absolutely critical."

While serving as a Senator, Perdue met with then-Korean Prime Minister Lee Nak-yeon in 2018 as part of a five-person delegation of Republican senators, only a few months prior to the U.S.-North Korea Singapore Summit.

Elise Stefanik (Permanent Representative to the U.N.)

Stefanik has no notable expertise on matters related to Japan, Korea or Taiwan specifically, although she has shown support for our allies and partners in the region in various ways. She is a China hawk with sympathies for Taiwan. She was a senior member of the House Permanent Select Committee on Intelligence and the House Armed Services Committee, and in that capacity led a Congressional delegation, or "CODEL," to the region in September 2023. The delegation met with Diet members and METI⁷ officials, visited the Seventh Fleet in Yokosuka and Kadena Air Base in Okinawa, and discussed the dynamics with China with Ambassador Emanuel in the context of demonstrating "the United States' support amidst mounting aggression from Communist China", according to her press release.

On the Korean Peninsula and North Korea, Stefanik has taken a firm stance on countering regional threats. After visiting U.S. Forces Korea during a congressional trip to Korea and Japan, she emphasized the direct threat North Korea poses to U.S. national security and its allies. She voiced strong support for deploying the Terminal High Altitude Area Defense (THAAD) missile defense system in South Korea, calling it a vital step in responding to North Korea's missile launches and strengthening regional alliances. In June 2024, Stefanik championed a provision in the *National Defense Authorization Act* to establish an East Coast Missile Defense Site at Fort Drum, New York, citing the growing threats from North Korea and Iran. When faced with opposition from Defense Secretary Lloyd Austin, she took to social media to reiterate that protecting the East Coast from ballistic missile threats was critical to national security.

Stefanik has demonstrated support for Taiwan through her political positions and legislative actions. As a member of the House Taiwan Caucus, she advocated for strengthening U.S.-Taiwan relations. Stefanik voted for the *Department of State, Foreign*

⁷ Ministry of Economy, Trade and Industry



Operations, and Related Programs Appropriations Act, which included \$500 million in Foreign Military Financing for Taiwan to strengthen deterrence across the Taiwan Strait. She also co-sponsored legislation to support Taiwan's defense, including the *Taiwan Policy Act*, which aims to enhance Taiwan's military capabilities and deter aggression from the Chinese Communist Party. In her potential role as U.N. ambassador in the incoming Trump administration, Stefanik is expected to continue supporting Taiwan's inclusion in international organizations. Her stance is consistent with a more assertive U.S. policy toward China and a stronger commitment to Taiwan's security