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After The First Year: Is Trump Better Than Expected?

One year of the Trump presidency and - to the world's surprise - obviously nothing bad has happened thus far. This at least holds true when looking at the economic development: The U.S.-American economy is booming, unemployment is decreasing, and enterprises are cheering about the most recent tax reform.

But there is one phenomenon that gives rise to concern: The continuing weakness of the Dollar! This is not without reason and it cannot have been "instigated" by the strategists in the White House in order to promote the American export business. In my opinion it is an indicator for unresolved structural problems in the American economy that are only camouflaged by the undisputed successes of the internet companies from Silicon Valley.

If this is the case, if there are hidden problems in the USA waiting to be solved, then the future economic policy of the American president is of vital importance for the USA itself, and also for the entire western world.

How serious are his statements regarding trade policy to be taken? Does he really want to – as announced - cancel the system of globally valid trade rules with complex trade agreements that were actually installed by the USA? If so, two scenarios with incalculable risks are looming: Either the USA will withdraw from the global trade system in an act of splendid isolation and try to enter into multitude of bilateral agreements while the rest of the world stays in the current system. In this case China would practically take on the role of the United States. Or the current system will completely disintegrate due to the U.S. withdrawal and is followed by unregulated conditions with chaotic effects. One does not even want to imagine which of the two alternatives will have worse consequences also for the USA.

The only hope one can cherish in light of these scenarios is that Trump will not put his statements into practice. His speech in Davos ("America first" does not mean "America alone") already seems to be an indicator for such a development.

If Trump with his "brutal" rhetoric reveals problems yet hidden (NATO financing, unfair trade practices by China etc.), but "sensibly" listens to his experts when it comes to his deeds, he could by all means become a good president after all.

But one negative consequence of his presidency may already have come into effect and cannot be taken back, which is the new global role of China. Here it becomes evident that every withdrawal onto one's own national level leads to a vacuum in one's surroundings, which is immediately advanced into by others. For one's very own interests, a sustainably successful "national" policy today must wisely incorporate the interests of one's partners. To this effect the European policy model meets the requirements of today's world.