

Where Trump could make progress in the next 100 days

Trump's next 100 days could see more concrete progress than the first, though maybe not as much as Trump would want.



Source: iStock

The next 100 days: More winning?

We're gonna win so much you may even get tired of winning

Those were the words of President Trump last year, but it hasn't worked out quite like that. Trump has had few big wins in his first 100 days, and quite a few misses.

This says less about the new Administration than about the practical difficulties any US President faces, even with a notionally friendly Congress. It is also no reason to get too downbeat.

Although the first 100 days delivered more of a wish list than concrete actions, the next 100 days should see further concrete progress on a wide swathe of policy areas – though maybe not as

much as Trump would want.

Executive actions

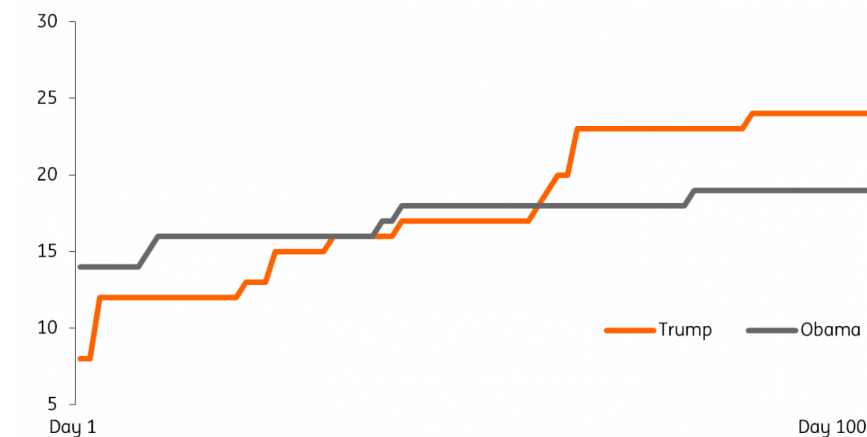
What happened - 28 vs 19

The fanfare surrounding the signing of 67 executive actions has kept Trump in the media spotlight: Only 28 of these actions are substantive executive orders, though this is rather more than the 19 actions President Obama did in his first 100 days. The media impact has been even higher. Though not always positive, eg, the Travel Ban.

What's next - more of the same

Executive actions are a good substitute for substantive policy, and help keep the media limelight. We expect to see many more of these over coming months on all aspects of policy.

Number of executive orders



Source: White House

Fiscal Policy

What happened - Big announcements, little detail

It is way too early to judge Trump on fiscal policy, as this is really down to Congress to decide. But the President's "skinny budget" won few plaudits, shuffling funding away from almost everything towards defence and veterans affairs. But as a blueprint for Congress, it was very insubstantial.

Even the "Big tax announcement" was not new. It repeats the campaign pledge to cut corporate income taxes to 15% (and trim household income taxes). Interestingly it also seeks to eliminate worldwide taxation, and calls for a one-time taxation at 10% for repatriated earnings.

What's next - temporary or watered down?

Despite the lack of detail, there are some interesting elements to Trump's big Tax announcement:

- Cutting corporate income taxes to 15% from 35%
- Simplifying the household income tax code and reducing rates
- Eliminating the death tax
- A one-time repatriation window for overseas earnings
- Eliminating Worldwide taxation

15% Trump's proposed corporate tax rate

Currently 35%

Trump will negotiate with Congress over the coming months to deliver this package – but despite a complete lack of detail, it looks as if it will add substantially to the deficit, and so struggle to make it through Congress unchanged.

Two options are possible. The tax cuts could be put through as temporary measures (in the hope that at some stage they become permanent), or the degree and extent of the cuts could be heavily watered down

To help pay for any shortfall in revenues, some reduction of Medicare entitlements may be possible and some loophole closures could also provide some revenue. A new carbon tax seems anathema to Trump's goal to help US manufacturing and energy industries.

No substantial progress on this tax policy is likely until August, and perhaps not even then. And we don't expect to see any progress on funding infrastructure spending until taxation is sorted out. So nothing in the next 100 days on infrastructure.

#	Firstname	Lastname	Age	City	Country	#	Firstname	Lastname	Age	City	Country
1	Anna	Pitt	35	New York	USA	1	Anna	Pitt	35	New York	USA
1	Anna	Pitt	35	New York	USA	1	Anna	Pitt	35	New York	USA
1	Anna	Pitt	35	New York	USA	1	Anna	Pitt	35	New York	USA
1	Anna	Pitt	35	New York	USA	1	Anna	Pitt	35	New York	USA
1	Anna	Pitt	35	New York	USA	1	Anna	Pitt	35	New York	USA

Trade

What happened – not very much so far

Trump threatened tariffs and charges of currency manipulation. But his trade appointments have actually been surprisingly moderate. China has not been named a currency manipulator – and with the exception of a lumber tariff on Canada, no tariffs have been levied.

IMF communiques have dropped references to free trade at US insistence. And Trump did pull out of TPP^[1] on Day 1. But TPP was not even running. And this was also a Clinton policy. Trump has scored some media wins with his smartphone, deterring outsourcing, and protecting American jobs. But not much has yet changed.

What's next – Negotiations, tough words and possible actions

What the Canadian lumber tariff shows is that Trump is prepared to act, and not just talk tough. This will be important once NAFTA negotiations begin. Opening the discussion on NAFTA could start in the next few weeks. Trade Representative Robert Lighthizer first needs to be confirmed by a Senate vote – probably within the next two weeks. We expect the US position to be tough, and demand substantial concessions from Mexico and Canada. But we also expect Canada and Mexico

to deliver.

The Trade deal with South Korea is also likely to be renegotiated before too long – along similar themes to the NAFTA discussions. There could also be tariffs on countries (including China) as a result of an investigation into the global steel trade with the US in the next 100 days.

But trade policy is not likely to be all one way. Trump's administration is in contrast talking about re-opening trade talks with Europe, and Japan. A 100 day plan with China over the bilateral deficit is also likely to create fiery exchanges – but could deliver change and help avoid a trade war.

[1] Trans Pacific Partnership

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