

Post-US election: What's at stake for businesses in the US and globally?

In the wake of Donald Trump's return to the White House, businesses around the globe are bracing for changes in US policy that could reshape economic relations worldwide.

Earlier this week, H/Advisors' post-US election webinar discussed what issues may arise and what we can expect from Trump's second term as President. Find our insights below, from a US, UK and EU perspective, from shifting trade policies to diplomatic adjustments, leaders across these regions face unique challenges as they prepare for a new era of US leadership and its economic ripple effects.

US: Republican policy

Donald Trump and Republicans (GOP) are on the brink of seizing full control of Washington, with the former president winning back the White House and the GOP taking control of the Senate and on the verge of doing the same in the House. This sweep is poised to usher in an era of Republican policies that will change both domestic and global politics for at least the next two years, when mid-term congressional elections will be held, and possibly for much longer. The GOP's victories are yet another rejection of incumbents that's been playing out in elections across the world all year.

While the US economic fundamentals were relatively strong, inflation and cost of living meant many voters felt the pinch. Without a strong message on the economy from the Harris campaign, voters went to Trump.

UK: Trade challenges

For a Labour Government that has placed the growth at the heart of its agenda, it needs to deliver not just headline GDP growth, but money in people's pockets too. Trump's agenda on trade, tariffs and taxes, as well as his approach to the conflict in the Middle East, could have ripple effects for the UK economy that make this harder.

Top of Prime Minister Keir Starmer's mind will be building an effective working relationship with Trump to mitigate any impact on the UK. From Trump's previous term, officials know day-to-day departmental contacts are crucial for intelligence gathering. But the big decisions are made by Trump. Starmer needs to develop a transactional approach on key issues and hope critical remarks from his Foreign Secretary David Lammy have been put to one side.



EU: Tariff threats

EU leaders congratulated Donald Trump to his election as the 47th president of the United States of America. In their congratulatory speeches, most of them – including Emmanuel Macron, Olaf Scholz and Ursula von der Leyen – highlighted their long-standing relations and their commitment to working constructively with Donald Trump in the coming years on matters of mutual interests to EU and the US.

It is evident that the president's inclination towards a more inward-looking approach will necessitate a corresponding increase in independence from the EU in the coming years. The imposition of higher tariffs on foreign goods and a reduction in military support for Ukraine by the Trump administration will require Europe to demonstrate a renewed capacity for economic and geopolitical competitiveness.