


Overseas Expansion Trends for Taiwanese Businesses Under Trump 2.0 Policies

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Trump 2.0 policies are focused on “America First,” with an emphasis on revitalizing domestic industries and applying pressure on international trade. In the United States, the *One Big Beautiful Bill Act* (OBBBA) aims to make individual tax cuts permanent, increase estate tax exemptions, and introduce new deductions, while significantly reducing subsidies for green energy. As a result, this shift may lead to a decline in investment in electric vehicles and green energy from 2025 to 2029, creating an investment gap and weakening the momentum of the green industry. Externally, Trump uses tariffs as a key tool in his economic strategy. He has implemented tariffs on fentanyl, enacted Section 232 tariffs, and established reciprocal tariffs while negotiating with various countries to adjust tax rates. His approach to China has become increasingly hardline, with the use of high tariffs, export controls, and investment restrictions, accompanied by frequent changes to related regulations. These actions create uncertainty for businesses and undermine the credibility of U.S. policy.

Trump 2.0 policies have triggered a resurgence of international protectionism, also affecting Taiwanese companies’ overseas deployment strategies. Since the intensification of U.S.-China rivalry in 2018, Taiwanese companies have accelerated their outbound investment. Both the number and the total amount of these investments have grown, and there has been a significant shift in their regional distribution. This trend is characterized by “diversification away from China; a pivot toward the U.S., Europe, and Japan; and a deepened presence in ASEAN countries.” China’s share of Taiwan’s outward investment decreased from 40% in 2018-2019 to single digits in the first three quarters of 2025. Most Taiwanese companies, however, will not completely withdraw from the market but maintain only the core capacity needed to meet domestic demand. In contrast, Taiwanese investment in ASEAN has continued to heat up,



officially surpassing China's in 2023 to become the primary developing-country market for outbound investment. However, Trump 2.0 tariff policies may weaken the investment incentive for firms whose ASEAN operations are primarily geared toward exporting to the United States. Investment in the United States has surged due to exploding semiconductor and AI demand, making the U.S. the largest investment destination. However, the unpredictability of Trump's policies and uncertainty regarding subsidy and tariff prospects mean that, while Taiwanese companies are aggressively deploying in the short term, they must still assess policy continuity and the high operational costs in the medium to long term.

Against the backdrop of global supply chain restructuring and the resurgence of the Trump 2.0 administration's "America First" policy, Taiwanese companies' overseas investment deployment faces both challenges and opportunities. In terms of opportunities, the digital economy and electronics manufacturing have become the core of global growth, and under Trump's acceleration of "diversification away from China" and "Made in America" trends, new growth opportunities will be created for Taiwanese companies. However, frequent adjustments to Trump's policies create uncertainty and increase costs, leading companies to shift from single production bases to a multi-site production models, which complicates management.

Given the ongoing restructuring of global supply chains, the government can support businesses from three key dimensions: technology, supply chain resilience, and institutional frameworks. On the technology front, companies should strengthen domestic R&D, deepen industry-academia collaboration, and keep core technologies in Taiwan. The government can enhance Taiwan's overall innovation capacity and industrial development through measures such as R&D tax credits, talent cultivation, and attracting foreign investment to establish R&D centers in Taiwan. Regarding supply chain resilience, companies should reassess and recalibrate key suppliers and promote localized collaboration to enhance supply chain autonomy and risk response capabilities. The government can provide more comprehensive overseas market and industry intelligence to help Taiwanese companies to better anticipate market developments and improve overall supply chain resilience. To enhance Taiwan's ties with international institutions and improve market visibility, the government can focus on advancing bilateral investment agreements, deepening economic and trade dialogues, and continuing efforts to join the Comprehensive and Progressive

Agreement for Trans-Pacific Partnership (CPTPP). This approach will also help reduce reliance on single markets and mitigate associated risks. By promoting these three dimensions, Taiwan can ensure both corporate competitiveness and national industrial security.