

What difference to net zero and the economy would a Trump or Biden second term make?

As readers know I do not express views about who should win elections in foreign countries, nor usually comment on which potential government or President would be best.

It now looks very likely that Mr Trump will gain the Republican nomination and Mr Biden the democrat at the conventions in the summer. . Polls for the Presidential election itself show both Mr Biden and Mr Trump as relatively unpopular with the wider electorate. They also quite often show Mr Trump a little ahead.

It is therefore a good time to ask what would a second term Biden Presidency look like and how would it contrast with a second term Trump Presidency?

With the current President we should expect him to continue with his economic policy based on the Inflation Reduction Act subsidies and the CHIPS Act. He will want to attract more semiconductor and digital investment to the US, and offer tax breaks and subsidies for green growth. He will be happy to see higher taxes on the very rich and on big business. He supports minimum tax levels globally on these groups.

Mr Trump will wish to renew his big tax cuts where some are due to retire, and will also wish to onshore more investment. He will renounce the Paris Climate Agreements and will promote more cheap oil and gas from domestic sources. He will cut green subsidies and regulations. This will make a big difference to the world policy of decarbonisation. With China and India continuing to boost fossil fuel output and use, joined by the USA, Europe will be lonely with its anti oil and gas policies.

The UK and Europe need to ask themselves what are they going to do about the drive to use more fossil fuel in India , China and many emerging market economies? It makes no sense to close our industrial plants only to import from high CO₂ producing countries. It seems very unlikely the world can hit its targets for 2030 for CO₂, as fossil fuel use continues to increase. Even under Biden the US has added to her output of cheap oil and gas. If the USA joins in with more fossil fuel it makes it even less likely targets will be hit. When are the international target setters going to confront the truth about India, China and other large emitters? Are they happy with President Biden adding to US oil and gas output? What would they do if Mr Trump becomes President and renounces the plans. ?