



TRUMP ABROAD

MAY 17, 2017

OVERVIEW

- President Donald Trump embarks on his first foreign trip on May 19, stopping first in Saudi Arabia, Israel, and Rome, before heading to the NATO summit in Brussels and the G7 meeting in Italy. The trip could be the smoothest week of the Trump presidency to date, featuring luxuriously appointed ceremonies, hosts intent on being nice, announcements of business deals, and scripted, protocol-heavy exchanges.
- The trip might be spiced up by tweets by the president sent while jet lagged.
- The trip is ambitious in practical terms: unlike previous presidents, who have generally first gone to Canada – a way to “practice” the incredible logistical effort it takes to pull off a presidential trip abroad while engaging with a friendly neighbor, President Trump has chosen to begin with back-to-back stops in the centers of three major global religions before engaging multilateral institutions that he has previously called obsolete (NATO) or that promote global economic policies that can be at odds with some of his rhetoric (G7).
- The visit comes when U.S. foreign policy positions have begun to look conventional. With Emmanuel Macron in office in France, Theresa May in a campaign at home in Britain and isolated in Europe, and Angela Merkel a heavy favorite in Germany, the president lacks a populist ally in a major state willing to help him remake the post-World War II settlement. In the Middle East, hosts will seek to avoid uncomfortable issues – the president’s restrictions on immigration, his talk of renewed Middle East peace negotiations, reform and human rights at home – and will praise the president as an anti-Obama, renewing his commitment to positions they like. The emphasis on hospitality and shared interests across the Middle East will give way to uncertainty as the president turns north, creating a narrative arc for the trip from praise to veiled skepticism.
- This agenda seems traditional, even soporific. Major points to watch will be announcements of more investment into the U.S. and a renewed U.S. commitment to the use of force, especially in Yemen. The president’s desire for unscripted conversations that cut to the heart of enormously complicated issues – Israeli-Palestinian peace, Russia’s interests in Europe – may create headlines.

ABOUT ASG

Albright Stonebridge Group (ASG) is a global strategy and commercial diplomacy firm. We help clients understand and successfully navigate the economic, political, and social landscape in international markets. ASG’s worldwide team has served clients in more than 110 countries.

ALBRIGHTSTONEBRIDGE.COM

Saudi Arabia

- President Trump's first stop will be Saudi Arabia, where he will attend three summits: with King Salman bin Abdulaziz Al Saud and members of his cabinet, with leaders of the Gulf Cooperation Council (GCC), and with a large group of Arab and Muslim leaders.
- Regional security and counterterrorism efforts will reportedly be the central focus of the president's visit. He is expected to reiterate his support for Arab and Muslim leaders as they battle threats from Iran, the Islamic State, and al-Qaeda. As Iran remains the top foreign policy and security concern for Gulf Arab states, they will likely seek assurances that the United States will push back against Iranian expansion and aggression throughout the region. UAE Crown Prince Mohammed bin Zayed met with Trump in Washington on May 15 to prepare for this trip.
- GCC states have been encouraged, so far, by the Trump administration's approach, after disagreeing with President Obama's policies on Syria and on the Saudi-led war in Yemen. The Saudi and Emirati governments, in particular, are encouraged by U.S. promises to combat Iranian aggression and to support anti-Houthi forces in the war in Yemen.
- Business and trade promotion and investment will also be on the agenda, since several dozen CEOs are traveling to Saudi Arabia at the same time as the president. The CEOs of Dow, Citigroup, GE, and Blackrock will be among those joining Saudi business leaders and cabinet members. We expect to see announcements regarding major Saudi investments in the United States, including from Saudi Aramco and SABIC. The Saudi Public Investment Fund is also expected to announce significant funding, reportedly up to \$40 billion, for U.S. infrastructure.

Israel

- President Trump will then spend two days in Israel and the West Bank. On May 22, he is expected to meet with Israeli President Reuven Rivlin and Prime Minister Benjamin Netanyahu. On May 23, he is set to speak at Masada fortress in the Negev Desert before meeting with Palestinian Authority President Mahmoud Abbas in Bethlehem.
- With Israeli leaders, Trump is expected to discuss a wide range of issues—including the battle against the Islamic State, the conflict in Syria, and the threat from Iran—but we expect a renewed push towards peace to be the central issue. Trump has said that he would like to reach “the ultimate deal” between Israel and the Palestinians. Trump had also left open the possibility of a one-state solution during Netanyahu's visit to Washington in February, but U.S. National Security Advisor H.R. McMaster told reporters last week that Trump would use his meeting with Abbas to “express his desire for dignity and self-determination for the Palestinians.” Many Israelis, especially on the right, are wary of Trump's unpredictability. Netanyahu is also reportedly nervous that Trump will surprise him with an unexpected policy position, potentially about restarting peace negotiations.



Papal Visit: The Vatican

- President Trump will complete his tour of major religious capitals with a trip to the Vatican to see Pope Francis. During the campaign, the Pope was highly critical of Trump's policies – especially on immigration, which led him to question whether Trump is a “true Christian” – as well as over Trump's seeming dismissal of the science of climate change.
- Since the election, Pope Francis has refrained from criticizing the president and in recent days appeared to leave the door open to a reset of the relationship by noting a willingness to seek dialogue before passing judgement on a person.

NATO Meeting: Brussels

- Following his visit to the Vatican, President Trump will travel to Brussels on May 25, where he will meet with the other NATO Heads of State, a special gathering that the alliance typically organizes within the first few months of a new U.S. president's term. Despite Trump's recent statements that NATO is no longer “obsolete,” other NATO leaders will be eager to obtain reassurances from Trump that the U.S. remains committed to the alliance.
- For U.S. allies, the main issue is Russia, with its aggressiveness in the region in recent years causing NATO members to increase defense spending, invest in capabilities, and commit forces to NATO deployments. Despite these efforts, NATO members have been dismayed by Trump's seeming affinity for Russia and his unwillingness to forcefully condemn Russia's actions. This has been compounded in recent days with the ongoing inquiry related to alleged Russian meddling in the U.S. and French elections, and with reports this week that Trump shared highly classified information with Russian Foreign Minister Sergey Lavrov in the Oval Office.
- With so many attendees expected, there are bound to be multiple and varied accounts of the discussions. A key thing to watch will be whether key leaders emerge showing a united front on crucial issues such as Russia, or whether more friction emerges.

G7 Summit: Sicily

- Italy, the host of this year's G7 Presidency, has chosen to hold the annual summit in Taormina, Sicily. As the agenda setter, Italy has three sets of priorities for the meeting: foreign policy and security; economic, environmental, and social sustainability; and innovation, skills, and labor.
- Preparations for the meeting have been slow. Delegations have failed to reach an agreement on statements and strategy for the meeting, making it less likely that the summit produces actionable results. Expect pressing security challenges including North Korea and cyber to play a large role in the discussions.



- On the economic front, whether and how trade and climate issues are framed – or mentioned at all— will be important indicators of the Trump administration’s willingness to engage on these issues.
- G7 finance ministers and central bank governors met in Bari over the weekend to prepare for the summit, with the United States unwilling to commit to renounce protectionism – elements of which have been a core part of President’s Trump economic platform. The group issued a communique at the end of the two-day meeting that focused on strengthening the contribution of trade to economic growth, a far cry from the last G20 meeting where leaders clearly denounced protectionism. Nevertheless, with the president recently tempering some of his harshest criticism around trade – including on NAFTA and China, some hope Trump may be willing to more strongly commit to previous G7 principles, though it is unclear if he will do so.
- Italy also wants the G7 to reaffirm the importance of the 2015 Paris Agreement on climate change, but Trump remains skeptical. He will hold off on making a decision about whether or not to pull out of the agreement until after the summit, making this a key opportunity for other world leaders to try to convince him of its importance.

[ASG](#) has extensive experience helping clients navigate markets in 110 countries across six continents. For questions or to arrange a follow-up conversation please contact [John Hughes](#).

