



## ECONOMIC COMMENTARY

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financial well-being*

### TRUMPENOMICS: GROWTH THROUGH DISRUPTION, DISCIPLINE, AND DIRECTION

President Donald Trump's economic agenda is taking shape around bold, executive-led reforms aimed at reindustrialising the United States (US), restoring fiscal strength, and reasserting national sovereignty in global trade. While critics call it chaotic or protectionist, Trump's strategy is better understood as a deliberate reset, using tools of disruption to catalyse long-term economic renewal. With sweeping tariffs, a government-wide efficiency drive, deregulation, energy expansion, and tax reform on the table, the question is no longer whether the strategy is conventional, it is whether it is effective.

#### Tariffs: Not protectionism but strategic pressure

Trump's announcement of a 10% universal import tariff, with higher rates on goods from trade surplus countries, was branded a "Declaration of Economic Independence". Yet, despite appearances, these tariffs are not intended as permanent protection. The administration views tariffs as a lever to force restructuring: Bringing supply chains home, creating space for US industries to recalibrate, and ultimately allowing domestic producers to compete on a fairer footing. Past trade strategies allowed countries like China to undercut US firms through subsidies and currency manipulation. The Trump administration argues that free trade without fair trade hollowed out US manufacturing, and tariffs are a way to reverse that damage. Moreover, tariffs serve a fiscal and political role: They are simple, visible, and generate real revenue; effectively replacing some of the tax burden from individuals and businesses with taxes on the consumption of foreign goods. This forms part of a more diversified and sustainable revenue mix.

#### The DOGE and the Efficiency Revolution

Perhaps the most overlooked component of Trump's agenda is his proposed Department of Government Efficiency (DOGE), a business-led task force with a mandate to audit, cut waste, streamline bureaucracy, and restructure inefficient government operations. The DOGE is not just about trimming fat; it is about rethinking the role of the state. If successful, it would lower the long-term fiscal burden, reduce the cost of public service delivery, and reallocate resources from consumption to productive investment. Rather than relying on austerity or tax hikes, this approach looks to grow the fiscal space by making the government itself more productive.

#### Tax reform with a growth objective

Trump's tax cuts 2.0 proposal builds on his 2017 reforms. It includes reducing corporate tax rates from 21% to 18%, consolidating individual income brackets to 15% and 30%, and exempting tips, overtime, and social security benefits from taxation. Critics worry about increased deficits but this misses the broader fiscal strategy. The administration is not merely cutting taxes, it is accelerating growth to broaden the tax base. When combined with tariff revenues, cost-saving from the DOGE, and a leaner regulatory state, the reforms are designed to boost economic activity faster than government obligations grow.

#### Deregulation and energy dominance

Trump has revived his deregulation mandate, requiring ten regulations be cut for every new one created. Simultaneously, he is ramping up oil, gas, and rare-earth mineral development, eliminating electric vehicle mandates, and enabling infrastructure projects that were previously stalled. These policies unlock latent productivity. Trump's message is, therefore, clear: Let markets work but first remove the ideological roadblocks that prevent them from doing so.

#### Creative destruction on US terms

A critique of Trump's approach is that shielding domestic industries undermines "creative destruction", the capitalist mechanism that allows inefficient firms to fail so better ones can rise. But this misreads the strategy. Trump is not trying to protect the weak indefinitely but wants to force a controlled correction, giving US industries breathing room to adapt, automate, and outcompete. The US is already leading in artificial intelligence, advanced manufacturing, and energy technology, amongst others. The goal is to accelerate that lead by temporarily neutralising foreign distortions that have undermined the US' competitiveness.

#### Conclusion: A coherent, ambitious plan for national renewal

Trump's 2025 economic agenda is fundamentally a restructuring programme. Tariffs are not about isolationism but about creating conditions for domestic resurgence. Tax cuts are not giveaways but growth levers. Deregulation and the DOGE are not gimmicks but real attempts to modernise the state and economy. The fiscal strategy is multidimensional: Generate new revenue from tariffs, reduce waste through government reform, and ignite growth that expands the overall tax base. If successful, it promises fiscal rebalancing without austerity, something rarely achieved in advanced economies. Markets may remain volatile and execution risks remain high. But for those watching closely, the underlying message is clear: This is not chaos, it is a deliberate, albeit disruptive, course correction aimed at long-term prosperity on the US' terms.

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