



US faces alienated allies at G-20 summit, policy analysts say

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With the Trump administration backing out of the Paris climate agreement and proposing a border wall and steel tariff, its domestic priorities are causing more allies to become enemies, policy analysts said.

Daniel Griswold, former director of the Center for Trade Policy at the Cato Institute, chastised the Trump administration's protectionist trade attitude while other G-20 countries become more globalized. He said President Donald Trump "unwisely walked away" from the Trans-Pacific Partnership, and now the U.S. can't benefit from the EU-Japan free trade agreement announced Thursday.

Additionally, Trump has picked fights with key allies with the possibility of a steel tariff. When asked if European countries will go through with threats to tax U.S. products in retaliation for a steel tariff, Griswold gave a resounding yes.

"The European Union will retaliate," Griswold said in an interview with CNBC's "Squawk on the Street." "If we use national security as a cloak to protect our steel industry they will retaliate not just against U.S. steel but against orange juice and, as you mentioned, bourbon and potatoes and things like that."

Scott Morris, senior fellow at the Center for Global Development, agreed with Griswold, and blamed Trump for a possible trade war.

"It's another example of not treading carefully, not ... fully weighing these issues before making these public statements," Morris said on CNBC's "Squawk Alley."

Trump 'hadn't come up with an agenda'

With his focus poured into U.S. economic progress, Trump is arriving unprepared for the internationally focused G-20 summit, said Morris.

"This shoot-from-the-hip approach from the president ... doesn't inspire confidence that he's showing up in these meetings with a heavy command of the detail of what is a wide range of economic issues on the table," Morris said.

There are also suspicious that Trump didn't prepare an agenda for his meeting with Russia's Vladimir Putin, according to Jose Fernandez, who served as the U.S. assistant secretary of state for economic, energy and business affairs under Obama.

"One of the things that we've heard this week is that Trump hadn't come up with an agenda, for example, with the meeting with Putin, and if you don't have your talking points straight, if you don't have the questions that you want to prepare for, it's really difficult to get something out of these meetings," Fernandez said in an interview with "Squawk Alley."

Not showing up prepared to a meeting with Putin of all people is tricky business, said Alan Larson, former assistant secretary of state for economic and business affairs. He described Putin as a "clever man and negotiator."

"Putin should never be underestimated, but he shouldn't be seen as a superman either," Larson said on "Squawk on the Street."

New leadership

Another country will have to step up and become the new leader and motivator at the G-20 meeting in the absence of the U.S.' historical leadership, policy analysts said.

"It's not as if the U.S. isn't showing up," Morris said. "The challenge is that it's there in the new role of being an obstructionist.

"It's not at all clear how [the summit] will make progress when you have a President Trump that is showing up and posturing on these issues in a way that is playing to perhaps a domestic constituency," he said. "I think it's really a recipe for a G-20 right now that will be effectively neutered."

Fernandez predicts that the leadership pressure will naturally fall onto the shoulders of the summit's host, Angela Merkel, the chancellor of Germany and chairwoman of the meeting.

However, Fernandez sees Merkel being reluctant to take up a leadership role.

"I think she's hesitant. ... She's got to take a position that may not be the position that she wants to take or that she has to take in order to survive an election," Fernandez said, referring to Merkel's challenging re-election bid coming up in September.