

Stunned US tech sector ponders future under Trump

WASHINGTON: After disbelief, anger and grief, the US tech sector is looking to come to grips with the presidency of a man described by many of its leading lights as a "disaster" for innovation.



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The major US technology companies, almost uniformly opposed to Donald Trump's candidacy, saw huge stock declines in the wake of November 8, but most have now rebounded to near their pre-election levels.

Some observers are saying it makes little difference who is in the White House, and others argue Trump is unlikely to carry out the promises – and threats – he made during a bitter campaign.

Trump sent shivers through Silicon Valley during his election bid by pledging to squeeze trade from China, clamp down on immigration which is critical to many tech firms, and even warning that online giant Amazon could have "a huge antitrust problem" if he were elected.

Close to 150 tech icons – including founders of Apple, Wikipedia and Reddit – penned an [open letter in July](#) warning the Republican nominee would be an "disaster for innovation".

Gene Munster, analyst on the tech sector at Piper Jaffray, said the initial beating in tech shares had created a "rare opportunity to buy the fear". But in a research note last week Munster argued that "the tech industry is in more control of its own destiny than Donald Trump and will work through these problems."

The analyst said an antitrust probe of Amazon was unlikely, nor does he expect major changes on skilled immigration under Trump. Any tariffs on electronics or components could potentially impact firms like Apple, but would be spread equally over manufacturers because they all rely on imports, Munster noted.

In the meantime, any negative impact could be offset by Trump's pledge to lower taxes on capital repatriated from overseas, which could be a boon for Apple, Google and others and encourage investment in the US, analysts noted.

The tech sector holds the lion's share of an estimated \$2.5 trillion held by US firms overseas.

"There could be a lot of money that is repatriated by tech companies," said Bob O'Donnell, analyst and consultant at Technalysis Research in Silicon Valley. "If they could use it for job creation, that could be interesting."

More broadly, O'Donnell said the tech sector may get "a fresh look at the kinds of services and technologies that people want to invest in" under Trump. For example, a major push on infrastructure investment "could be a big opportunity" to integrate "smart" technology for services such as transportation.

While tech leaders "did a lot of soul searching" after the election, O'Donnell said that "they are smart business people and they realise they have to work in this new environment."

Although Trump has said little about his agenda for the sector, O'Donnell noted that "tech is a huge part of the economy and you can't ignore it; but things that might be viewed as special privileges might be taken away."

Some are concerned that a Republican administration may seek to roll back so-called "net neutrality" that prohibits broadband firms from playing favorites, which could mean difficulties for online video operators like Netflix and Amazon.

Many tech leaders have had to take a new tack after an emotional campaign that featured ugly rhetoric on both sides. Tech leaders clashed with Trump during the campaign on issues ranging from law enforcement surveillance to immigration to gay rights.

Apple chief executive Tim Cook said in a memo to staff that the company's "North Star hasn't changed" and that "the only way to move forward is to move forward together," according to the Wall Street Journal.

Facebook founder Mark Zuckerberg brushed off the vote by telling a tech conference that "most progress... is made by private citizens," and that "it would not be right to say (the election of Trump) changes the fundamental arc of technology or progress over time."

Others were less diplomatic.

Box founder Aaron Levie tweeted after the election, "You know those times where we watch other countries and are like "oh man you guys are crazy."

"Shit that's us now."

Tech investor Anil Dash wrote on Twitter: "I am not moving to Canada, not surprised by white supremacists and misogynists, and not afraid of Donald Trump. We have got to get to work."

Charlie O'Donnell at the investment firm Brooklyn Bridge Ventures said it's not time to panic. "If you felt good about what you were doing at your company yesterday, you should feel good about it today," he said in a blog.

But he also said the election offers a lesson that "we need to start caring about a much wider tent of people than we have been."

Meanwhile Dex Torricke-Barton, a former Facebook and Google executive, quit his job at SpaceX to work for social causes after news of the Trump election.

"As an immigrant and the son of a refugee, and as someone dedicated to advancing the interests of humanity, I don't want to watch while the world slips backwards," Torricke-Barton said on Facebook.

"So I'm choosing to go and make whatever contribution I can -- no matter how small -- toward making the change we need: standing up for openness, compassion and sound global leadership."

Source: AFP

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