

Post-Election Trade Strategy for Businesses: Understanding the Landscape



President-elect Trump's election victory has renewed the focus on international trade as a top-line concern for corporate executives. During the campaign, the president-elect expressed support for tariffs and other trade actions targeting a wide range of countries. GOP policy documents call for “fair and reciprocal” trade agreements, combating trade deficits, and strategic independence from China. The rapid and sometimes unpredictable use of international trade tools—including tariffs, sanctions, investment restrictions, new trade deals, and other measures affecting not only trade in goods but also investments, services, and technology—could figure prominently in the second Trump Administration's economic and foreign policy agenda.

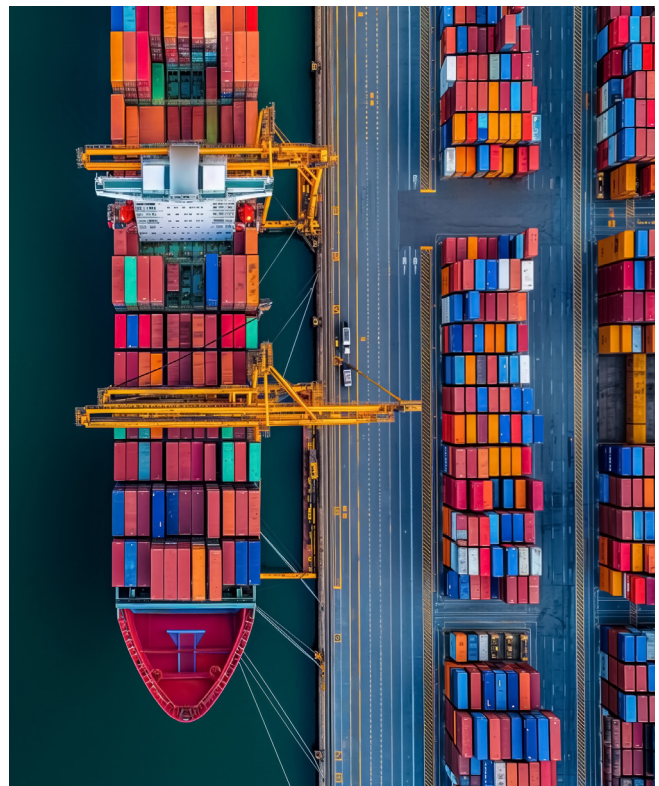
Companies across many sectors are trying to understand how the rhetoric will translate into policy, and how they can effectively navigate what is likely to be a dynamic, fast-paced policy environment. Importantly, for many companies, a second Trump presidency presents strategic opportunities—not just risks. Companies that capitalize on these opportunities will have a competitive edge in the marketplace.

QUESTIONS ON EXECUTIVES' MINDS MAY INCLUDE THE FOLLOWING:

Tariffs: President-elect Trump has threatened to increase tariffs on Chinese products to 60% or higher, and tariffs on all products worldwide to 10-20%. How will these threats translate into policy? How quickly will Trump act? Will there be a new exclusion process for China tariffs? Will there be a trade war? Which US exports will likely be the target of retaliation?

China: How soon could increased China tariffs come into effect? Will President-elect Trump seek to “decouple” from China, or will he pursue a more pragmatic approach? What does this mean for companies that export to China, that have a physical presence in China, or whose supply chains depend on China?

Supply chains: How should companies modify and diversify their supply chains (i.e., from inputs through finished products) to avoid future disruptions? Will it remain tenable to rely on China for critical inputs? Will the US withdraw from the WTO or free trade agreements, fundamentally changing the cost structure of global supply chains? Will forced labor-related restrictions further constrict trade with China, Southeast Asia, or elsewhere?



Sanctions and export controls: Will the Trump Administration ramp up trade controls targeting China, and if so, what will this mean in practice? How will companies in high-tech sectors be affected? Will the sanctions and export controls on Russia change? Will the Trump Administration pressure other countries to impose similar measures? How should companies adjust their due diligence practices and/or reevaluate the parties with whom they do business?

Trade deals: Will Trump, the “dealmaker,” negotiate new trade agreements with foreign countries? If so, which ones, and what will the negotiations seek to achieve?

Domestic subsidies: Will there be an effort to repeal or claw back subsidies to US industries pursuant to the CHIPS Act and the Inflation Reduction Act?

Canada and Mexico: The United States, Canada, and Mexico are slated to conduct a formal review of the USMCA in 2026—a process that has already begun. Will the USMCA survive? What concessions will Canada and Mexico be asked to make, and will they be willing to make them?

Outbound investment restrictions: The Biden Administration recently introduced new restrictions and notification requirements for investment in China that will impact many US and international companies. Will the Trump Administration expand the restrictions—which some in the policy community view as unduly narrow—and if so, how?

Digital trade: The Biden Administration reversed long-standing US positions on digital trade at the WTO and did not enforce existing rules prohibiting discriminatory digital trade measures. Will the Trump Administration resume strong enforcement of these rules?

Data flows: There is bipartisan concern about technology that transmits US citizens’ personal data to China and other US adversaries. Will the Trump Administration’s approach to these issues differ from the Biden Administration’s, and if so, how?

Government procurement: Will the Trump Administration try to further limit US federal contracting opportunities for companies that have a footprint in China or serve Chinese customers? How will its “Buy American” policies affect contracting opportunities?

WilmerHale’s International Trade, Investment and Market Access Group

includes four partners with experience serving in the Executive Branch and on Capitol Hill who can help our clients think through these and similar questions:



Jeffrey Kessler, who served in the first Trump Administration as the Assistant Secretary of Commerce for Enforcement and Compliance—one of the senior-most Executive Branch officials responsible for imposing tariffs and enforcing trade rules, as well as negotiating product-specific trade pacts.

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Lauren Mandell, who held a Deputy-Assistant-Secretary-level role in the Office of the US Trade Representative in the first Trump Administration. His portfolio includes negotiating the US-Mexico-Canada Agreement and leading aspects of the Section 301 investigation into China’s trade practices that led to additional tariffs on China.

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