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Trump on Trade: What the President-Elect's Plan May Mean for Your Business

International trade policy was a central theme of the 2016 presidential election. The new policies and initiatives outlined in President-elect Donald Trump's trade plan may pose a risk to businesses with global supply chains or otherwise engaged in international trade. Trump has said he intends to implement many of the pieces of his plan within the first 100 days of his presidency.

The Plan – What You Need to Know

During a June 28, 2016, campaign stop in Monessen, Pennsylvania, Trump announced his seven-step trade plan to “bring back our jobs.” Trump's trade agenda focuses on China trade relations, potential changes in U.S. sanctions policy, enhanced trade enforcement efforts, and the revamping of existing and future trade agreements. There are significant questions as to whether politically and/or legally he will be able to carry out a number of the initiatives proposed. However, they generally break down into the following categories:

China

Label China as a currency manipulator, imposing tariffs and taxes.

Bring trade cases against China under U.S. law and at the World Trade Organization.

Invoke tariffs and safeguards if China's behavior is still deemed illegal.

U.S. Sanctions

Consider recognizing Crimea as a Russian territory and lifting financial and trade sanctions imposed against Russia after its annexation of Crimea.

Potentially impose “snap-back” sanctions against Iran and renegotiate multinational nuclear agreement.

Trade Enforcement

Use “every tool under American and international law” to enforce current trade rules.

Trade Agreements

Withdraw from the Trans-Pacific Partnership (TPP).

Renegotiate the North American Free Trade Agreement (NAFTA) with Canada and Mexico and withdraw if demands are not met.

Postpone further negotiation of the Transatlantic Trade and Investment Partnership (T-TIP) with the European Union (EU).

What This Means to You

These potential new policies, regulations and trade barriers may impose increased risk on U.S. importers, exporters and manufacturers with international supply chains. Very likely, a number of the new administration’s proposals will be modified based on legal, political or business concerns. For example, U.S. exports to Mexico in 2015 exceeded \$236 billion, and it would be surprising for a pro-business administration to disrupt that supply chain. Also, it is unclear what legal authority would permit imposing a special tariff on all goods from any particular country or what congressional authority might be required to achieve that result.

Husch Blackwell’s International Trade & Supply Chain team will follow the actions of the Trump administration and Republican Congress closely. We have vast experience advising U.S. and non-U.S. businesses on how policy and regulatory changes may affect their import, export or trade compliance efforts.

Contact Us

With all of the proposals that the President-elect has made on trade, we hope to prioritize the concerns of our clients. Let us know what issues most affect you and we will be sure to follow those issues on a priority basis.

For guidance on how actions by the Trump administration and Republican Congress may affect your business, please contact Jeffrey Neeley, Robert Stang, Cortney Morgan or Michael Holton on the International Trade & Supply Chain team or your Husch Blackwell attorney.