

## BPE Global Hot Topic – December 2024

### Brace for Impact

The words that keep coming to mind when I think of 2025 are “Brace for Impact”. This is a safety instruction that is given in emergency situations. And it means that we should prepare ourselves physically and mentally for a potential crash or sudden stop. This command is intended to minimize injuries.



Saying “brace for impact” to a global trade compliance professional is an understatement. Global trade compliance is expected to face significant challenges and changes in 2025. The amount of rhetoric that we are seeing without supporting regulations or policies is nearly impossible to plan for. We’ve heard of the possibility of up to 60% tariffs on Chinese imports and 10% on imports from the rest of the world. We’ve also heard that the U.S. may impose a 25% additional tariff on all imports from Mexico and Canada. We know that the international trade and investment regulations will be laser focused on National Security. And we can expect to see more restrictions on the release of technology.

Yet, we can’t cite any regulation that allows us to implement an action plan to minimize the impact of these impending regulatory changes. That should not stop us. We global trade compliance professionals do have several tools at hand.

- Tariffs - We know how changes in tariff rates are implemented. We have a deep understanding of how to request exclusions from the tariffs. We know that nothing is simple when it comes to the tariffs. Companies should not only look at the tariff rates for the goods that they are manufacturing, then should look at the tariff rates of the components that are going into those manufactured items.
- National Security – We know that the customers that you sell to can drastically impact your ability to fulfill orders. We have helped companies understand the controls and how they apply to their products, their customers and the countries they do business in.
- Technology – We spend every day determining the correct classification for the technology to develop, produce and use every item under the sun. Knowing whether a technology is “critical technology” or not will facilitate your access to capital.

I know that we have the skills to address whatever new regulations are issued. We need to remind ourselves that companies today are the most familiar with tariffs and trade controls than they have ever been. As we transition to a new year and a new administration – we’ve got this.

Global trade professionals are infinitely capable of reducing risk, dealing with complex and changing situations, working with limited resources, developing processes and implementing solutions. It’s just another day at the office for us. We need to assemble our cross functional experts from key departments and get them to work to address the complex problems and issues that we will be facing.



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We know how to provide rapid, specialized responses to critical problems, offering our organizations a nimble and expert-driven approach to problem-solving.

“Brace for impact” is a crucial safety measure to protect ourselves and our companies from harm. Bracing for impact means focusing on doing the job right. And by doing our jobs we will be more stable and lower the chances of injury. Stay safe in 2025!!

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