
The US Law and East Asian Corporate Strategies in Light of Tariffs and Political Developments

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The current US tariff policy has become a focal point of the global trade order, signaling a restructuring of the international economic system established after World War II. The global trade regime is shifting from multilateral cooperation to a landscape increasingly defined by economic and geopolitical competition. The US domestic law is increasingly replacing multilateral mechanisms such as the WTO as the primary legal point at issue and center of gravity influencing and shaping the global trade order. In this transitional phase of order reconstruction, East Asian enterprises should allocate resources to closely monitor geopolitical developments, the US domestic politics, legal frameworks, and ideological trends. They should also establish mechanisms for geopolitical risk management and prioritize risk management over business expansion as a core strategic principle. However, this is not entirely negative; the new research, understanding, and strategic adjustments undertaken by enterprises may lay a deeper foundation for the next wave of globalization.

Keywords

Tariff, WTO, US Law, US Political Developments, Corporate Strategies

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1. Introduction: The Global Spotlight in 2025: Shifts in the Global Trade Order Triggered by the US Tariff Policy

In 1944, at the Bretton Woods Conference held in New Hampshire, more than 40 countries reached a series of policy agreements and institutional arrangements - most notably the establishment of a US dollar-centered international monetary system - based on proposals put forward by two economists representing the UK and the US, respectively: John Maynard Keynes and Harry White. These agreements came to be known as the “Bretton Woods System,” which laid the foundation for the post-World War II international economic order. Aimed at promoting stable economic growth through international cooperation, the Bretton Woods framework sought to constrain national behavior through international rules, prioritizing efficiency and mutual benefit over economic nationalism. In this way, the system reflected the principle of economic rationality above all.^{1,2}

Later, the General Agreement on Tariffs and Trade (GATT), with its goal of reducing tariffs and trade barriers and promoting free trade, marked the starting point of the postwar global free trade system. The establishment of the World Trade Organization (WTO) in 1995 then served as the culmination of these developments. Over the past several decades, countries around the world have built complex networks of trade and supply chains based on the legal framework provided by the WTO. The reach and influence of globalization have been so profound that some have declared, “The world is flat.”³

The year 2025 appears to mark another turning point. Between February and April 2025, President Trump, under the banner of “Make American Great Again (MAGA),” signed a series of executive orders and declared multiple “national emergencies.”⁴ He

1 Luke Fletcher, *The Bretton Woods Institutions and the Second Crisis of Multilateralism*, Brettonwoods Project (2019), <https://www.brettonwoodsproject.org/2019/07/the-bretton-woods-institutions-and-the-second-crisis-of-multilateralism>.

2 James Boughton, *Harry Dexter White and the International Monetary Fund*, 35:3 FIN. & DEV. 4 (1998).

3 THOMAS FRIEDMAN, *THE WORLD IS FLAT: A BRIEF HISTORY OF THE TWENTY-FIRST CENTURY* (2005).

4 The White House, *Imposing Duties to Address the Flow of Illicit Drugs Across Our Northern Border* (Feb. 1, 2025), <https://www.whitehouse.gov/presidential-actions/2025/02/imposing-duties-to-address-the-flow-of-illicit-drugs-across-our-national-border>; *Imposing Duties to Address the Situation at Our Southern Border* (Feb. 1, 2025), <https://www.whitehouse.gov/presidential-actions/2025/02/imposing-duties-to-address-the-situation-at-our-southern-border>; *Imposing Duties to Address the Synthetic Opioid Supply Chain in the People’s Republic of China* (Feb. 1, 2025), <https://www.whitehouse.gov/presidential-actions/2025/02/imposing-duties-to-address-the-synthetic-opioid-supply-chain-in-the-peoples-republic-of-china>; *Further Amendment to Duties Addressing the Synthetic Opioid Supply Chain in the People’s Republic of China* (Feb. 5, 2025), <https://www.whitehouse.gov/presidential-actions/2025/02/amendment->

first imposed additional tariffs on China, Canada, and Mexico, and then expanded tariff increases - at varying rates - to nearly all other countries around the world. At the same time, the US government representatives announced the suspension of the country's contributions to the WTO.⁵

Responding to the US's tariff policy which has become a point of contention across the globe, China - being the world's largest manufacturing country - implemented countermeasures and the European Union (EU) approved retaliatory tariffs on certain US imports. As of May 2025, the world's two largest economies, the US and China, have adopted mutually uncompromising and non-cooperative stances, ultimately imposing tariffs on each other that exceeded 100%.⁶ Although the US later suspended its tariff measures against economies other than China, and the EU also paused its retaliatory tariffs against the US, trade tensions between the US and China have not eased. The rapid sequence of US tariff actions has shaken the foundational framework of the long-standing international trade order, leading many to recognize that the trade system established over the past 80 years since World War II may be approaching its end. As a result, some have exclaimed, "The world is no longer flat."⁷

Along with the current turbulence in the international trade order, this article examines the US tariff policy and the legal issues surrounding it, as well as the broader shift in global trade norms toward the primacy of the US domestic law. It further explores the political and ideological dynamics within the US that underpin these policy shifts. On this basis, the author will suggest strategic and operational adjustments for East Asian enterprises in response to the changing landscape.

to-duties-addressing-the-synthetic-opioid-supply-chain-in-the-peoples-republic-of-china; Further Amendment to Duties Addressing the Synthetic Opioid Supply Chain in the People's Republic of China (Mar. 3, 2025), <https://www.whitehouse.gov/presidential-actions/2025/03/further-amendment-to-duties-addressing-the-synthetic-opioid-supply-chain-in-the-peoples-republic-of-china>; Amendment to Reciprocal Tariffs and Updated Duties as Applied to Low-Value Imports from the People's Republic of China (Apr. 8, 2025), <https://www.whitehouse.gov/presidential-actions/2025/04/amendment-to-recipicol-tariffs-and-updated-duties-as-applied-to-low-value-imports-from-the-peoples-republic-of-china>; Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits (Apr. 2, 2025), <https://www.whitehouse.gov/presidential-actions/2025/04/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and-persistent-annual-united-states-goods-trade-deficits>.

- 5 Emma Farge, *Exclusive: US pauses financial contributions to WTO, trade sources say*, REUTERS (Mar. 28, 2025), <https://www.reuters.com/world/us-suspends-financial-contributions-wto-trade-sources-say-2025-03-27>.
- 6 John Liu, *Trump says he will lower tariffs on China 'at some point,' CNN* (May 5, 2025), <https://edition.cnn.com/2025/05/05/business/trump-lower-tariffs-on-china-intl-hnk>.
- 7 Colleen Drolshagen et al., *The world is no longer flat*, 44:3 WCET J. S6 (2024), <https://journals.cambridgemedia.com.au/application/files/4517/2586/9013/drolshagen.pdf>.

2. The Shift in Legal Norms Underlying Trade Order: A Deeper Reflection of the Changing Trade System

For the past several decades, the WTO agreements have formed the legal backbone and central framework for global trade activities. Trade disputes between countries have been primarily resolved within the WTO dispute settlement mechanism, which has handled hundreds of cases since the organization's establishment. The US once was the most active in the WTO's dispute resolution system. Taking the handling of trade relationship issues between the US and China within the WTO framework as an example, Professor Stuart Malawer pointed out:

This review of US-China litigation (within WTO framework) is of the competitions that reflect trade flows and frictions, which are addressed successfully in a rule-based system rather than as a narrative of a deadly winner-take-all conflict" ... "whereas the US and China are competitors, they have channeled their major trade disputes into an international diplomatic and adjudicatory mechanism that demonstrates cooperation and management.⁸

The WTO dispute resolution process, however, is relatively time-consuming.⁹ For years, many multinational corporations, when facing the US government-imposed trade restrictions - such as tariffs or export controls - have preferred more expedient approaches. These often include domestic lobby within the US, rather than urging their home governments to initiate the WTO proceedings.¹⁰ The situation has become even more unfavorable since 2019, when the WTO Appellate Body became paralyzed due to a lack of appointed judges.

In early 2025, the Trump 2.0 administration imposed tariffs on China, Canada, Mexico, and other countries, citing the International Emergency Economic Powers Act (IEEPA).¹¹ For example, in the Executive Order signed on April 2, 2025, by

8 Stuart Malawer, *US-China Trade Relations - Litigation in the WTO 2001-2014*, 27:1 INT'L L. PRACTICUM 1 (2014).

9 Rudan Chen, *A Study on the Potential Divergence between WTO Rulings and the Realization of National Interests* [WTO裁决执行与国家利益实现的潜在背离研究], 39:5 GLOB. L. REV. [环球法律评论] 10 (2017), <https://globallawreview.ajcass.com/Admin/UploadFile/Issue/3hgancf1.pdf>.

10 Xiaoshan Xue, *Multiple U.S. lobbying firms sever ties with Chinese military-linked companies, dealing a setback to the CCP's influence efforts in Washington* [多家美国游说公司与中国军企割席, 中共在华府影响力运动受挫], VOA CHINESE (Feb. 29, 2024), <https://www.voachinese.com/a/how-to-completely-close-lobbying-loopholes-for-chinese-military-companies/7504775.html>.

11 The International Emergency Economic Powers Act (IEEPA), <https://uscode.house.gov/view.xhtml?hl=false&edition=prelim&path=%2Fprelim%40title50%2Fchapter35&req=granuleid%3AUSC-prelim-title50-section1701&num=0&saved=L3ByZWxpB0aXRsZTUwL2NoYXB0ZXIzNQ%3D%3D%7CZ3JhbnVsZWlkOIVTQyIwcmVsaW0tdGl0b>

President Trump explicitly categorized trade deficits and industrial hollowing-out as a “national emergency,” thereby invoking the IEEPA to impose tariffs on countries around the world.¹² The Executive Order highlighted that “large and persistent US goods trade deficit has led to the hollowing-out of the manufacturing base, weakening critical supply chains, and making our defense industrial base dependent on foreign adversaries.”¹³ The Trump administration argued that this economic conflict posed a threat to national security, justifying the imposition of tariffs.¹⁴

It was the first time the US government has invoked the IEEPA to introduce tariff measures. Whereas trade professionals, facing the US tariff, express frustration over the weakness of the WTO system,¹⁵ the implementation of these tariffs has sparked considerable legal controversy among legal experts on the legality of the White House’s tariff policy. For example, Jennifer Hillman, argues that IEEPA does not mention tariffs, nor does it explicitly authorize the President to take such broad economic measures. Hillman added that the Trump administration’s definition of the trade deficit as a national emergency and the imposition of tariffs is an abuse of the power.¹⁶ She further argues that this legal interpretation challenges the separation of powers and legislative intent.¹⁷

In the US, Congress has the authority to veto tariff measures imposed by the White House. At the outset of the White House’s introduction of tariff measures, the legislative branch had already made efforts to limit the tariff powers of the executive branch. On April 2, 2025, the US Senate passed a resolution led by the Democratic Party by a vote of 51 to 48, aimed at overturning President Trump’s new tariffs on Canadian goods. Senator Tim Kaine, Democrat of Virginia and the lead sponsor of the resolution said: “More than 96 percent of fentanyl interdicted at our borders is coming from Mexico and less than 1 percent from Canada. The president is using the fake emergency as a smoke screen to collect tariff revenue .”¹⁸

GU1MC1jaGFwdGVyMzU%3D%7C%7C%7C0%7Cfalse%7Cprelim.

12 The White House, *Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits* (Apr. 2, 2025), <https://www.whitehouse.gov/presidential-actions/2025/04/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and-persistent-annual-united-states-goods-trade-deficits>.

13 *Id.*

14 *Id.*

15 Ian Sheldon & Daniel Chow, *The Future of Dispute Resolution in International Trade*, (Online) *APPLIED ECON. PERSPS. & POL’Y* 20 (2025), <https://onlinelibrary.wiley.com/doi/10.1002/aep.13518>.

16 Jennifer Hillman, *Trump’s Use of Emergency Powers to Impose Tariffs Is an Abuse of Power*, *Lawfare* (Mar. 24, 2025), <https://www.lawfaremedia.org/article/trump-s-use-of-emergency-powers-to-impose-tariffs-is-an-abuse-of-power>.

17 *Id.*

18 Tim Kaine, *Why I’m forcing a vote on Trump’s Canada tariffs* (Mar. 27, 2025), <https://www.kaine.senate.gov/in-the-news/tim-kaine-why-im-forcing-a-vote-on-trumps-canada-tariffs>.

Senator Rand Paul, the only Republican sponsor of the resolution, argued that the emergency powers President Trump used to justify the tariffs was an inappropriate circumventing of powers granted to Congress, not the president.¹⁹ However, since the president has veto power over the resolution and overturning the veto requires a two-thirds majority in both the House and Senate,²⁰ under Republican control of both chambers, the resolution faces significant difficulty in becoming law.²¹ Nevertheless, the resolution still reflects deep internal divisions within the US legislative branch regarding the tariff policy.

Some institutions have also attempted to challenge the White House's tariff policy through the independent judicial procedures of the US. On April 3, 2025, the New Civil Liberties Alliance (NCLA) filed a judicial lawsuit challenging the legality of the Trump administration's invocation of the IEEPA to impose tariffs. The NCLA argued that President Trump's invocation of the IEEPA to justify tariffs is unconstitutional because the Act does not authorize the president to impose tariffs. Instead, it grants authority for emergency actions such as sanctions or asset freezes, for the purpose of protecting the US from foreign threats.²² These factors includes:

1. The paralysis of the WTO dispute settlement mechanism;
2. The professional analysis of the rationality of the US tariff policies by legal experts based on the US domestic legal rules rather than WTO principles; and
3. the potential influence of domestic judicial lawsuits and legislative activities within the US on President Trump's tariff policies under the context of the laws and constitutional principles of U.S. along with the substantive checks imposed by legislative and judicial powers on executive authority.

They have, in fact, led to a shift in the focal point and center of the legal rules that can substantively influence the future direction of the global trade order, from the WTO agreements to the US domestic legal rules and procedures. The influence of the US domestic legal procedures on the current trade order is, of course, based on the dominant position that the US is still holding in the global economic as the world's largest consumer market which gives the US "a unique and powerful position," as

19 Zach Weissmueller & Liz Wolfe, *Rand Paul: Why I Oppose Trump's Tariffs*, REASON (Apr. 9, 2025), <https://reason.com/podcast/2025/04/09/rand-paul-why-i-oppose-trumps-tariffs>.

20 IEEPA, 50 U.S.C. § 1706(b); U.S. Const. art. I, § 7.

21 *House Republicans block Congress' ability to challenge Trump tariffs*, VOA (Mar. 11, 2025), <https://www.voanews.com/a/house-republicans-block-congress-ability-to-challenge-trump-tariffs-/8007404.html>.

22 New Civil Liberties Alliance, *NCLA Sues to Stop Trump Admin. from Imposing Emergency Tariffs That Congress Never Authorized*, Press Release (Apr. 3, 2025), https://nclalegal.org/press_release/ncla-sues-to-stop-trump-admin-from-imposing-emergency-tariffs-that-congress-never-authorized.

some expert said.²³

This shift in the legal focus and center of gravity of the international trade order - from the WTO rules to the US domestic legal frameworks - more directly reflects the profound transformation of the current global trade order than the supply chain disruptions caused by tariff policies. It marks the true ebb of globalization as established in the Bretton Woods system, which may be characterized by international cooperation for economic growth, the use of global rules to constrain state behavior, and the prioritization of efficiency and mutual economic benefit over nationalism.²⁴

3. Domestic Political Reasons behind the US Tariff Policy: The Echo of the 2024 Election Results

To understand the dramatic impact that the US tariff policy has on the international trade order, we should look back upon the 2024 US presidential election, which might be the most consequential political event in decades in terms of restructuring of the global trade order. On September 9, 2024, the Pew Research Center reported: “Trump’s key advantage is on the economy, which voters regard as the most important issue this year. A 55% majority of voters say they are very or somewhat confident in Trump to make good decisions about economic policy, compared with 45% who say that about Harris.”²⁵

Mr. Trump’s campaign identified industrial hollowing-out as a core threat to national security and economic stability and vowed to bring manufacturing and jobs back to the US. On September 24, 2024, Mr. Trump shared his ideas for a “manufacturing renaissance”²⁶ that would bring millions of jobs back to the US from overseas. Mr. Trump said:

23 Sage Advisory, *The Power of Trade: Why the U.S. Uses Tariffs as a Negotiation Tool*, Vettafi (Feb. 13, 2025), <https://www.advisorperspectives.com/commentaries/2025/02/13/why-united-states-uses-tariffs-negotiation-tool-power-trade>.

24 Jeffrey Frieden, *The political economy of the Bretton Woods Agreements* (2017), at 5 & 26-7, https://jfrieden.scholars.harvard.edu/sites/g/files/omnuum8616/files/jfrieden/files/frieden_brettonwoods_dec2017.pdf.

25 *In Tied Presidential Race, Harris and Trump Have Contrasting Strengths, Weaknesses*, PEW RES. CTR. REP. (Sept. 9, 2024), <https://www.pewresearch.org/politics/2024/09/09/in-tied-presidential-race-harris-and-trump-have-contrasting-strengths-weaknesses>.

26 Stephen Fowler, *Trump vows to ‘steal’ jobs from other countries in winding speech on economic plans*, NPR (Sept. 24, 2024), <https://www.npr.org/2024/09/24/g-s1-24359/trump-economy-speech-savannah-georgia-tariffs-steal-jobs>.

With the vision I'm outlining today, not only will we stop our businesses from leaving for foreign lands, but under my leadership, we're going to take other countries' jobs," ... Trump called for lowering the corporate tax rate from 21% to 15% for "those who make their product in the USA," continued a push for "substantial tariffs" on imported goods.²⁷

This policy stance received broad support from Republican voters, especially those in red states who suffered significant losses during globalization. In fact, the series of tariff policies implemented by the US government in 2025 just represents President Trump's fulfillment of his campaign promises following his victory in election. Although the current US's tariff measures face a lot of legal challenges and pressures from international geopolitical competition, these policies, which are highly welcomed by Republican voters,²⁸ are deeply rooted in domestic political dynamics and have a strong foundation in the internal political landscape of the US.²⁹

4. The Shift in the Economics and Ideological Concepts behind the US's Tariff Policy: The Rejection of Neoliberal Trade Policy

As an alternative to Keynesianism, which advocates government intervention in economic activities, Neoliberal economics and ideology prioritize markets and free competition.³⁰ Neoliberalism dominated the US domestic and foreign policies for the past few decades,³¹ promoting globalization and the free trade order under the WTO. For example, former President George W. Bush Jr. expressed his support of free trade in a speech given on October 19, 2017: Since World War II, America has encouraged and benefited from the global advance of free markets, from the strength of democratic

27 *Id.*

28 Tara Suter, *Americans deeply divided on tariffs, foreign alliances: Poll*, HILL (Apr. 7, 2025), <https://thehill.com/homenews/administration/5236989-partisan-divisions-tariffs-foreign-alliances-poll>.

29 Mark Muro & Jacob Whiton, *America has two economies - and they're diverging fast*, Brookings (Sept. 19, 2019), <https://www.brookings.edu/articles/america-has-two-economies-and-theyre-diverging-fast>. See also David Autor et al., *Importing Political Polarization? The Electoral Consequences of Rising Trade Exposure*, 110:10 AM. ECON. REV. 38-9 (2020).

30 Brett Heinz, *The Politics of Privatization: How Neoliberalism Took Over US Politics, United for a Fair Economy* (Sept. 8, 2017), https://www.faireconomy.org/the_politics_of_privatization.

31 *Id.*

alliances, and from the advance of free societies.’³² In recent years, however, the large-scale offshoring and the continuous decline of the US manufacturing industries in the global market have fueled a growing wave of domestic skepticism and critical reassessment of globalization policies. On January 31, 2022, the Economic Policy Institute (EPI), a well-known think tank in the US generally regarded as left-leaning, argued:

The mismanaged integration of the United States into the global economy has devastated US manufacturing workers and their communities. Globalization of our economy, driven by unfair trade, failed trade and investment deals, and, most importantly, currency manipulation and systematic overvaluation of the US dollar over the past two decades has resulted in growing trade deficits - the US importing more than we export - that have eliminated more than five million US manufacturing jobs and nearly 70,000 factories.³³

Within the Right-wing, skepticism and opposition to free trade have been even stronger, especially during the presidencies of Donald Trump. In the eyes of some Right-wing figures, the deindustrialization of the US and the resulting national security crisis are the just outcomes of neoliberal trade policies.³⁴ Therefore, alongside the introduction of tariff policy proposals and actual tariff measures, some Right-wing figures have openly criticized and opposed the neoliberal trade policy stance; advocated for more protectionist trade policies; and then applauded the tariff policies, with the aim of more effectively safeguarding domestic industries and employment in the US.³⁵

The views expressed by former US Trade Representative of President Trump’s first term, Robert Lighthizer in a media interview well represent the position of these Right-wing figures. He stated:

Overall, this experiment in globalization and free trade policies has not only led to wealth transfer, slowed economic growth, and technological decline but has also seriously harmed the quality of life for ordinary Americans. This is why we need to reassess trade policy and take measures to protect America’s economy and

32 Alana Abramson, ‘Bigotry Seems Emboldened.’ *Read George W. Bush’s Speech Attacking Nationalism in Politics*, TIME (Oct. 19, 2017), <https://time.com/4989764/george-w-bush-bigotry-seems-emboldened-speech-transcript>.

33 Daniel McCarthy, A New Conservative Agenda, First Things (Mar. 1, 2019), <https://firstthings.com/a-new-conservative-agenda>; Economic Policy Institute, About, <https://www.epi.org/about>.

34 JD Vance, *End the Globalization Gravy Train*, AM. MIND (Apr. 21, 2020), <https://americanmind.org/memo/end-the-globalization-gravy-train>.

35 The White House, President Trump’s Bold Trade Action Draws Praise (Apr. 2, 2025), <https://www.whitehouse.gov/articles/2025/04/president-trumps-bold-trade-action-draws-praise>; Vance *Speaks in India*, REV. (Apr. 22, 2025), <https://www.rev.com/transcripts/vance-speaks-in-india>.

working class; ... These policies (free trade policies) eventually led to the loss of 5 million manufacturing jobs in the US, stagnant wage growth, widening wealth gaps, and worsening conditions for the working class, all of which harmed the nation as a whole.³⁶

Lighthizer believes that since the early 19th century, the US has become increasingly wealthy by relying on the “American System,” which was centered around tariffs. As a result, he strongly supports Trump administration’s tariff policies, which aim to bring manufacturing back and maintain national security.³⁷ Meanwhile, Peter Navarro, current White House Trade Advisor, even argued that economic nationalism is the only way to protect American manufacturing.³⁸ Clearly, economic nationalism stands in direct opposition to the principles of the WTO and free trade, rooted in economic rationality that prioritizes efficiency and mutual benefit. The US government’s tariff measures just reflect this shift in policy thinking. It means the trade policies now taken by the US government are presently grounded in a concrete ideological foundation.

5. Strategic Adjustments for East Asian Enterprises under the US Tariff Policy

China, Japan, South Korea, and other major East Asian economies all regard the US as a key export market. At the same time, these economies are interconnected through complex supply chain networks. Without a doubt, the US trade policy and the restructuring of the international trade order has a significant impact on the economies of East Asian countries and on the operations and supply chain strategies of enterprises within the region. There are deep-rooted causes and driving forces behind these dynamics. As a result, the restructuring of the international trade order is likely to persist for quite some time before reaching a new equilibrium.

During this transitional period of reshaping trade order, it is recommended that East Asian enterprises focus on two key areas of action. First, given the collapse of

36 20,000 Words Explaining Trump’s Tariffs and Economic Plan: Tucker Interviews Former U.S. Trade Representative Robert Lighthizer [2万字精彩解读川普关税和经济计划: 塔克采访美国前贸易代表莱特希泽] MOSHANGUSA, (Mar. 22, 2025), <https://moshangusa.substack.com/p/2>.

37 *Id.*

38 Kenneth Rapoza, *Peter Navarro: Only Economic Nationalism Will Win the Day Against China*, CPA (Oct. 19, 2020), <https://prosperousamerica.org/peter-navarro-only-economic-nationalism-will-win-the-day-against-china>.

the economic rationality that has long supported the global trade order, deeper and more complex factors influencing and shaping trade rules have come to the forefront. As a result, enterprises should shift away from their traditional focus on industry, market, and operational analysis and risk management, to global geopolitical and economic relations, as well as the internal economic and political dynamics of the US including its ideological trends, legal frameworks, and institutional mechanisms. Today, enterprises should thus establish more robust strategic and operational risk management systems. As for large corporations, it is advisable to create dedicated internal departments or risk management entities focusing on these issues. For instance, a report published by the US Chamber of Commerce Foundation recommends that, under the current US trade policy environment, companies with business ties to China establish a Geopolitical Risk Management Committee.³⁹

Second, given the intense complexity and uncertainty involved in both the geopolitical competition among major powers and the ideological and political struggles within the US, risk management in enterprise should be considered more importantly for expanding new business operations or exploring new markets. Enterprises should prioritize risk management when making adjustments to their strategic layout and operational management practices.

On a macro level, considering the potential trend toward regionalization in supply chains triggered by the retreat of globalization, companies should pursue moderate diversification across supply chain regions, product categories, and business models to mitigate operational risks. On a more specific level, however, they should significantly tighten traditional operational risk management measures - such as exposure control and financial liquidity management - in order to ensure resilience and adaptability in an increasingly volatile trade environment.

For enterprises committed to participating in multinational supply chains, the challenges of the present moment can trigger deeper professional research and corresponding updates in their understanding of the principles of international trade order (i.e., moving beyond the traditional pure economic rationality to a deeper dimension of understanding). This means that these enterprises will be equipped with the ability to confront and respond to the deeper logic of globalization and make necessary adjustments in business strategies and management measures. This could potentially contribute to laying a stronger foundation for the next phase of globalization.

39 Lingling Wei, *Many U.S. Companies Plan to Keep China Ties, Survey Finds*, WALL ST. J. (Apr. 8, 2025), <https://www.wsj.com/world/china/many-u-s-companies-plan-to-keep-china-ties-survey-finds-906481c9>.

6. Conclusion

The US trade policy shift that we are currently witnessing may represent a fundamental restructuring of the international order that has existed since the end of World War II. This transformation is gradually reshaping the international trade regime - from one built on the principles of free trade and mutually beneficial cooperation among nations, to the other increasingly defined by economic nationalism and its accompanying geopolitical and economic rivalry. It is the rivalry between major powers on a global scale or the political and ideological developments within the US. In any case, however, both are driven by deep-seated causes and forces. So, the contest over the reconstruction of the international trade order is likely to persist for a considerable period before reaching any form of equilibrium.

During this prolonged transitional phase, East Asian enterprises are recommended to invest in understanding geopolitical and economic relationships, the US domestic political dynamics, and ideological trends, as well as to strengthen the management of business risk.

Given the rapidly evolving situation, it is currently difficult to predict the precise trajectory of the global trade order. However, I believe the future need not be overwhelmingly bleak. Although the Bretton Woods system - and later the WTO framework - emerged in response to the fragmented and fiercely competitive global economic conditions before World War II, even the potential unraveling of the WTO does not necessarily imply a return to a completely fractured global economy. Nor does it suggest that the world is destined to descend once again into widespread conflict. Compared to the pre-World War II era or even the period before the end of the Cold War, the world has, after all, experienced a prolonged period of peace and deeply collaborative globalization. Therefore, history is unlikely to repeat itself in the same form. This will endow us with a resilience and an enduring capacity to transcend historical cycles. We have reason to believe that the world will eventually establish a new trade order on a more advanced foundation.

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