Q & A

As the geopolitical and economic dynamics between the U.S. and China continue to evolve, global companies are feeling the weight of uncertainty—particularly when it comes to tariffs and regulatory compliance. In this Q&A, Noa Sussman, Global Solutions Director at TecEx, and Jessica (Shan) Chen, International Trade Attorney with a focus on China from Mazzola Lindstrom LLP, break down what's happening now, what's coming next, and how businesses can build a roadmap to navigate these complexities.

1 For Jessica (Shan) Chen, International Trade Attorney at Mazzola Lindstrom LLP

Q: What should companies be bracing for in terms of tariffs heading into the next 6–12 months if they are doing business trade with China?

A:

Jessica (Shan) Chen:

On June 5, 2025, U.S. President Donald Trump and Chinese President Xi Jinping held a pivotal 90-minute phone call focused on trade relations, building upon the Geneva Trade Agreement reached in May. President Trump announced that U.S. and Chinese negotiation teams would reconvene shortly to continue discussions. He also emphasized that there should no longer be any ambiguity regarding the complexity of rare earth products.

Over the next 6 to 12 months, companies engaged in U.S.–China trade should prepare for ongoing uncertainty, volatility, and policy shifts driven by persistent geopolitical tensions. Tariff policy has once again become a central instrument in U.S. trade strategy.

In May 2025, a temporary easing of tariffs saw U.S. rates fall from highs of 145% to approximately 30%, with China reciprocating by reducing its retaliatory tariffs from 125% to 10%. However, this 90-day truce is widely viewed as a tactical pause rather than a lasting resolution. Should bilateral negotiations stall, tariffs could quickly return—or even increase.

Given the fluid landscape, companies are advised to remain alert, diversify their supply chains where possible, and develop contingency plans that address both renewed escalation and intermittent periods of relief.

2 For Noa Sussman, Global Solutions Director at TecEx

Q: What are some of the practical risks your clients are facing as a result of these tariffs—in China and other locations? How do you help them navigate them?

A:

Noa Sussman:

From the executive level, the biggest risk we see is loss of control—over timelines, budgets, and strategic rollouts. Tariff unpredictability, reclassification at customs, or missed documentation windows can all create cascading effects across procurement, deployment, and even customer delivery. For companies scaling globally to China or other regions, these aren't just operational headaches—they're reputational and revenue risks.

We help our clients regain that control through full-service compliance and import support. That includes upfront tariff impact assessments, legally sound Importer of Record (IOR) solutions, and local-market execution that keeps projects on track and compliant. It's not just about moving equipment across borders—it's about protecting growth in volatile markets.

3 For Jessica (Shan) Chen, International Trade Attorney at Mazzola Lindstrom LLP

Q: How can companies start planning more proactively for future tariff risks—beyond just reacting to rate changes?

A:

Jessica (Shan) Chen:

To proactively manage tariff risk, companies should leverage their trade data and adopt a structured, forward-looking approach that includes scenario planning, risk modeling, strategic forecasting, tariff engineering, and mitigation strategies. This requires moving beyond reactive decision-making and using data-driven insights to anticipate and prepare for a range of policy outcomes.

Key tactics include diversifying suppliers, reducing reliance on any single country—particularly China—shifting production to alternative hubs such as Southeast Asia, Latin America, or the U.S., and regularly auditing product classifications to ensure compliance and optimize tariff exposure. Companies should also negotiate contracts with suppliers, customers, and logistics partners to include tariff pass-through provisions or cost-sharing mechanisms.

More broadly, tariff strategy must be integrated across functions—such as procurement, tax, supply chain, and operations—rather than treated solely as a financial issue. Organizations that adopt a proactive, cross-functional approach will be better positioned to adapt to regulatory shifts and sustain business continuity across global markets.

By embedding these practices into day-to-day operations, rather than waiting for disruptions, companies can build lasting resilience and turn trade policy volatility into a manageable, strategic variable.

4 For Noa Sussman, Global Solutions Director at TecEx

Q: How should companies approach working with external partners to stay compliant while staying agile?

A:

Noa Sussman:

The key is finding partners that specialize in navigating complexity—because compliance shouldn't slow you down, it should enable growth. That means working with firms who understand both the regulatory and logistical nuances in each target market, from duties and documentation to dual-use and controlled items.

By leaning on external partners like TecEx, companies can stay focused on their core operations while outsourcing the burden of global compliance, customs clearance, and country-specific challenges. It's about transforming risk into resilience—without sacrificing speed.

5 For Jessica (Shan) Chen and Noa Sussman

Q: What's one overlooked strategy companies should consider now to reduce exposure and maintain continuity in their U.S.–China operations?

A:

Jessica (Shan) Chen:

One often overlooked yet highly effective strategy is restructuring supply chains to incorporate third-country processing or final assembly, thereby altering the product's country of origin. When executed correctly, this approach can lawfully reduce or even eliminate tariff exposure under current regulations. While it demands meticulous documentation and strict compliance oversight, the potential benefits are substantial.

We strongly recommend that businesses conduct a comprehensive review of their trade flows and risk profiles, and have all relevant contracts reviewed by legal counsel specializing in international trade.

A:

Noa Sussman:

Another often-overlooked strategy from a more tactical perspective is leveraging third-country staging hubs—setting up operations in neutral, low-risk countries to pre-stage, configure, or transship equipment before it enters China or the U.S. This approach reduces exposure to direct bilateral restrictions, helps companies avoid unnecessary tariffs, and adds a buffer for last-mile adjustments.

It's a smart way to maintain momentum in uncertain environments while staying compliant with evolving trade restrictions.