2025 Tariffs Report

Managing in a volatile environment

Thomson Reuters Institute

Executive summary

Tariffs — at perhaps no other time in nearly a century — have risen to become a major challenge to any company, foreign or domestic, that is even tangentially involved in global trade.

Today, companies face significant hurdles in their ongoing operations due to tariffs imposed by the United States government and by other countries seeking countermeasures to the tariffs imposed by the US. These tariffs are impacting costs, disrupting supply chains, affecting market competitiveness, and creating regulatory and compliance issues for companies across a multitude of industries. Further, these tariffs threaten a substantial portion of US imports and exports, as well as the flow of international trade that other countries conduct with the US.

The Thomson Reuters Institute has surveyed corporate global trade professionals to better understand the compelling issues around the current tariff environment and the impact of recent changes in the trading environment due to President Trump's use of tariffs as a way of driving trade policy.

This survey, conducted online in March, interviewed 285 global trade professionals who perform or manage global trade and supply chain management activities in companies that have at least USD$200 million in global annual revenue and import or export goods to or from the US.

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While we gained a critical perspective as to what our survey respondents are seeing in terms of the challenges they face and the opportunities they see to mitigate those challenges, we also recognize that this ongoing situation is extremely volatile. Indeed, since our survey was conducted, President Trump announced an additional raft of "Liberation Day" tariffs on April 2, targeting dozens of countries with tariffs on a wide range of goods. The new tariffs sent shockwaves through global markets, then on April 9 President Trump paused implementation of a large portion of those tariffs for 90 days.

Challenges & opportunities

While this situation clearly requires continued monitoring — and likely additional follow-on reports and surveys — we did learn a lot from the respondents to this survey, specifically on what they see as their major challenges with these tariffs and how they are looking to address them. In fact, respondents noted that the biggest challenges their companies now face as a result of US-imposed tariffs are, unsurprisingly, increased costs and greater likelihood of supply chain disruptions. In addition, many respondents mentioned challenges in areas of market competitiveness, regulatory and compliance issues, price volatility, and operational and financial strain on the companies themselves.

Respondents also voiced concern over the US's announcement of elimination of *de minimis* entry options scheduled to take effect on May 2 for goods from China and Hong Kong. The *de minimis* entry options allow goods valued at or less than USD$800 to enter the US duty-free and exempt from import taxes. To combat this move, respondents said their companies are exploring options like nearshoring, origin engineering, and utilizing Foreign Trade Zones.

Other ways respondents said their companies were seeking to address and hopefully mitigate the impacts of tariffs include implementing strategies such as diversifying their supply chains and seeking to increase domestic production. Many are also trying to better manage costs and optimize pricing, while others are looking to form strategic partnerships. Other respondents said their companies are considering changes to sourcing patterns, renegotiating supplier contracts, and employing technological solutions to improve their trade analysis and risk management.

Key findings

Some of the key findings revealed in the report include:

- Survey respondents from US-based companies said they believe an average of 23% of their imports are at risk because of US-imposed tariffs; and they also said they believe an average of 26% of their exports may be at risk because of potential countermeasure tariffs imposed by other countries.
- Respondents from companies based outside the US said they believe an average of 20% of their goods coming from the US may be at risk because of countermeasures to US tariffs imposed by other countries; and they also said they believe an average of 26% of their exports to the US are at risk because of US-imposed tariffs.
- As to ways to mitigate these challenges, almost three-fourths of respondents (72%) said their companies are already changing or are considering changing sourcing patterns to better manage US-imposed tariffs. And about half are either considering or are currently renegotiating contracts with suppliers (52%) or frontloading inventory prior to effective tariff dates (49%).
- Almost two-thirds of respondents (64%) said their companies are using technology solutions that provide tools for analysis of trade lanes; and more than half said they are using technology solutions for identifying potential risk factors and informing strategies such as locating less costly trade routes (60%), planning for *what-if* scenarios (55%), and mapping supply chains (51%).
- Also, more than three-fourths of respondents (76%) said they anticipate that new tariffs imposed by the US represent a long-term shift in the US approach to global trade, at least for the next four years.

The TR Institute's View:

We see the current situation in global trade and tariffs as an avalanche of serious challenges for any company engaged in international trade. Worse yet, much of this upheaval is unavoidable because it affects all countries that conduct trade with the US, although some countries clearly will be hit harder than others. During this time, we would advise companies involved in global trade to focus on remaining as flexible as possible, especially around their supply chains. It's also a good time to find quality partners — such as tech and software solution experts and managed service professionals — to help guide your organization through this.

It is also critical to stay up to date with regulatory and legislative policy changes that you can find either directly from the source agencies involved or from diverse, reliable sources of news, even if you may not have utilized those particular channels previously. It's best to monitor a multitude of sources, and not just on a weekly, but daily and even hour-by-hour basis. It's hard enough to plan amid all this uncertainty, but it's impossible to strategize effectively without current, accurate information.

The biggest challenges companies are facing

We asked respondents what they see as the largest challenge to their companies because of the tariffs that have been or will be imposed by the United States. Not surprisingly, their most often-cited responses were increased costs, supply chain disruption, and price volatility.

Increased costs

Those respondents that cited increased costs highlighted concerns regarding the price and availability of raw materials, as well as higher production and operational expenses. Many said they believe those cost increases will impact competitiveness and profit margins.

For example, one survey respondent said that “increased production costs due to tariffs may erode [our company’s] competitive edge.” Others cited “higher prices of imported production equipment and tools,” “a rise in the price of raw materials,” and “higher operating expenses in agricultural products” as specific concerns.

Supply chain disruptions

Several survey participants expressed concerns about supply chain disruptions resulting from tariffs, such as delays in supplier shipments, in acquiring essential materials, and in the delivery of necessary supplies. They are worried that such disruptions will lead to inefficiencies and increased expenses. For example, a respondent noted: “Disruptions in the supply chain result in increased warehousing expenses.”

Price volatility and consumer impact

Many respondents also voiced concern that fluctuations in prices due to tariffs and trade policies are continuing to cause uncertainty in the market and negatively impacting consumer spending. Indeed, many companies are passing on increased costs to consumers, which is exacerbating the situation.

One respondent worried about “reduced consumer demand as an effect of higher tariff-impacted costs of goods.” Another agreed, citing price sensitivity as a challenge and said that even “slight cost increases from tariffs can shift consumer demand toward cheaper alternatives.”

The import/export picture

Respondents were quite concerned about the level of their imports and exports being impacted by both US-imposed tariffs and those tariffs imposed by other countries as countermeasures to US tariffs.

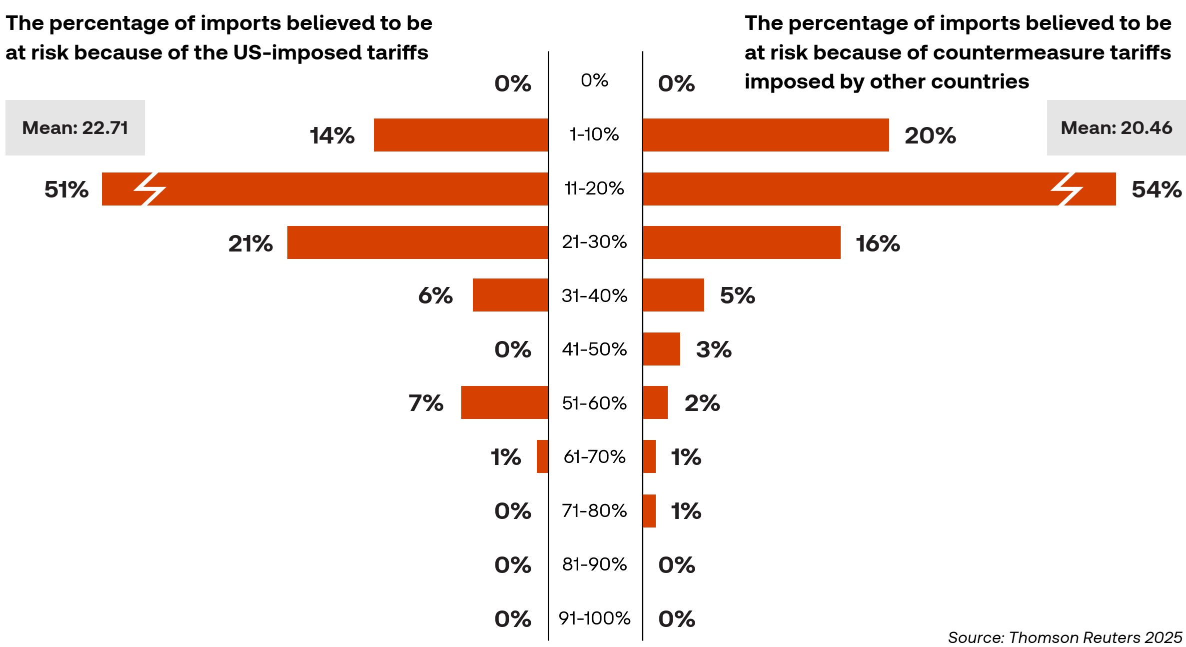
As mentioned, survey respondents from US-based companies said they believe an average of 23% of their imports are at risk of being impacted because of the tariffs that have been or will be imposed by the United States. They also said that they believe an average of 26% of their exports may be at risk if other countries impose countermeasures to US tariffs.

Those respondents from companies based outside the US said they believe an average of 20% of their goods coming from the US may be at risk of being impacted if countermeasures to US tariffs are imposed by other countries. These respondents also said they believe an average of 26% of their exports to the US are at risk because of the tariffs that have been or will be imposed by the United States.

Given that these responses were gathered before the April 2 announcement of a wide swath of new, often much-steeper tariffs, it's logical that these survey results, if compiled today, would reflect even higher levels of concern.

FIGURE 1:

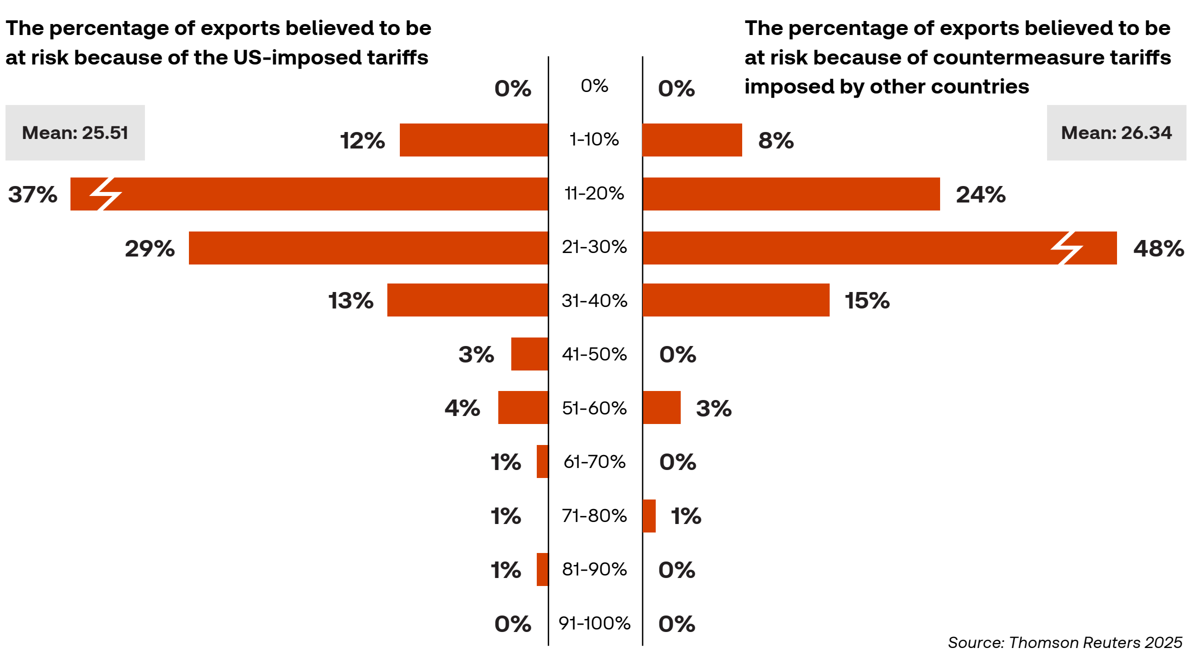
Threats to imports from tariffs imposed by the United States and countermeasure tariffs imposed by other countries



Source: Thomson Reuters 2025

FIGURE 2:

Threats to exports from tariffs imposed by the United States and countermeasure tariffs imposed by other countries



Source: Thomson Reuters 2025

The *de minimis* issue

The potential elimination of *de minimis* entry options and the expectation of tariffs representing a long-term shift in US trade policy are additional concerns. The *de minimis* option refers to a provision under Section 321 of the Tariff Act of 1930 which allows goods valued at or under USD$800 to enter the United States duty-free and exempt from import taxes.

More than 90% of packages arriving in the US currently enter through *de minimis* entry ports, with around 60% coming from China alone. However, the Trump Administration announced on April 2 that imported goods from China and Hong Kong would no longer qualify for the *de minimis* exemption, beginning May 2.

In our survey, two-thirds of respondents (65%) said they think the impact of the elimination of *de minimis* as an entry option will have a high (14%) or moderate (51%) impact on their imports. Just 9% of respondents said the elimination of *de minimis* would have no impact on their imports. (Given the more recent announcements, it would be very likely that those percentages would now be even higher.)

To address this, companies are also exploring several options, with at least one-third of respondents saying they favor strategies like origin engineering (44%), classification engineering (39%), nearshoring, or moving manufacturing back to the US (35%), or using Foreign Trade Zones (34%).

Given all this concern over tariffs and their impact, it's a bit disheartening to learn that more than three-fourths of respondents (76%) said they anticipate that new tariffs imposed by the US represent a long-term shift in the US approach to global trade, at least for the next four years.

The TR Institute's View:

We are not surprised at the heightened level of concern over tariffs that survey respondents expressed — it's a valid response to the recent events and consistent with what we're seeing in the markets overall. However, underscoring all the challenges cited by respondents is a larger sense of uncertainty and fear about what is coming next and when.

Given the current environment, it's very difficult to predict or plan — even for next week or next month let alone next year, especially if things continue to change rapidly, as they are likely to do. That said, however, global trade professionals should take this opportunity to expansively examine which of their trade routes, production regions, and supply partners will likely be most impacted by what is happening while continuing to closely monitor news and any further government policy or regulatory changes.

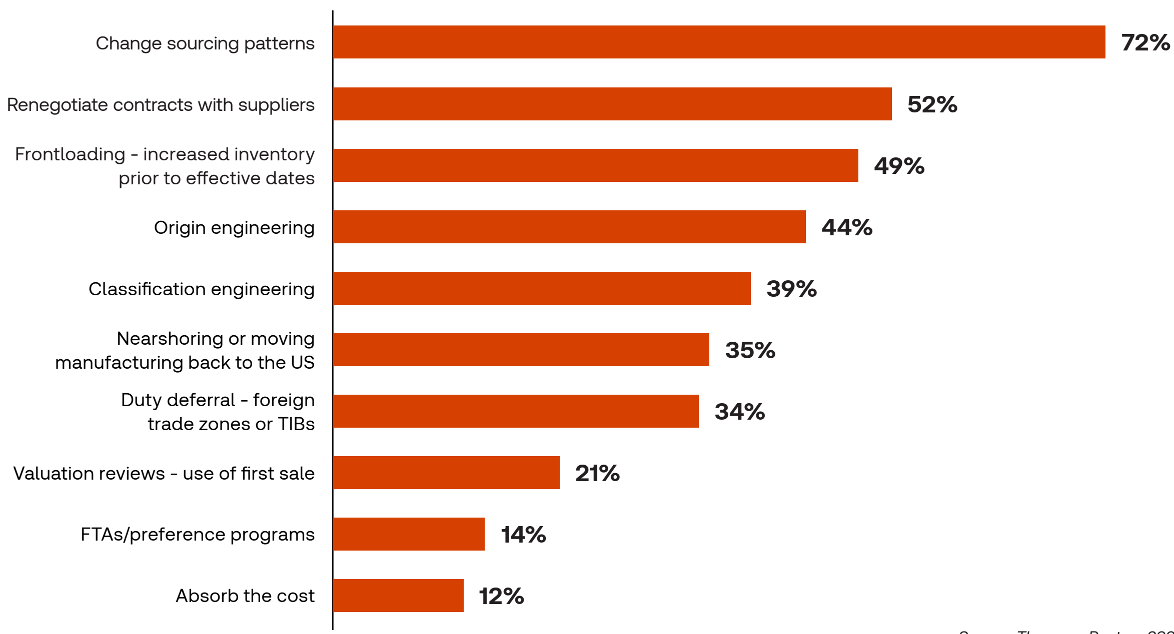
How are companies addressing these challenges?

Clearly, with so many challenges to global trade rising out of increased use of tariffs by the US and retaliatory countermeasure tariffs by other countries, it's not surprising that many global trade professionals we surveyed had already formulated plans and strategies to help offset the impact of these tariffs.

These strategic options include diversifying their company's supply chain to better optimize operations, engaging in better cost management and pricing strategies, increasing domestic production and regional sourcing, and other methods.

FIGURE 3:

Which of the following mitigation strategies are you using or considering to better manage the tariffs that have been or will be imposed by the United States?



Source: Thomson Reuters 2025

Supply chain diversification and optimization

Given that so many respondents cited supply chain disruptions as a major challenge, it is logical that one of the top ways to address these issues involves focusing on diversifying supply chains to minimize the impact of the tariffs. This strategy includes sourcing from different countries, relocating production, and forming alliances with regional vendors.

One respondent said their company's diversification plan included "broadening the range of suppliers and manufacturing sites" the company utilizes. Another said that they would be "restructuring supply chains to make use of more efficient shipping routes" thus helping control costs.

Cost management and pricing strategies

Many respondents, not surprisingly, said one strategy to manage these tariffs would be to make pricing adjustments. One respondent said their company would be "adjusting product pricing to reflect increased costs," while another respondent said they plan to follow a similar strategy but will increase prices gradually in order to account for consumer price sensitivity.

About half of respondents said they would be negotiating with suppliers (52%) or frontloading inventory prior to effective tariff dates (49%). Indeed, one respondent said their company was looking to "negotiate bulk purchases before the new tariffs" go into effect, while another said they would be "negotiating fixed price contracts to keep prices stable."

Domestic production and sourcing

Nearly three-fourths of respondents (72%) said their companies already are or are considering changing sourcing patterns, including increasing domestic production and procurement as a strategy to reduce reliance on imports and better manage tariff costs. One respondent said they were looking to "increase domestic manufacturing units," while another said they would "boost the production of essential components domestically."

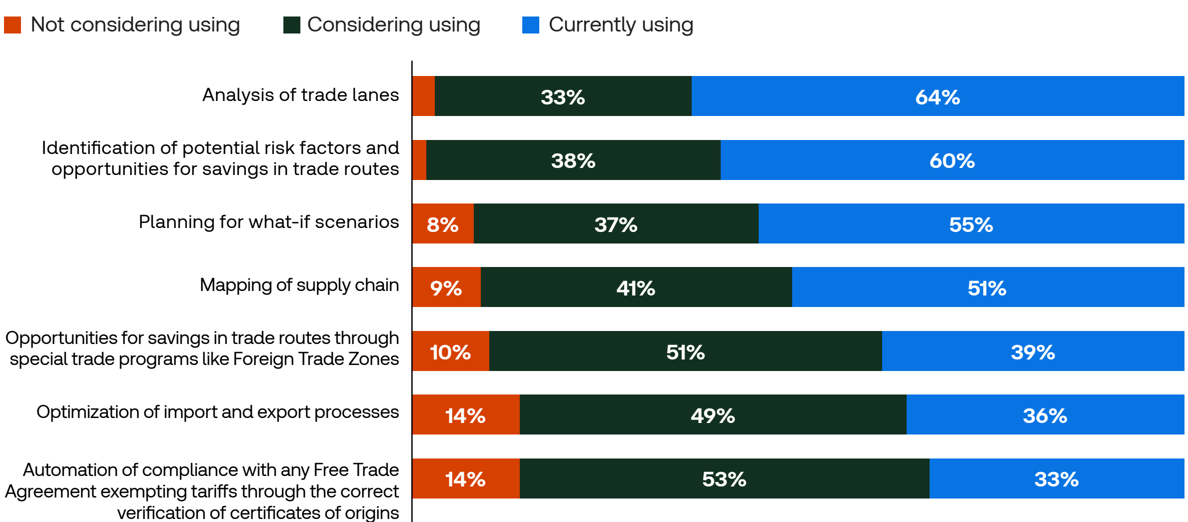
Using technology as a solution

Technology, especially the use of advanced AI-driven tools, is increasingly being seen as a solution to some of the potential challenges brought by new tariffs imposed by the US or by other countries in response.

Almost two-thirds of respondents (64%) said their companies are using technology solutions that provide tools for analysis of trade lanes, and at least half said they are using technology solutions for identification of potential risk factors and opportunities for savings in trade routes (60%), planning for *what-if* scenarios (55%), or for mapping of supply chains (51%). And if you add in those respondents who said their companies are *considering* using these strategies, combined use and consideration of these solutions rises above the 90% level.

FIGURE 4:

Do you use, or are you considering using, technology solutions that provide tools for:



Source: Thomson Reuters 2025

The TR Institute's View:

All the methods that respondents suggested as possible ways to mitigate the impact of these tariffs are valid, depending on the circumstances, with such strategies as looking at expanding to multiple production venues, examining the best trade lanes, and seeking more regionally based suppliers among the most promising ideas that are most likely to have a positive impact.

However, these are definitely uncharted waters here. In the past, it may have been easier to avoid smaller, more limited tariff waves; but now, the idea of *resilience* may mean weathering a major storm and realizing your organization is going to take some unavoidable hits.

We would strongly recommend companies involved in international data make sure the data they're using is the most current and accurate possible. Companies may want to invest in business intelligence platforms and strengthen their visibility into critical data, such as knowing where their shipments are and what their landed costs will be after all costs, including tariffs, are taken into consideration. Also, it would be a wise practice for corporate global trade professionals to meet with their company's other teams from tax, logistics, legal, sales, and more, as well as having more frequent meetings with the C-Suite to keep management informed as to what is happening with tariffs and trade.

Conclusion

As companies across the globe face significant hurdles in their ongoing operations due to the new and in some cases steep tariffs imposed by the United States and by other countries as countermeasures to the US-imposed tariffs, global trading professionals are clearly growing concerned.

As this survey report showed, many respondents are worried that these tariffs either are already or will soon be increasing costs, disrupting supply chains, forcing companies to raise their product prices, and more.

Remember, more than three-fourths (76%) of respondents said they anticipate that new US-imposed tariffs will be a more permanent part of the country's approach to global trade. That means respondents see these challenges continuing as a more constant part of the trading environment around the world for the foreseeable future.

More than three-fourths (76%) of respondents said they anticipate that new US-imposed tariffs will be a more permanent part of the country's approach to global trade.

However, as our survey also showed, company leaders have been pushed to consider strategies for offsetting the impact of these tariffs, including diversifying their supply chains, actively managing cost and pricing strategies, and utilizing technological solutions to improve their company's trade analysis and risk management processes.

Still, the environment around tariffs and trade remains extremely volatile, and is perhaps even more so now than when the survey was conducted just a few weeks ago. Those companies, both international and domestic, caught in the maelstrom of tariffs and counter-tariffs may feel that riding out this storm is a daunting prospect. However, undertaking some of the direct actions detailed in this report may help them stay on course until the trade winds calm down a bit.

Methodology

This report is based on a survey that was conducted to understand what global trading professionals see as the most compelling issues around the current tariff environment and the impact of President Trump's use of tariffs.

The survey of 285 global trade professionals was conducted online in March. Survey respondents had to meet the following criteria:

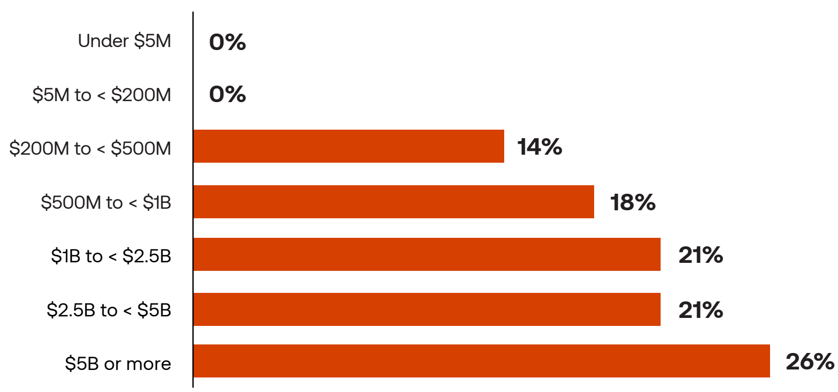
- work at companies that have at least USD$200 million in global annual revenue
- work at companies that import or export goods to or from the United States
- work in a role that has them performing or managing global trade and supply chain management activities

The regional breakdown of the survey respondents was as follows:

Region	Total
United States	75
Canada	50
Mexico	50
United Kingdom	50
EU (Germany, Netherlands, France, Belgium)	30
Japan	15
South Korea	15
TOTAL	**285**

The financial breakdown of the respondents' companies showed that more than two-thirds of respondents (68%) came from companies that had USD$1 billion or more in global annual revenue. And more than one-quarter (26%) of respondents came from companies that had USD$5 billion or more in annual revenue.

Breakdown of respondents' companies by global annual revenue (in US dollars)



Source: Thomson Reuters 2025

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