



Tariff Survey 3.0

Prepared by Advisory Insights

March 2026



Contents



01	Executive summary	3
02	Respondents' overview and methodology	7
03	Tariff impact on businesses	11
04	Tariff impact on consumers	25
05	Tariff impact on the workforce	30
06	Tariff impact post-SCOTUS ruling	37

01

Executive summary

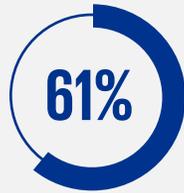
Tariffs have had a pervasive impact across organizations...

Businesses

Revenue pressure persists across markets



report a **decline in foreign sales**



report a **decline in domestic sales**

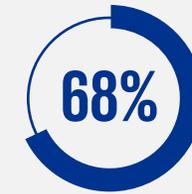
Higher costs continue to compress margins

78% experience higher COGS; **60%** cite **0–5%** increases and **18%** above **5%**

51% face margin declines; **46%** down **1–20%**

Expected margin declines ease to **43%** over the next 12 months

Tariff uncertainty is delaying investment decisions



Postponed major investments

48% by 1-12 months

20% by 13-24+ months

M&As/strategic partnerships are increasingly delayed by tariffs, rising to **48%** in Feb'26 (from **24%** in May'25)

Top trading partners have remained unchanged; however, costs have increased and foreign demand has dropped

Import partners				Export partners						
Partner	Ranking		>26% increase in sourcing costs		Partner	Ranking		Net respondents with a foreign sales increase ^(a)		
	Sep'25	Feb'26	Sep'25	Feb'26		Sep'25	Feb'26	Change		
China	1 st	1 st	52%	44%	Europe	1 st	1 st	-11%	-16%	↓
Europe	2 nd	2 nd	3%	9%	Canada	2 nd	2 nd	-15%	-13%	↑
Mexico	3 rd	3 rd	10%	14%	Mexico	3 rd	3 rd	-30%	4%	↑

Organizations increasingly view reshoring as a longer-term transition

Reshoring evaluation stage:

26% Formal planning / active execution (↑ up from 10% in Sep'25)

33% Active evaluation (↑ up from 30% in Sep'25)

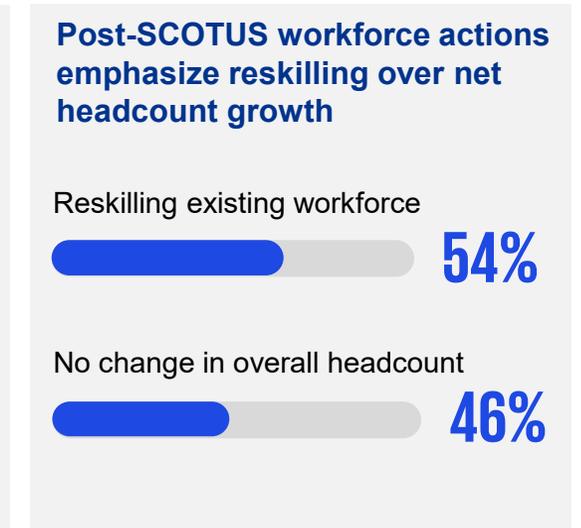
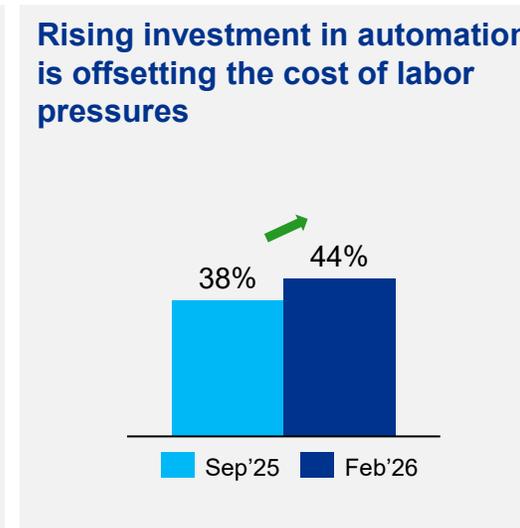
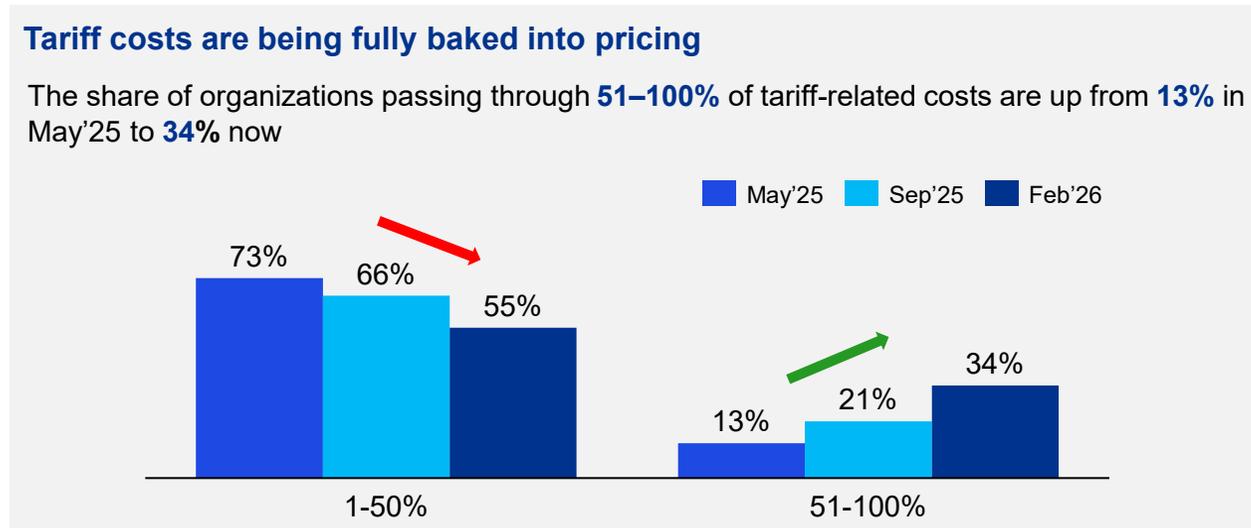
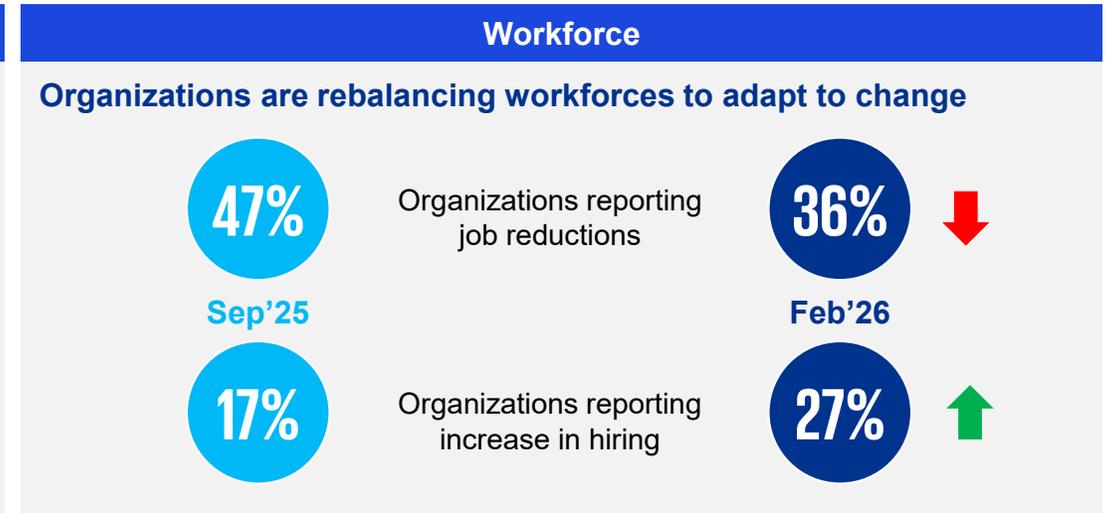
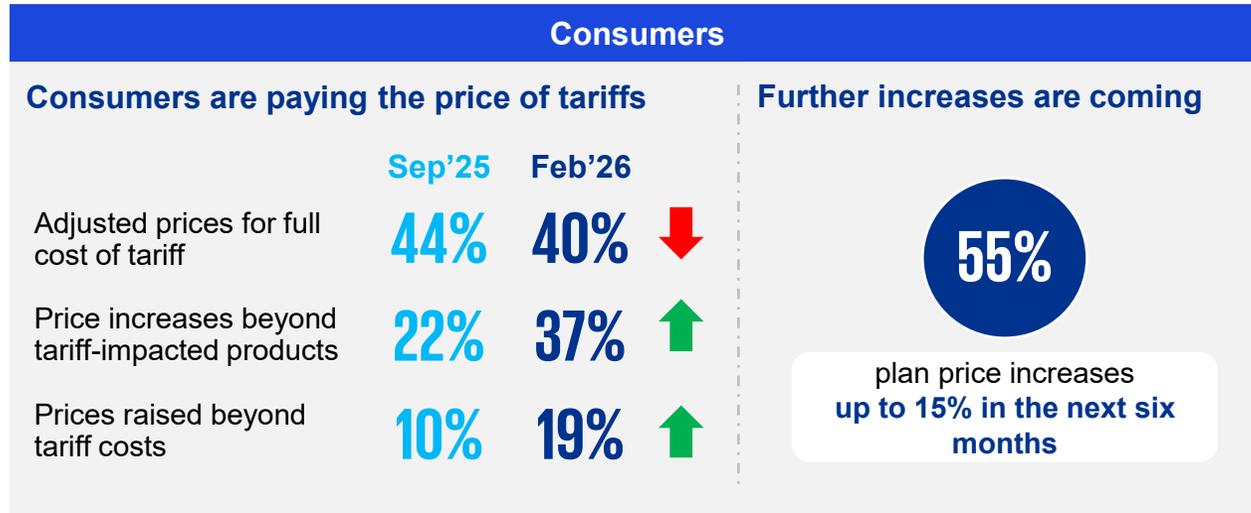
19% Early stages / informal discussions (↓ down from 33% in Sep'25)

Time needed for reshoring:



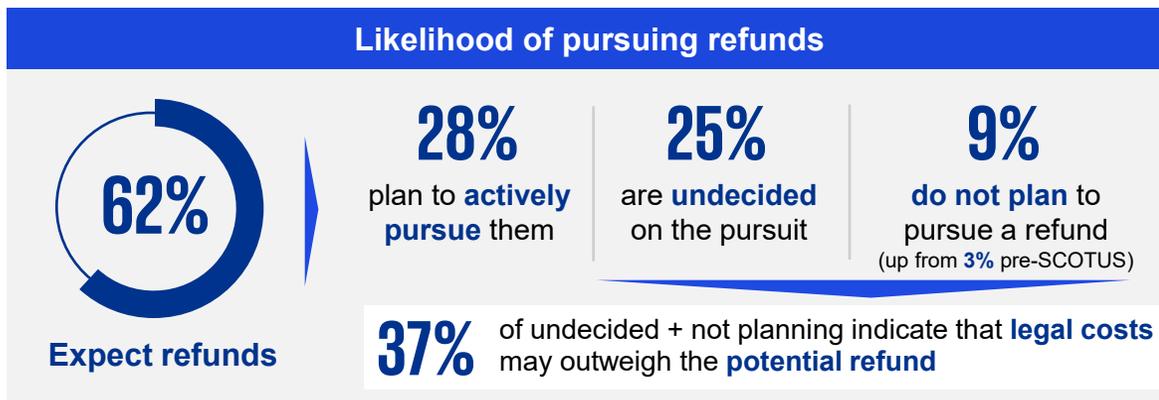
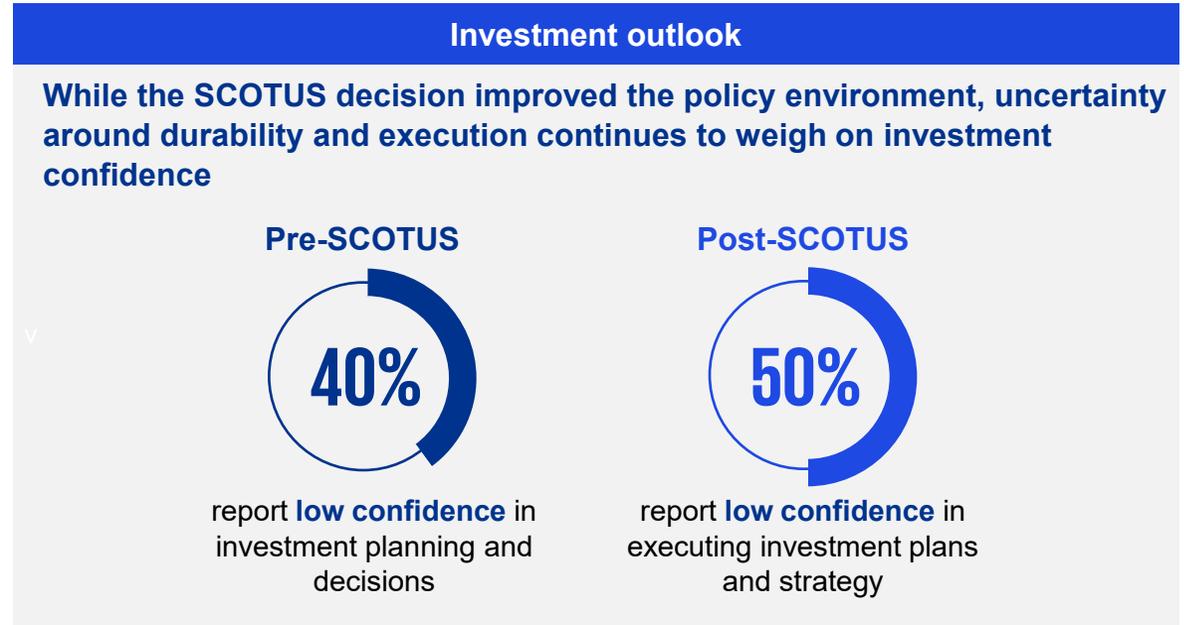
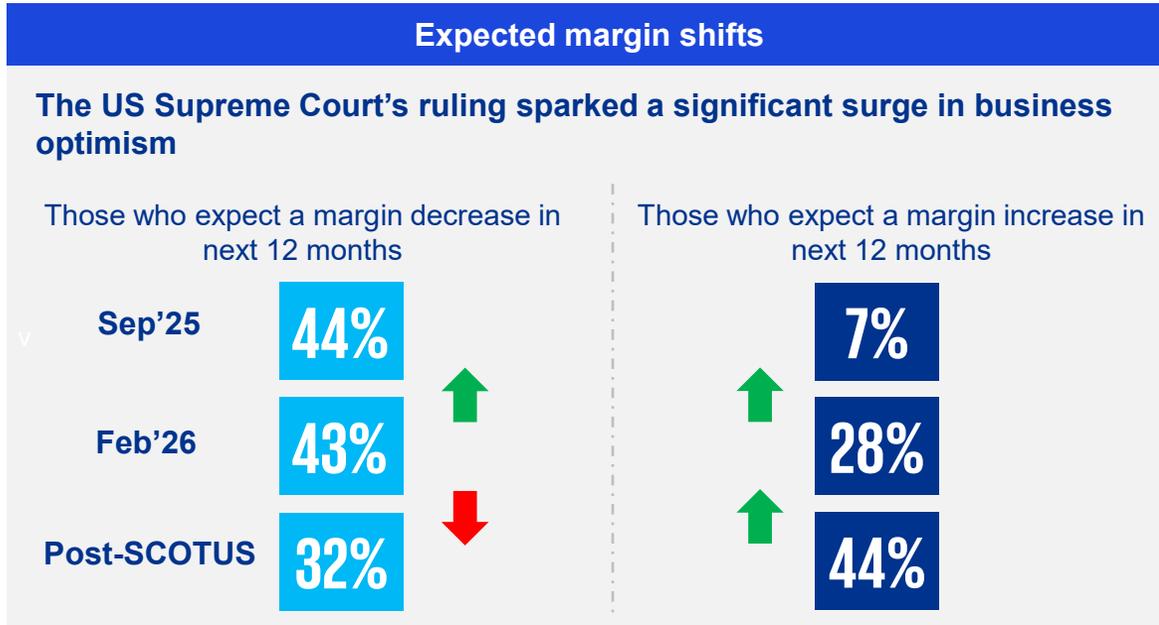
Note(s): (a) Net impact on sales denotes % reporting sales decreases minus % reporting sales increases
 Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25; KPMG Tariff Survey 3.1(post SCOTUS ruling), Mar'26

...resulting largely in increased costs/prices for consumers but moderating job pressure



Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25; KPMG Tariff Survey 3.1(post SCOTUS ruling), Mar'26

Post-SCOTUS, sentiment has improved, but actions remain cautious and selective



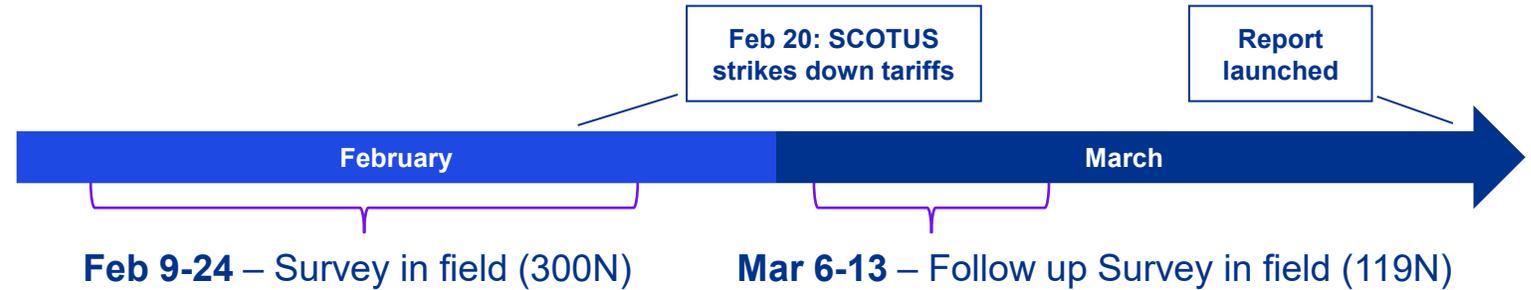
Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25; KPMG Tariff Survey 3.1(post SCOTUS ruling), Mar'26

02

Respondents' overview and methodology

Survey methodology

Approach and timeline



- The third survey in our series was fielded February 9-24, 2026 (N=300)
- On February 20, the US Supreme Court (SCOTUS) struck down the tariffs imposed under the International Emergency Economic Powers Act (IEEPA).
- 20 out of 300 completed the survey post-SCOTUS ruling:
 - A comparative analysis between pre-SCOTUS (N=280) and post-SCOTUS (N=20) responses did not reveal any material differences in overall results
 - Therefore, post-SCOTUS shifts from that analysis has not been shown separately in this report
- To capture changes in sentiment and outlook due to the SCOTUS ruling, a follow-up survey of N=119 of the February survey respondents was conducted March 6-13, 2026

Respondents' overview – February 2026

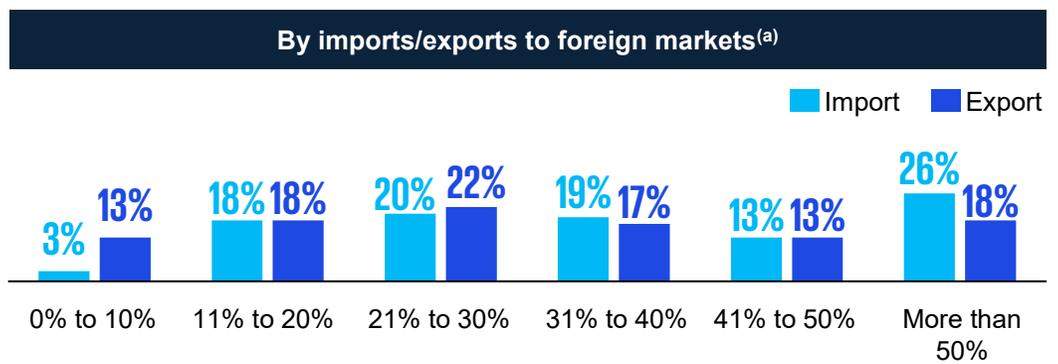
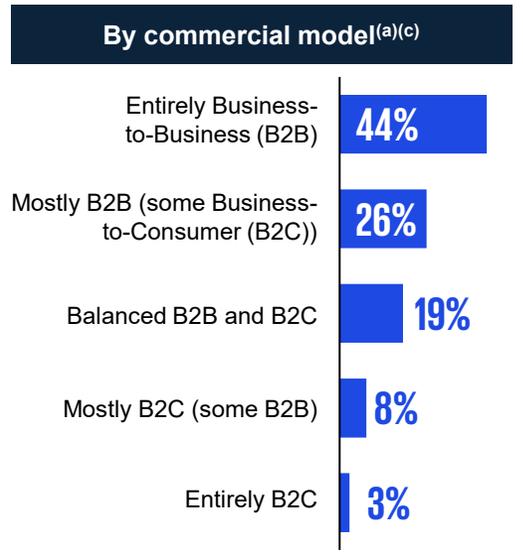
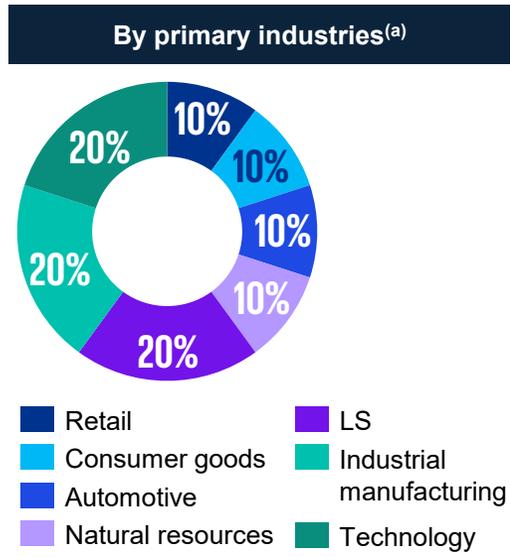
N=300



Geography
United States



Respondent's role based
United States



Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) For cleaner representation, we have combined the responses of the roles 'Chief Risk Officer (CRO)', 'Chief Legal Officer', 'Chief Compliance Officer (CCO)', 'Chief Tax Officer / Head of Tax', 'Chief Commercial Officer / Chief Revenue Officer', 'Chief Trade Officer', 'SVP / EVP / VP of legal affairs or government relations' into a single category labeled "Others"; (c) The option 'Other (please specify)' is not considered in the graphical representation due to limited response

Source(s): KPMG Tariff Survey Feb'26

Respondents' overview – Follow up survey - March 2026

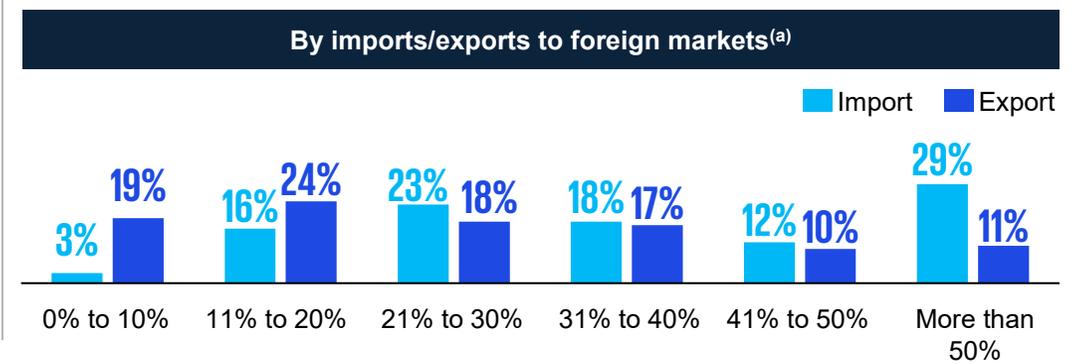
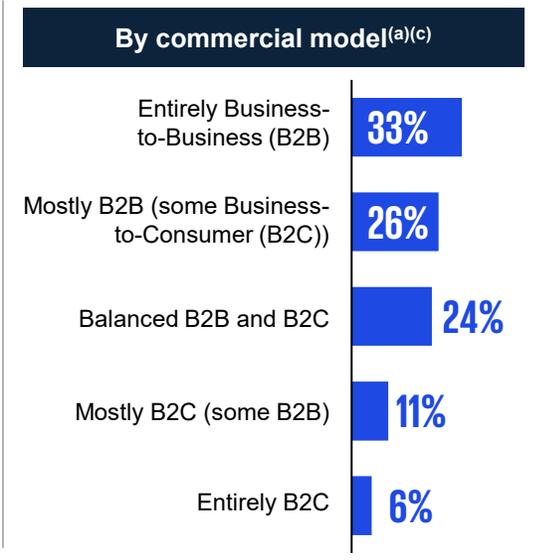
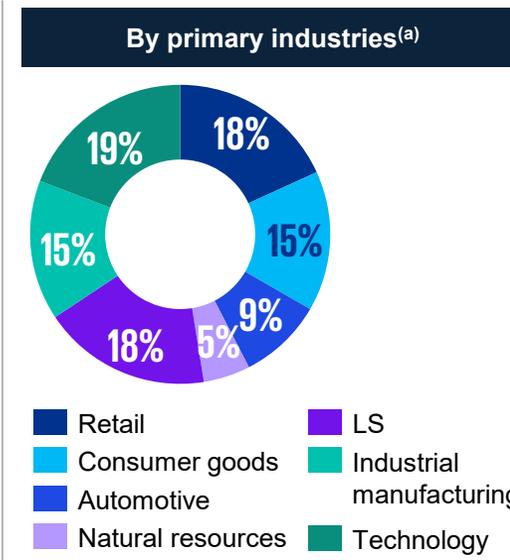
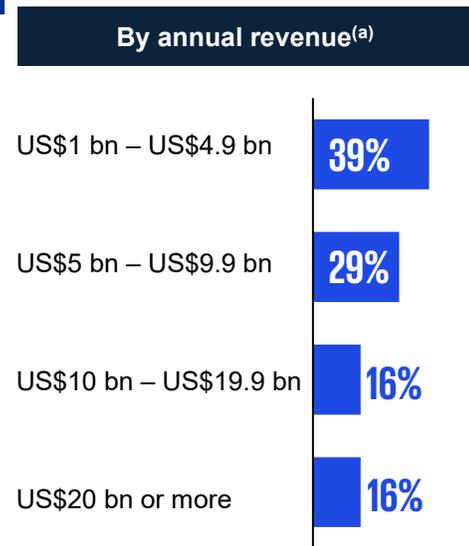
N=119



Geography
United States



Respondent's role based
United States



Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) For cleaner representation, we have combined the responses of the roles 'Chief Risk Officer (CRO)', 'Chief Legal Officer', 'Chief Compliance Officer (CCO)', 'Chief Tax Officer / Head of Tax', 'Chief Commercial Officer / Chief Revenue Officer', 'Chief Trade Officer', 'SVP / EVP / VP of legal affairs or government relations' into a single category labeled "Others"; (c) The option 'Other (please specify)' is not considered in the graphical representation due to limited response

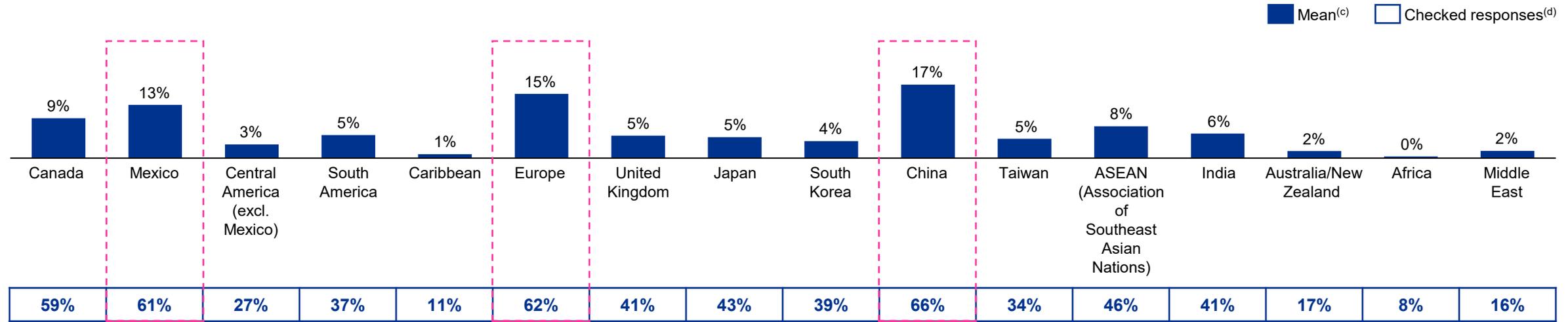
Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)

03

Tariff impact on businesses

China, Europe, and Mexico remain the top three sources for imports

What percentage of your company's total imports come from each of the following regions?^{(a)(b)} N=300; Matrix, Number input (Values must add up to 100%)



Key Observations

- **China, Europe, and Mexico** are the top three sources of imports among surveyed organizations, cited by **66%, 62%, and 61%** of respondents, respectively
 - In terms of average imports, **China** leads with **17%**, followed by **Europe (15%)** and **Mexico (13%)**
- **Canada** remains one of the major contributors to US import flows, with **59%** of organizations reporting an average of **9%** imports from the region
- However, according to Observatory of Economic Complexity (OEC), in Dec'25, US mostly imported from **Mexico** (US\$42.4 bn), **Canada** (US\$31.8 bn), **Taiwan^(e)** (US\$24.7 bn), **China** (US\$21.1 bn), and **Vietnam** (US\$18.5 bn) (>>)

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response; (c) Mean values represent the average share of imports of the organization from that region; (d) Checked responses represent the percent of respondents that indicated any value greater than 0 for that region; (e) The Observatory of Economic Complexity labels Taiwan as "Chinese Taipei." References have been standardized to "Taiwan" for consistency with survey terminology.

Source(s): KPMG Tariff Survey Feb'26

~3/4th say tariffs have increased the cost of sourcing in China by 16-40%

How much have tariffs, or uncertainty around tariffs, increased the cost of sourcing/manufacturing in these regions?^{(a)(b)(c)} *Matrix, Single select*

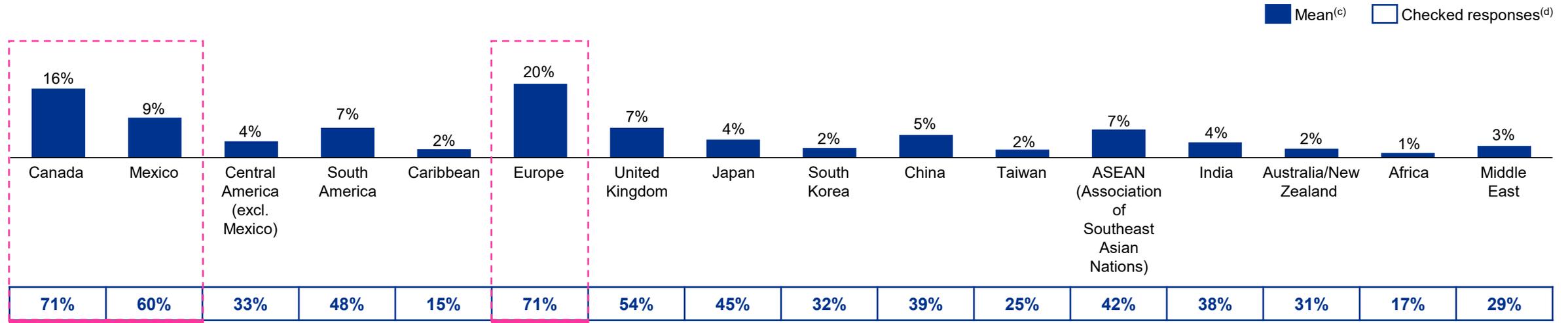
Options	0-5% increase in cost	6-15%	16-25%	26-40%	41-70%	71-100%	Greater than 100% increase in cost	No discernable increase
Canada	33%	28%	21%	9%	5%	1%	0%	2%
Mexico	26%	37%	20%	12%	2%	0%	0%	2%
Central America (excl. Mexico)	22%	41%	13%	10%	9%	2%	0%	2%
South America	22%	40%	16%	12%	3%	2%	0%	5%
Caribbean	34%	13%	19%	13%	16%	3%	0%	3%
Europe (excl. United Kingdom)	12%	55%	22%	6%	2%	1%	0%	2%
United Kingdom	34%	33%	19%	7%	2%	3%	0%	2%
Japan	29%	53%	10%	5%	2%	0%	0%	0%
South Korea	23%	47%	20%	2%	3%	3%	0%	1%
China	2%	9%	45%	28%	13%	2%	1%	1%
Taiwan	15%	53%	20%	6%	5%	0%	1%	0%
ASEAN (Association of Southeast Asian Nations)	12%	45%	35%	4%	1%	1%	1%	1%
India	22%	30%	29%	10%	6%	1%	1%	1%
Australia/New Zealand	35%	15%	17%	10%	8%	2%	0%	13%
Africa	36%	16%	4%	8%	4%	0%	4%	24%
Middle East	39%	24%	4%	10%	2%	2%	0%	18%

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) N value has not been represented since it is different for each region; (c) The options 'Other (please specify)' and 'Don't know/prefer not to say' is not considered in the graphical representation due to limited response

Source(s): KPMG Tariff Survey Feb'26

Europe is the primary export destination, followed by Canada and Mexico

What percentage of your company's total exports go to each of the following regions?^{(a)(b)} N=300; Matrix, Number input (Values must add up to 100%)



Key Observations

- **Europe (20% average export)** is reported as the top export destination with **71%** of organizations exporting to the region
 - **Canada (16% average export)** and **Mexico (9% average export)** are the key North American markets, cited by **71%** and **60%** of organizations, respectively
- While **66%** of organizations import from **China (17% average import)**, only **39%** indicate exporting to **China (5% average export)**, highlighting a significant trade imbalance
- However, according to Observatory of Economic Complexity (OEC), in Dec'25, US mostly exported to **Mexico** (US\$28.2 bn), **Canada** (US\$25.5 bn), **United Kingdom** (US\$8.9 bn), **Netherlands** (US\$8.4 bn), and **China** (US\$8.4 bn). Europe failed to have a position among top 5 export destinations (>>)

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response; (c) Mean values represent the average share of exports of the organization from that region; (d) Checked responses represent the percent of respondents that indicated any value greater than 0 for that region

Source(s): KPMG Tariff Survey Feb'26

45% of organizations exporting to Europe report decreased sales in the region

How much have retaliatory tariffs or uncertainty around tariffs impacted your company's sales in these regions?^{(a)(b)(c)} Matrix, Single select

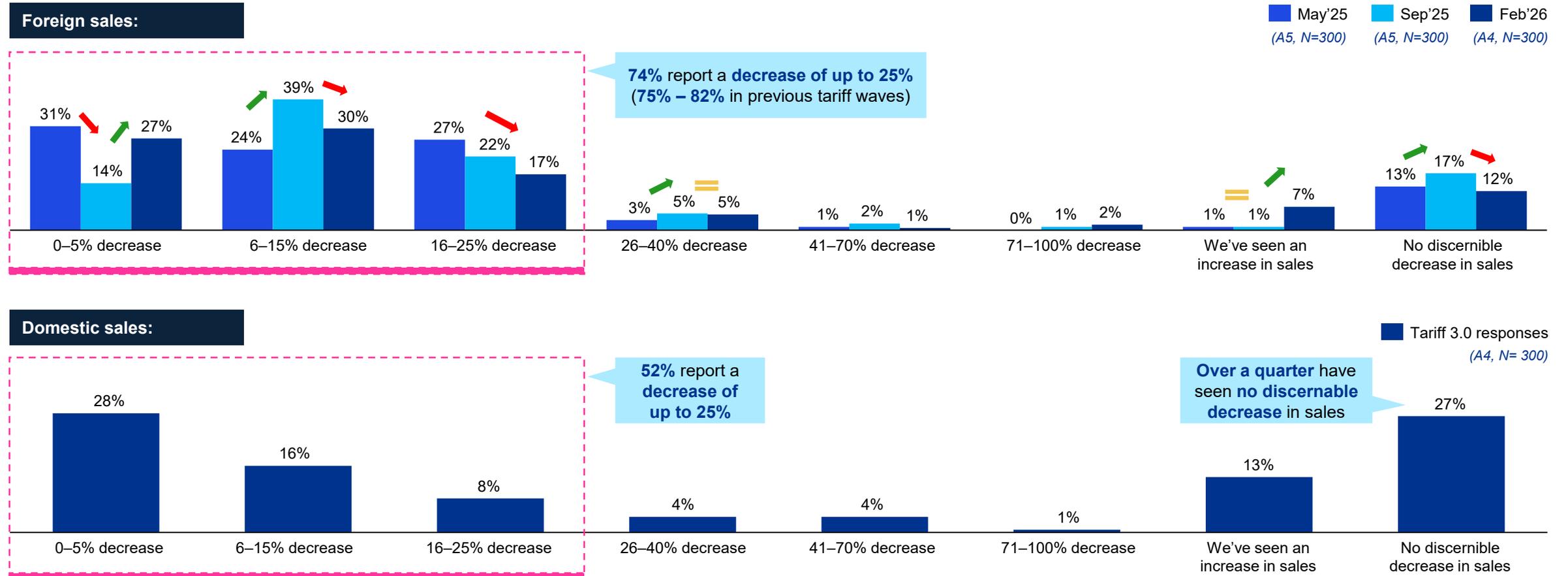
Options	Increased by more than 10%	Increased by 6-10%	Increased by 1-5%	Remained relatively unchanged	Decreased by 1-5%	Decreased by 6-10%	Decreased by more than 10%
Canada	6%	12%	10%	31%	22%	11%	8%
Mexico	4%	16%	13%	37%	16%	10%	3%
Central America (excl. Mexico)	3%	17%	23%	34%	11%	3%	9%
South America	3%	15%	17%	27%	23%	15%	0%
Caribbean	6%	12%	12%	53%	6%	6%	0%
Europe (excl. United Kingdom)	5%	15%	9%	27%	35%	7%	3%
United Kingdom	5%	21%	17%	36%	16%	5%	0%
Japan	3%	20%	27%	27%	20%	0%	3%
South Korea	0%	36%	18%	9%	27%	0%	9%
China	12%	4%	12%	12%	26%	18%	16%
Taiwan	7%	7%	7%	43%	21%	14%	0%
ASEAN (Association of Southeast Asian Nations)	2%	4%	9%	30%	36%	20%	0%
India	5%	18%	5%	50%	18%	0%	5%
Australia/New Zealand	0%	9%	27%	45%	18%	0%	0%
Africa	0%	0%	40%	60%	0%	0%	0%
Middle East	0%	14%	24%	52%	5%	0%	5%

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) N value has not been represented since it is different for each region; (c) The options 'Other (please specify)' and 'Don't know/prefer not to say' is not considered in the graphical representation due to limited response

Source(s): KPMG Tariff Survey Feb'26

Most organizations report a drop of up to 25% in sales – Foreign sales being impacted more than domestic sales

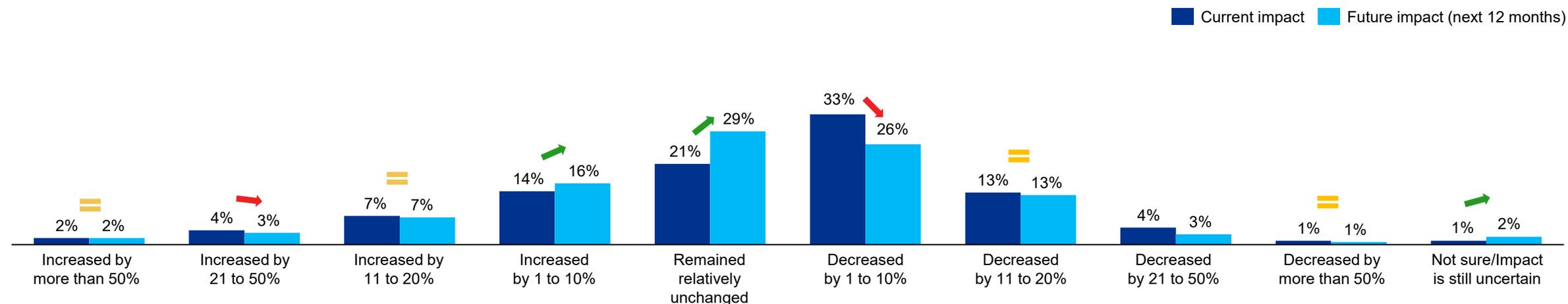
Which of the following best describes the impact of the current tariff environment on your domestic and foreign sales?^{(a)(b)} *Single select*



Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) Domestic sales were not asked in previous surveys
 Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25

Tariffs continue to pressure gross margins, but organizations expect the intensity of margin declines to ease over the next 12 months

How have tariffs impacted your company's gross margin (current impact and anticipated impact in next 12 months) ?^{(a)(b)} N=300, Single select



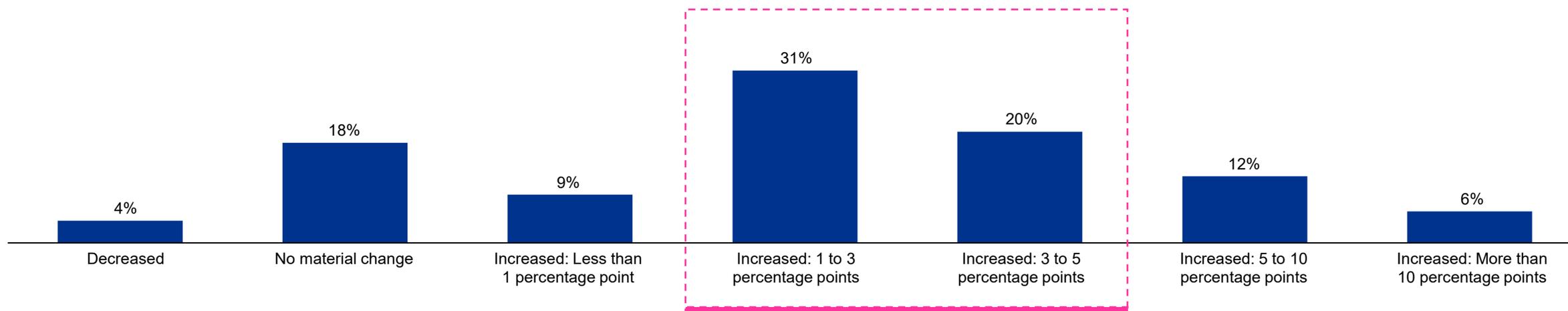
Key Observations

- Currently, **33%** of organizations report a **1–10% decline in gross margins**; this is expected to ease slightly to **26%** over the next 12 months
- Overall, margin decreases remain more common than increases, with **51%** reporting a **decrease** currently, easing to **43%** in the next **12 months**
 - According to an article from Reuters published in Jan'26, tariffs are increasingly squeezing corporate profit margins as organizations face higher input costs but have limited ability to pass them on to consumers who are resisting further price hikes, forcing firms to absorb more of the impact despite calling tariffs “manageable” (>>)
- **Margin increases** remain relatively stable at **27%** currently vs **28%** in the future
- A notable portion says margins have **remained relatively unchanged (21%)**, and **29%** expect to hold margins steady over the next 12 months

Note(s): (a) Sum of percentages may not add up to 100 due to rounding
Source(s): KPMG Tariff Survey Feb'26

Tariffs drove higher Cost of Goods Sold (COGS) for most organizations, with increases typically in the 1 to 5 percentage point range

For your most recent fiscal quarter, how did tariffs impact your COGS compared to the same quarter last year ?^{(a)(b)} N=300, Single select



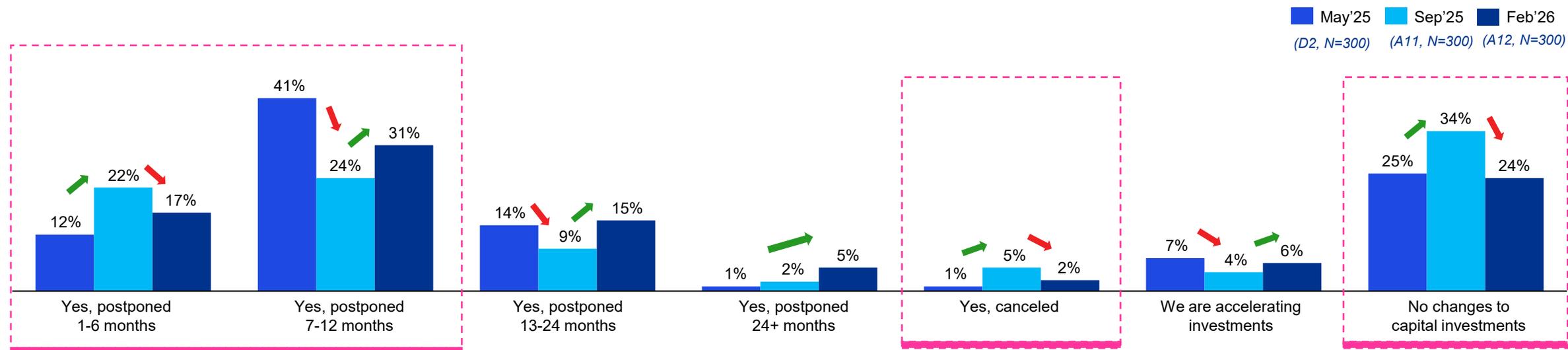
Key Observations

- Tariffs increased COGS for most organizations, with **78%** reporting an increase in the most recent fiscal quarter vs the same quarter last year
 - The increase was typically modest, as **51%** reported COGS rising by **1 to 5 percentage points**
- Results were largely upward, with only **18%** reporting **no material change** and **4%** reporting a **decrease**
- According to HSBC's Global Trade Survey, published in Nov'25, cost pressures are mounting for the businesses, with **66% expecting costs to increase** over the next six months, driven primarily by tariffs and customs duties, as well as higher costs for shipping and freight (>>)

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Don't know/Prefer not to say' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey Feb'26

Consistent with the previous tariff waves, 48% of organizations have postponed new capital investments by up to 12 months

Has your organization postponed or canceled major new capital investments due to tariff uncertainty ?^(a) *Single select*



Key Observations

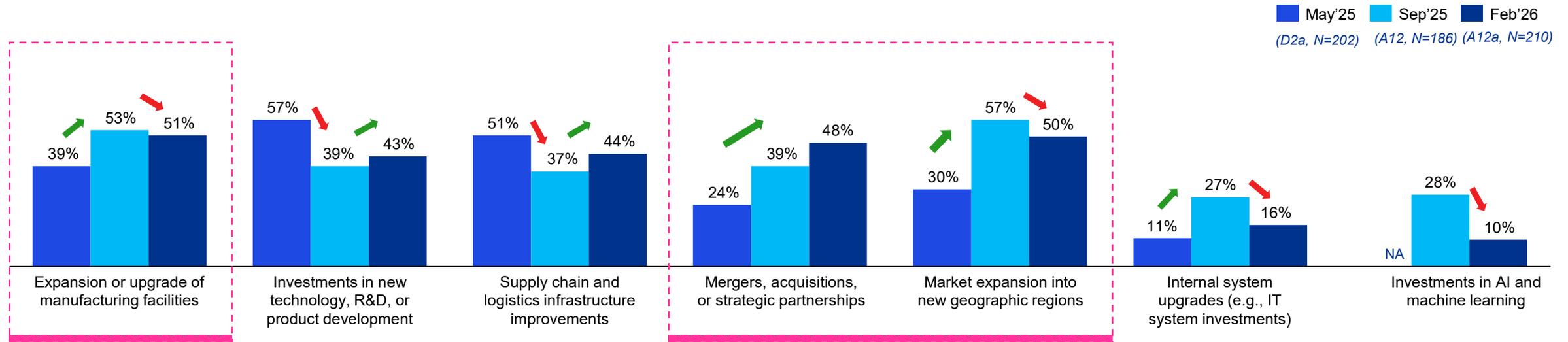
- Across our three surveys, the dominant response is **postponing capital investments**, especially by **7–12 months** (peaked in May'25 – **41%** and remains elevated currently – **31%**)
- In contrast, outright **cancellations** stay minimal (**~1–5%**), indicating organizations are adopting a wait-and-watch approach rather than permanently pulling back on capital spending
- In Sep'25, **34%** reported **no changes in capital investments**, suggesting temporary confidence or hedging. However, in the current survey, this has slightly weakened (drops to **24%**)

Note(s): (a) Sum of percentages may not add up to 100 due to rounding

Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25

Tariff impacts are affecting most investment areas

Please indicate which investments have been affected.^{(a)(b)} Multi select



Key Observations

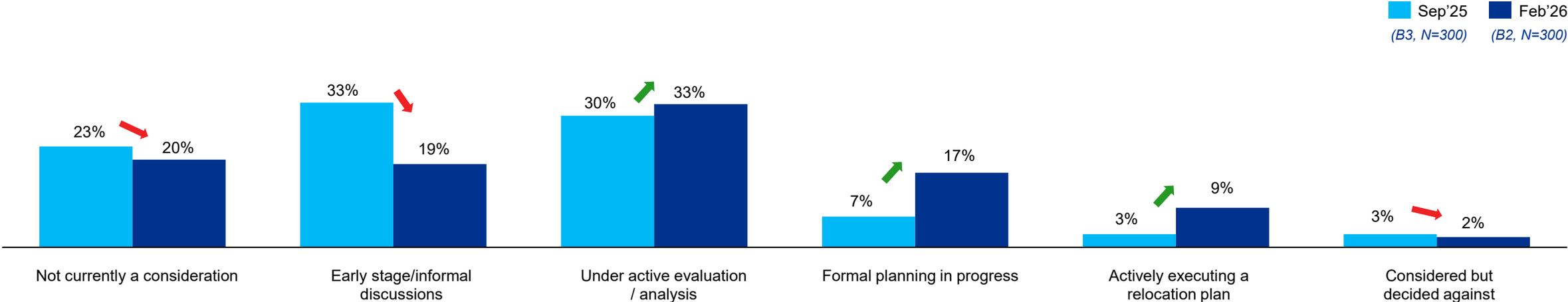
- **Market expansion into new geographic regions (50%)** and **expansion or upgrades of manufacturing facilities (51%)** remain the most affected investment areas; however, their share has somewhat declined compared with earlier tariff cycles
- **Investments in AI and machine learning (10% only)** has dipped from Sep'25 level, indicating a pullback from discretionary and longer-term capability investments amid ongoing tariff uncertainty
- **Mergers, acquisitions, and strategic partnership activities** are being impacted by more respondents in our latest study (**24%** in May'25 vs **48%** in Mar'26)

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response

Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25

While active evaluation remains the dominant stance, reshoring intent is gradually moving from informal discussions to execution

How seriously is your company considering reshoring any operations to the US in response to the current trade and tariff environment?^(a) *Single select*



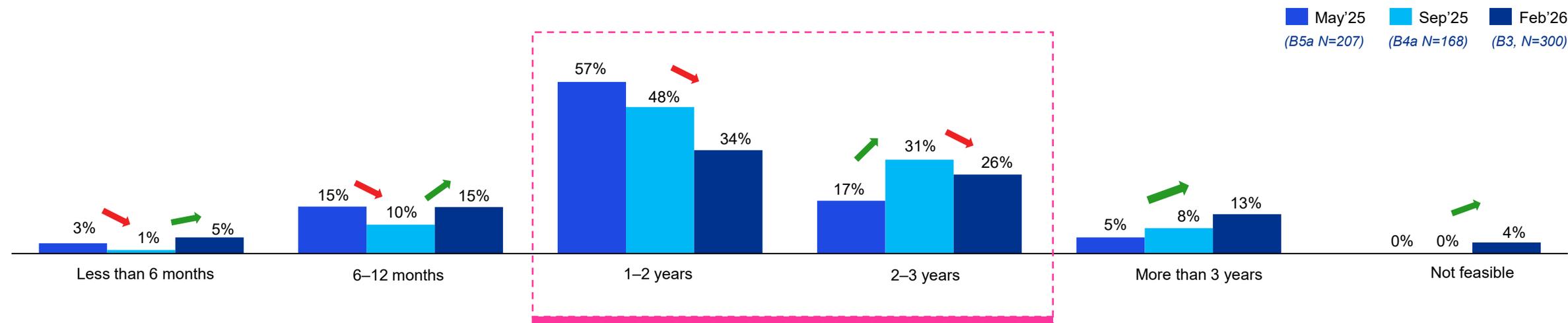
Key Observations

- While **early-stage/informal discussions** has declined sharply (**33% to 19%**), there is a notable increase in **formal planning in progress (7% to 17%)** and **active execution of relocation plans (3% to 9%)** in the current survey, indicating that uncertainty is translating into concrete action rather than exploratory talk
- **Active evaluation/analysis** is now the most frequently reported stage (**30% to 33%**), suggesting most organizations see reshoring as strategically relevant but are still weighing cost, feasibility, and timing before fully committing

Note(s): (a) Sum of percentages may not add up to 100 due to rounding
 Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25

Organizations increasingly view reshoring as a longer-term transition; 60% say it would take 1-3 years to reshore to the US

If your company decided to reshore, how long would it take to bring manufacturing and/or operations to the US?^{(a)(b)} *Single select*



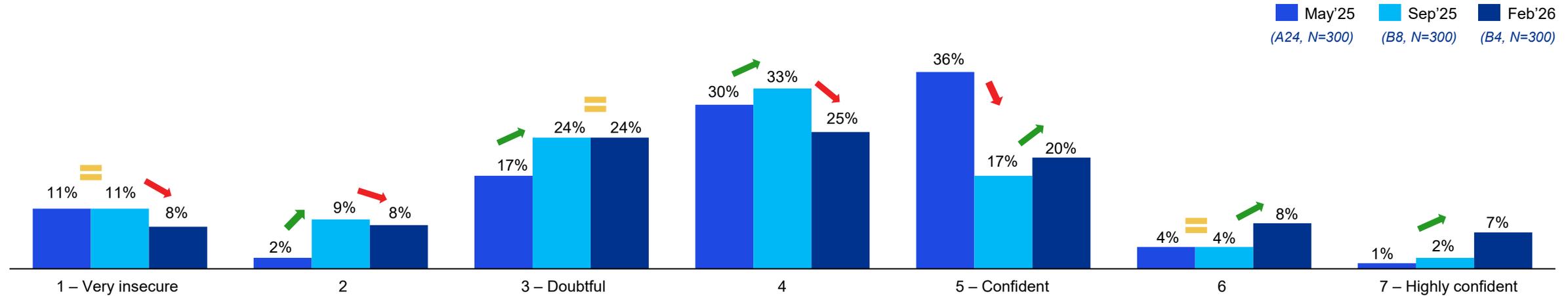
Key Observations

- Most organizations still expect reshoring to take **1–3 years**, but this has dropped sharply over time (**74%** in May'25 to **60%** currently)
- Near-term reshoring remains limited, as only **5%** expect to reshore **within 6 months** in Feb'26 survey
- The share of respondents expecting **more than 3 years** has increased (**5% to 13%**)
- An article from Barron's notes that **relocating manufacturing operations to the US** typically takes between **3–10 years**. Specifically, establishing a biopharmaceutical plant takes approximately **5–10 years**, based on estimates from the Pharmaceutical Research and Manufacturers of America (≥)

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Unsure/not applicable' is not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25

Pre-SCOTUS most organizations are still doubtful/insecure about tariff stability

How confident are you in the stability of current US tariff levels for your planning and investment decisions?^(a) *Sliding scale*



Key Observations

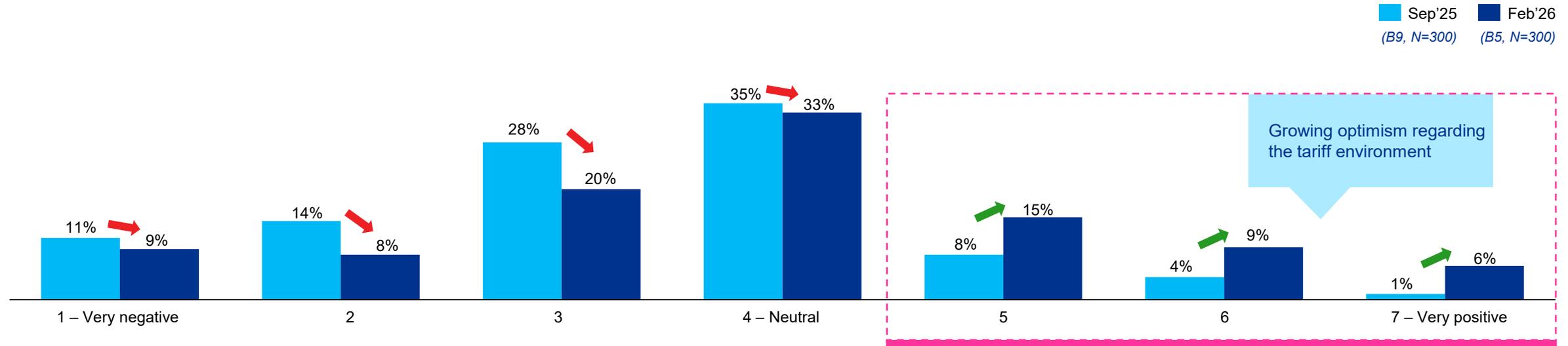
- In the current survey, **40% (rating 1+2+3)** of respondent's express **doubt or insecurity** about tariff stability in the US, compared to **44%** in Sep'25 and **30%** in May'25, reflecting skepticism among a significant portion of respondents
- Confidence (rating 5+6+7)** in tariff stability has weakened sharply after May'25 and has only partially recovered, from **41%** in May'25 to **23%** in Sep'25 and **35%** now, reflecting ongoing uncertainty despite some normalization

Note(s): (a) Sum of percentages may not add up to 100 due to rounding

Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25

Pre-SCOTUS overall sentiment has turned more positive, signaling growing confidence compared to the previous survey

How would you describe your organization's overall sentiment regarding the current US trade and tariff environment?^(a) *Sliding scale*



Key Observations

- **37%** of respondents describe their organization's overall sentiment as **negative or very negative (rating 1+2+3)**, significantly down from **53%** in the previous survey
- Meanwhile, **positive or very positive sentiment (rating 5+6+7)** has risen significantly to **30%**, up from **13%** in Sep'25, suggesting a growing cautious optimism among organizations
- **1/3rd** still have a **neutral** stance
- According to HSBC's Global Trade Survey published in Nov'25, **67%** of respondents are feeling more certain around trade policy affecting their business than they were six months ago ([>>](#))

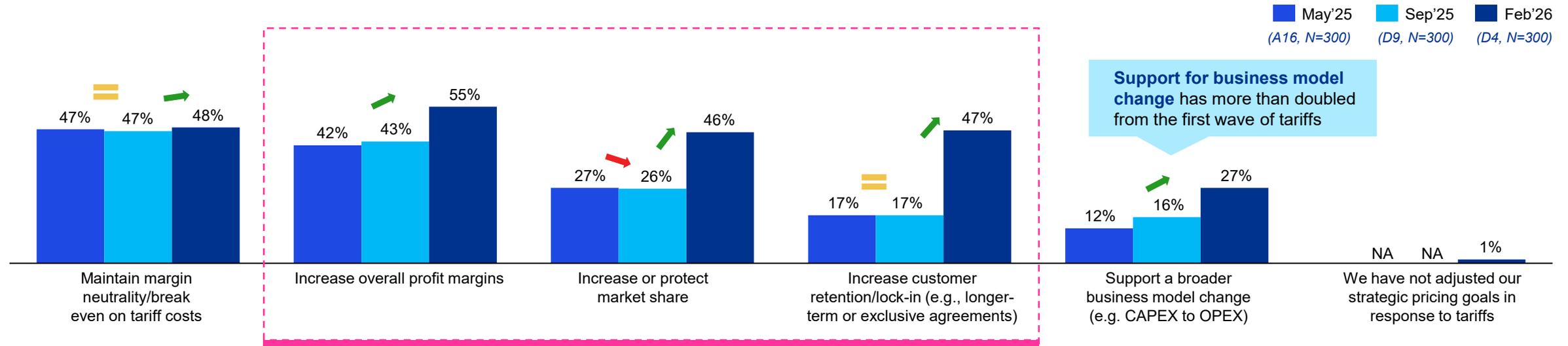
Note(s): (a) Sum of percentages may not add up to 100 due to rounding
 Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25

04

Tariff impact on consumers

Pricing strategies are expanding beyond defensive margin protection to navigate margin, share, and retention trade-offs

What are your main strategic goals for any pricing adjustments to offset the impact of tariffs?^{(a)(b)} Multi select



Key Observations

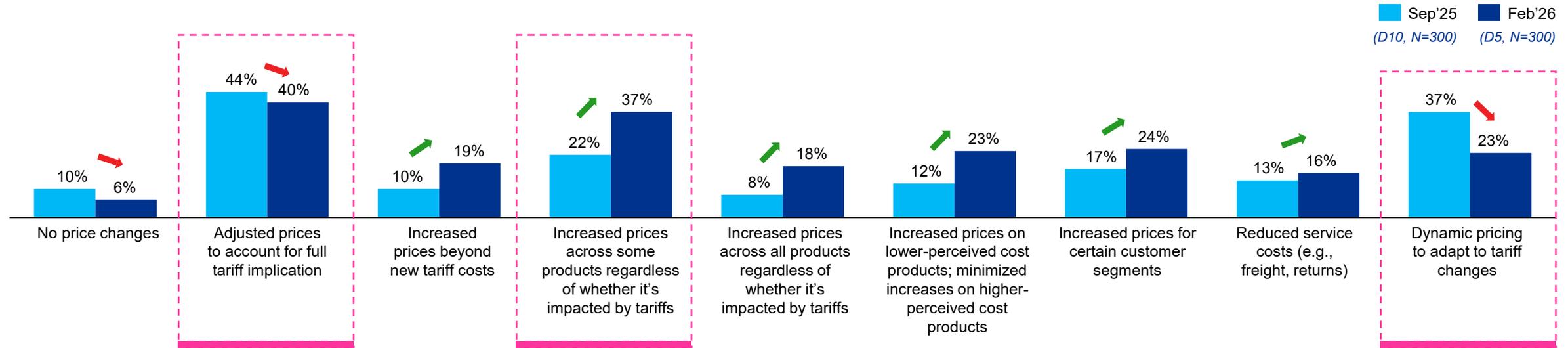
- **Maintaining margin neutrality/break-even** has been consistently high across tariff phases (47–48%), yet the push to **increase overall profit margins (55%)** has increased in the current survey, indicating organizations are moving towards margin recovery
- A notable jump in goals to **increase/protect market share (46%)** and **customer retention/lock-in (47%)** shows organizations are using pricing to shape competitive positioning and customer behavior, not merely pass through cost

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response

Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25

In the current survey, organizations moved from dynamic pricing to more structured pass-through strategies; adjusting prices remains the dominant lever

How have you modified your pricing strategy to address tariff-related pressures?^{(a)(b)} Multi select



Key Observations

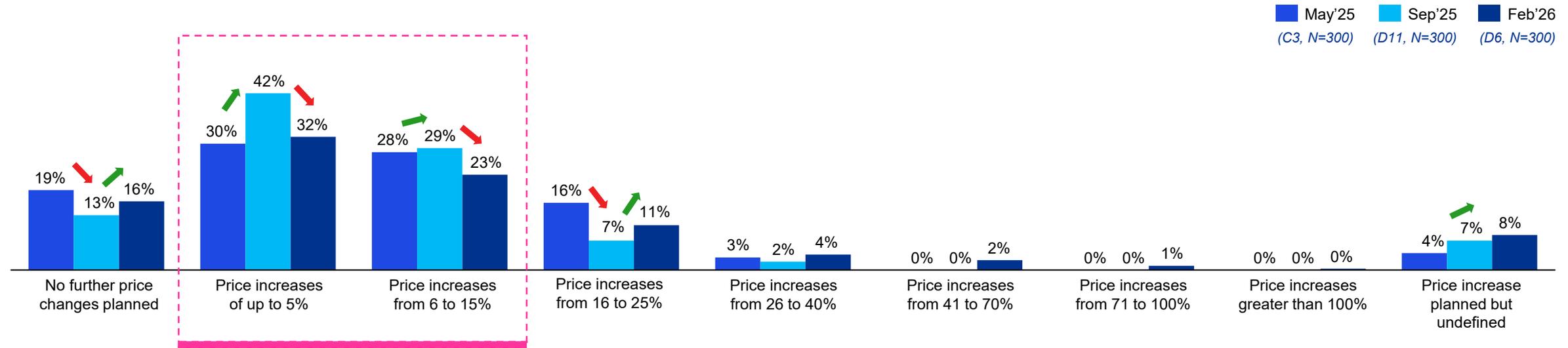
- Direct tariff pass-through remains the dominant pricing response, with **40%** of organizations **adjusting prices to fully account for tariff implication**, broadly consistent with the previous survey (**44%**)
- **Dynamic pricing to adapt to tariff changes** has declined sharply (**23% vs 37%**), indicating reduced reliance on frequent price adjustments in favor of more structural or simplified pricing actions
 - **While dynamic pricing** declined sharply, **increasing prices across products** saw a similar uptick, emerging as the second key strategy

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response

Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25

Pricing plans remain broadly consistent with prior surveys – up to 15% increase

Is your company considering further price increases over the next six months?^{(a)(b)} *Single select*



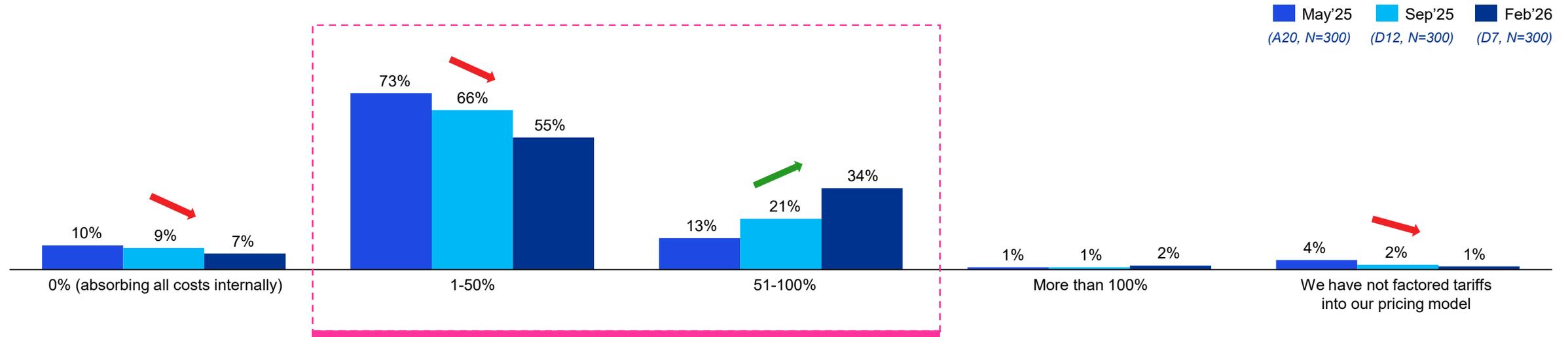
Key Observations

- Despite certain dip in the responses compared to the previous surveys, **price increases of up to 15%** are still prevalent
 - **32%** of organizations expect **price increases of up to 5%**, showing a cautious strategy to offset rising costs without losing customers. Meanwhile, **23%** foresee **price hikes of 6–15%**, indicating a bolder stance among organizations facing greater cost pressures
 - Together, these categories indicate that a majority (**55%**) of organizations anticipate price **increases of up to 15%**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Don't know/Decision not yet made' is not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25

While a majority continues to pass through up to 50% of tariff costs to customers, a growing share is now passing on 51–100% of costs

Approximately what percentage of total tariff-related costs has your organization passed through to customers in the form of price increases?^{(a)(b)} *Single select*



Key Observations

- Majority still passes through **1–50%** of tariff costs to customers, but this has dropped to **55%** from **66%** in Sep'25 and **73%** in May'25, indicating structural rebalancing in how organizations are absorbing vs transferring costs
- The share of organizations passing through **51–100%** of tariff-related costs has risen to **34%** (**21%** in Sep'25 and **13%** in May'25), signaling a clear shift toward higher customer cost transfer over time
 - The New York Fed Survey indicates that nearly **one-third** of **manufacturers** and about **45%** of **service organizations** are **fully passing on all tariff-related cost** increases to their customers (>>)

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Don't know/not able to calculate' is not considered in the graphical representation due to limited response

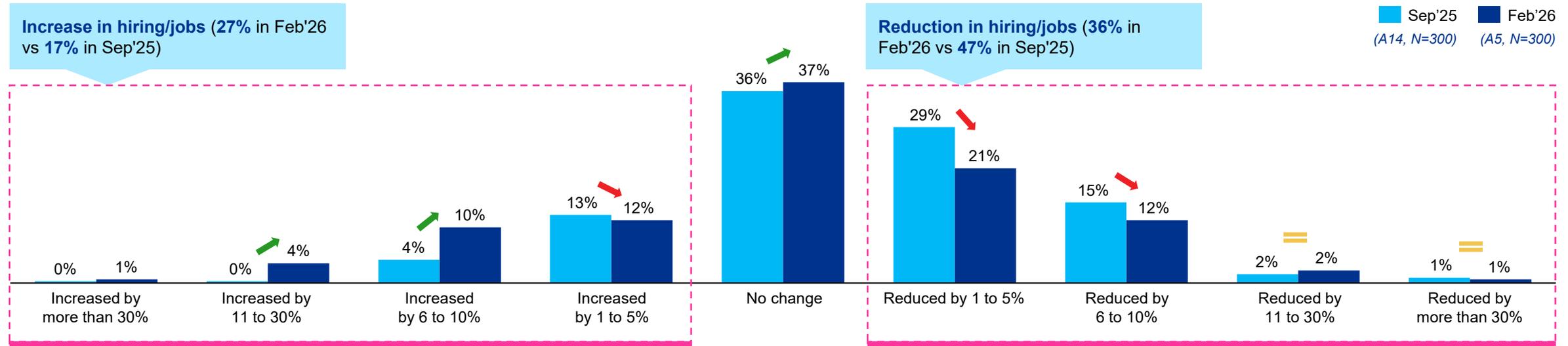
Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25

05

Tariff impact on the workforce

Compared to the last survey, hiring cuts have eased by 11 percentage points, offset by an increase in job additions

How have recent tariff policies affected hiring or job loss in your US workforce?^{(a)(b)} *Single select*



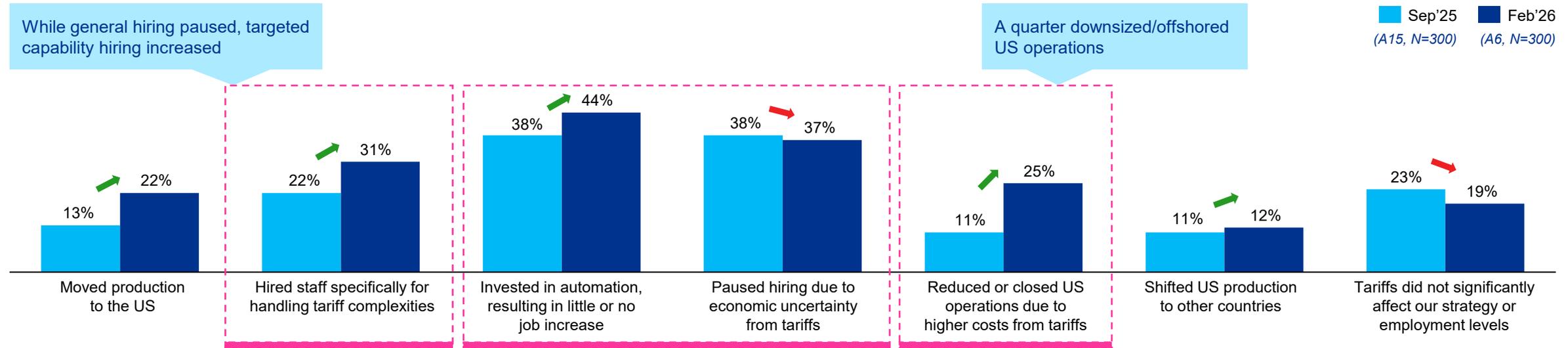
Key Observations

- Most respondents continue to report **job reductions**; however, the overall share of organizations reporting reductions declined from **47%** in the previous survey to **36%** now
- A higher share of organizations now report net **increases** in hiring (**27%** in Feb'26 vs **17%** in Sep'25)
- Several respondents (**37%**) continue to report **no change** in hiring

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Don't know/impact not measurable' is not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25

Organizations increasingly leaned on automation and specialized hiring to navigate tariffs

Which of the following business responses to tariffs were the primary drivers of the change (or lack of change) in your US employment levels?^{(a)(b)} Multi select



Key Observations

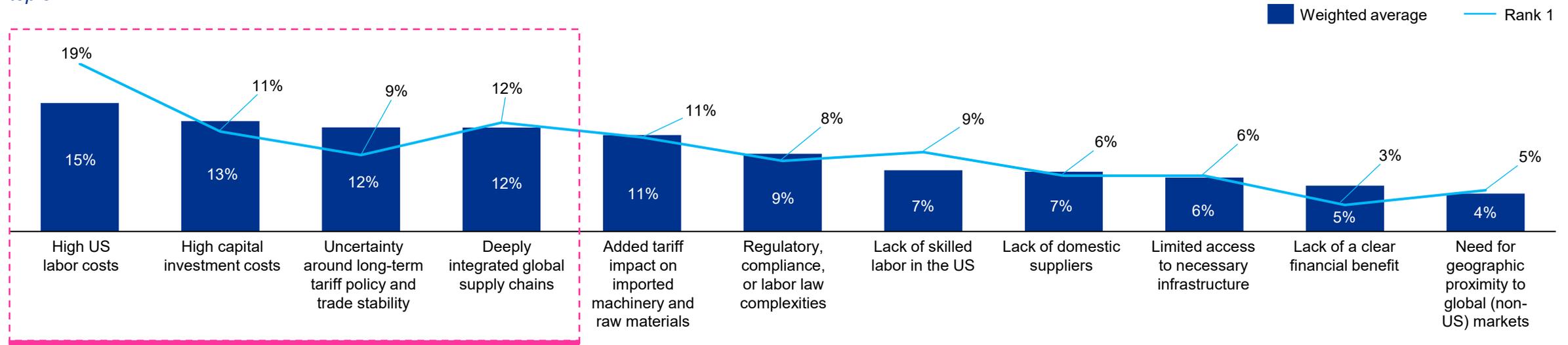
- Cost and efficiency levers have strengthened in the current survey, with **investment in automation** rising to **44%** from **38%**, and **hiring pauses** remaining largely unchanged (**37% vs 38%**)
- However, in the current survey, **31%** of respondents **hired staff specifically for handling tariff complexities**, up from **22%** in Sep'25, signaling a greater need for specialized expertise

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response

Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25

High labor, capital costs, policy uncertainty, and integrated global supply chains are the key barriers to shifting US-based production and employment

What are the top 3 challenges your company would face in shifting more of its production and employment to the US in the current tariff environment?^{(a)(b)} N=300; Rank top 3



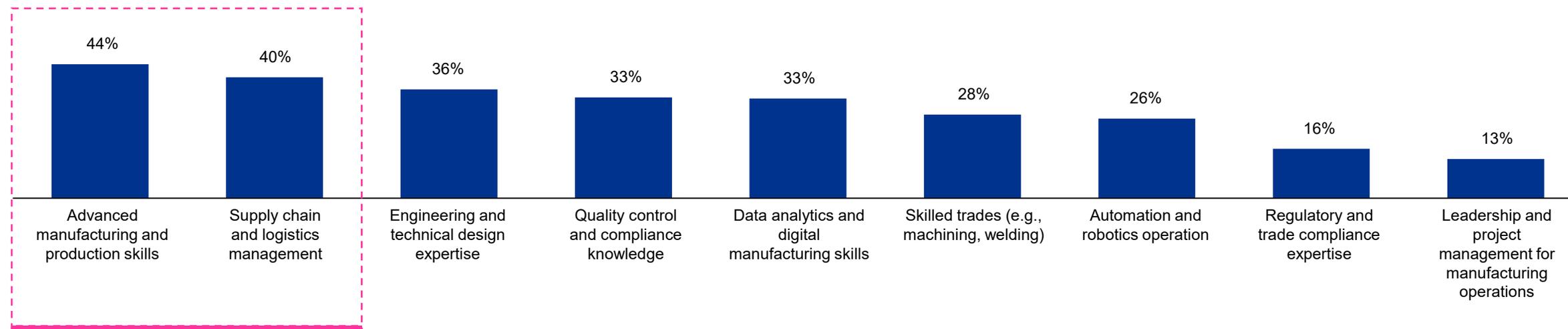
Key Observations

- **High labor costs (weighted average 15%), high capital investments costs (weighted average 13%), uncertainty around long term tariff policy and trade stability (weighted average 12%), and deeply integrated global supply chains (weighted average 12%)** are the top challenges faced while shifting production and employment to the US in the current tariff environment
- According to Supply Chain Management review article published in Nov'25, **labor costs** are the biggest hurdles for businesses to shift operations to US, as US labor averages US\$25 to US\$30 an hour compared to US\$6 to US\$7 in China (>>)

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Feb'26

Domestic talent gaps are concentrated in advanced manufacturing and supply chain capabilities

What specific areas of expertise are most difficult for your company to find domestically?^{(a)(b)} N=300, Multi select



Key Observations

- **Advanced manufacturing and production skills (44%), supply chain and logistics management (40%), and engineering and technical design (36%)** are the most difficult to find domestically – indicating the biggest shortages sit in core production + technical + supply chain capabilities
- According to a Nov '25 Supply Chain Management Review article, manufacturers face persistent domestic shortages in **advanced digital manufacturing skills**, such as robotics and digital twin management. Businesses also face challenges due to the lack of **ecosystems of specialized suppliers** that produce the materials, tools, and components required at every stage of production (>>)

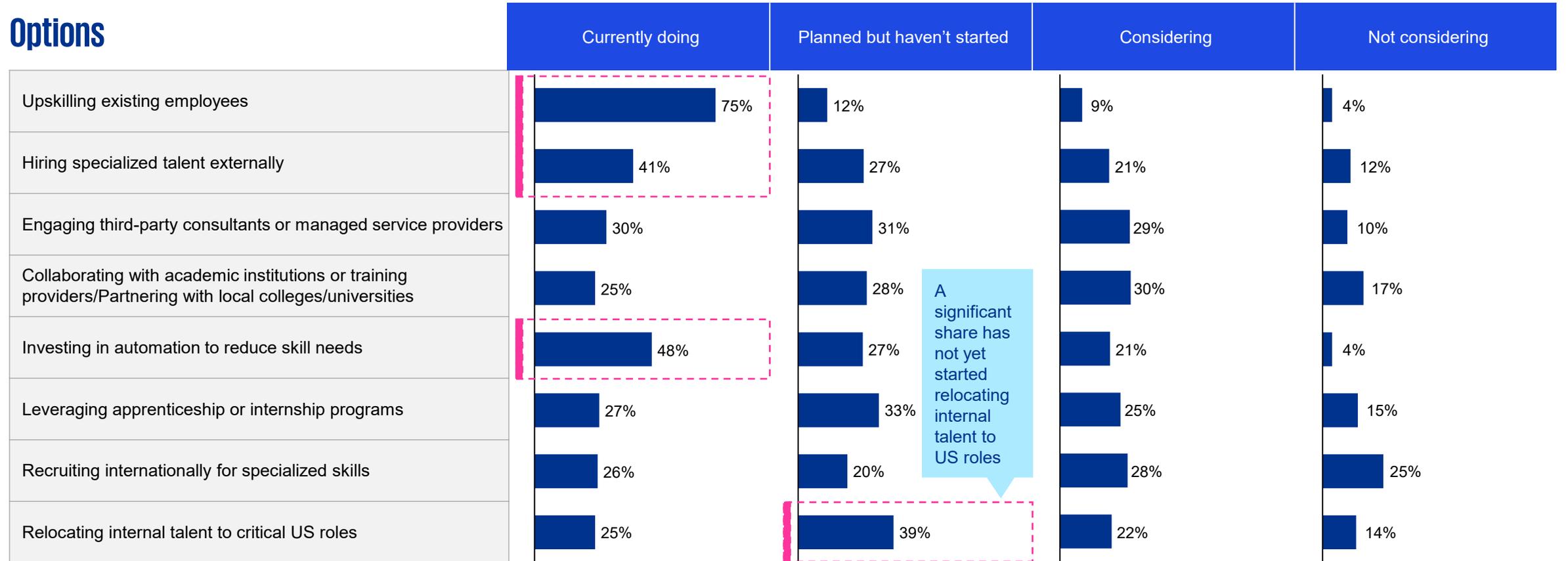
Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response

Source(s): KPMG Tariff Survey Feb'26

Organizations are primarily addressing skill gaps through upskilling existing employees, complemented by automation and targeted hiring

How is your company addressing the workforce skill gaps?^{(a)(b)} N=300; Matrix, Single select

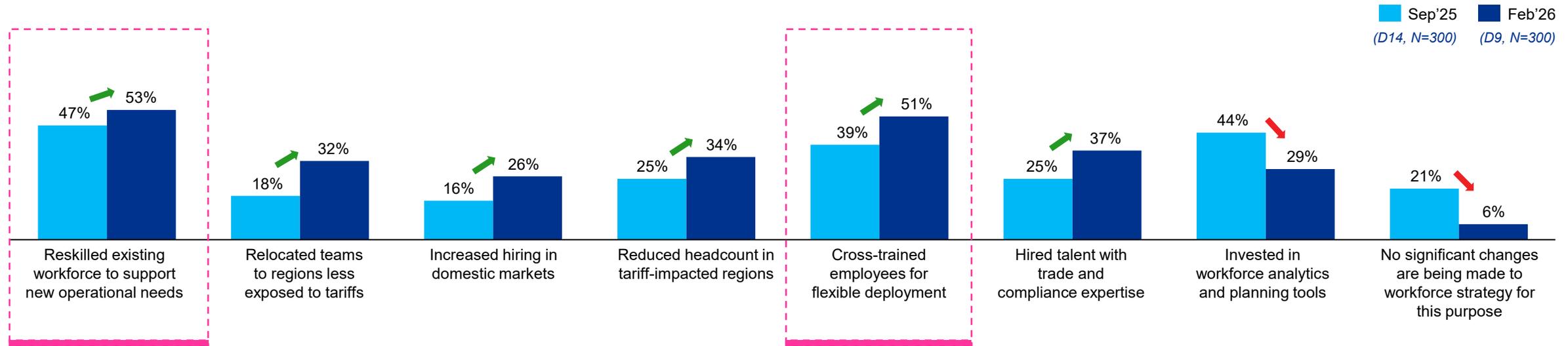
Options



Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Feb'26

Organizations are prioritizing reskilling and cross-training of existing employees to build workforce resilience against tariff volatility

Which workforce strategies are being prioritized to improve resilience against tariff volatility?^{(a)(b)} Multi select



Key Observations

- In line with the previous survey, organizations continue to prioritize **reskilling the existing workforce (53%)** and **cross-training employees (51%)**, reinforcing internal capability building to manage tariff-driven operational shifts
- However, **investment in workforce analytics** has declined (**29% vs 44%**), with organizations instead focusing on **reducing headcount in tariff-impacted regions (34%)** and **relocating teams to regions less exposed to tariffs (32%)**

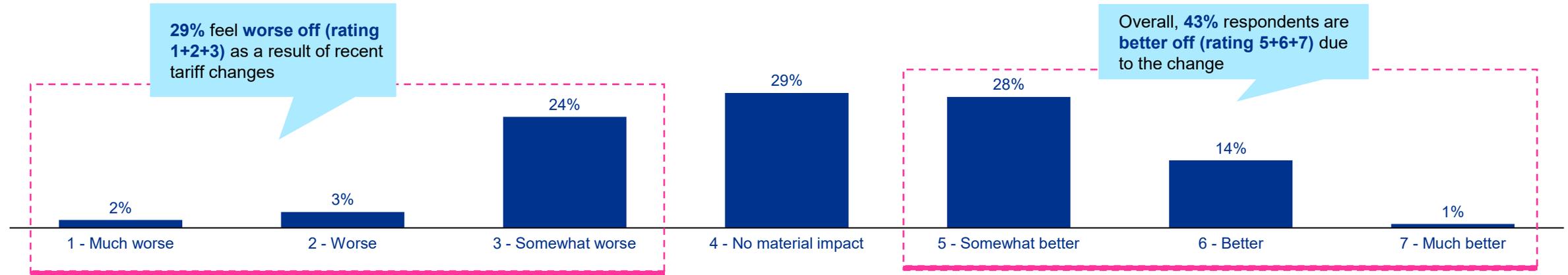
Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25

06

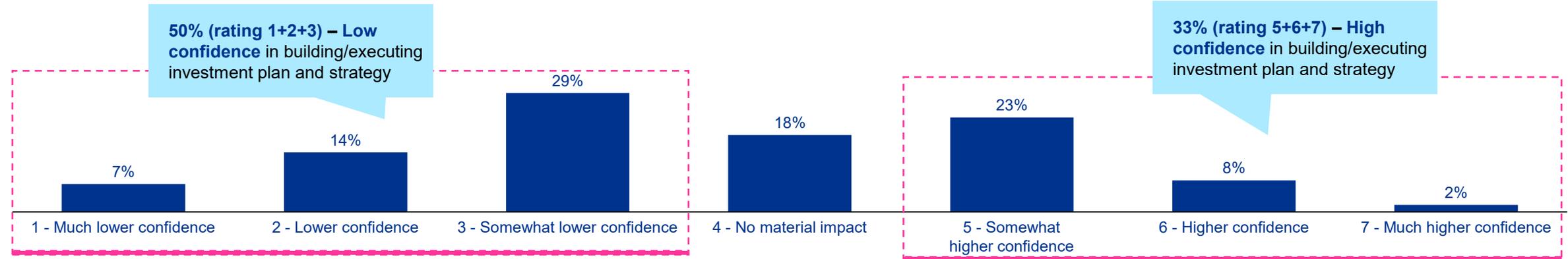
Tariff impact post- SCOTUS ruling

Post-SCOTUS: Despite a broadly improved sentiment following recent tariff rulings, ongoing volatility is still undermining investment confidence

Overall, are you better or worse off as a result of the recent tariff changes, including the Supreme Court ruling and the new flat 15% tariff?^{(a)(b)} N=119, Sliding scale



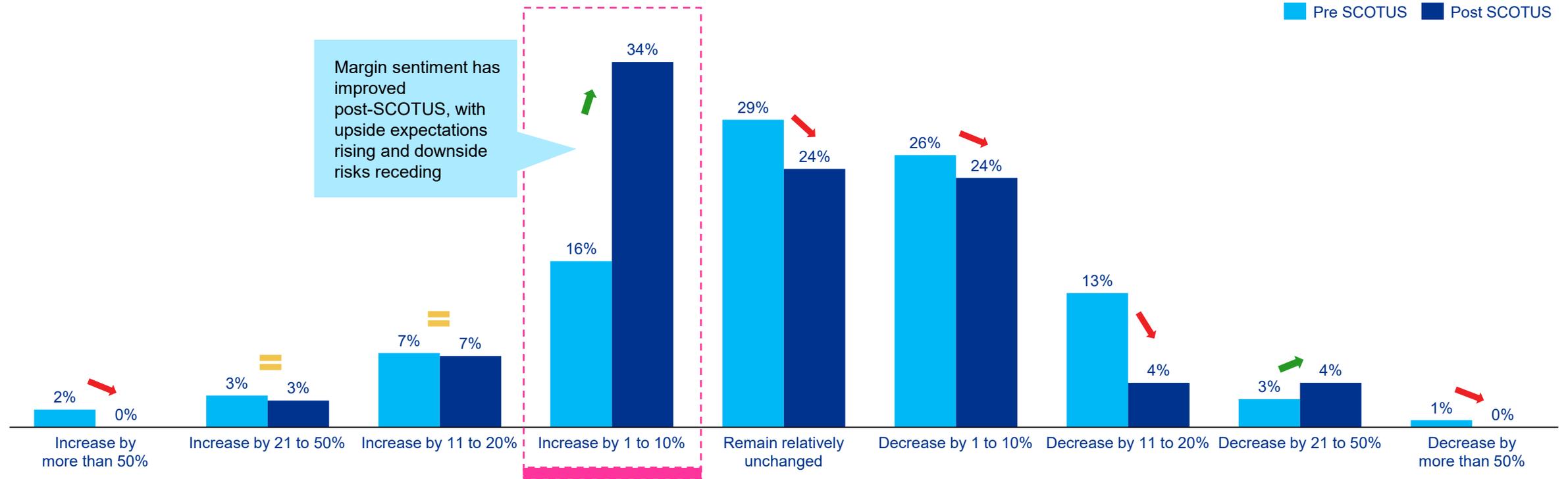
Q2. How does this volatility impact your confidence in building and executing your investment plan and strategy?^(a) N=119, Sliding scale



Note(s): (a) Sum of percentages may not add up to 100 due to rounding
 (b) The survey question references a potential flat 15% tariff based on policy indications at the time of fielding; while a 10% tariff was enacted, respondents were asked to assess sentiment in the context of anticipated tariff changes.
 Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)

Post-SCOTUS: The ruling has shifted expectations towards modest margin upside

Based on recent tariff changes, including the Supreme Court ruling, how do you expect the impact on your company's margins to be over the next 12 months?^{(a)(b)} *Single select*

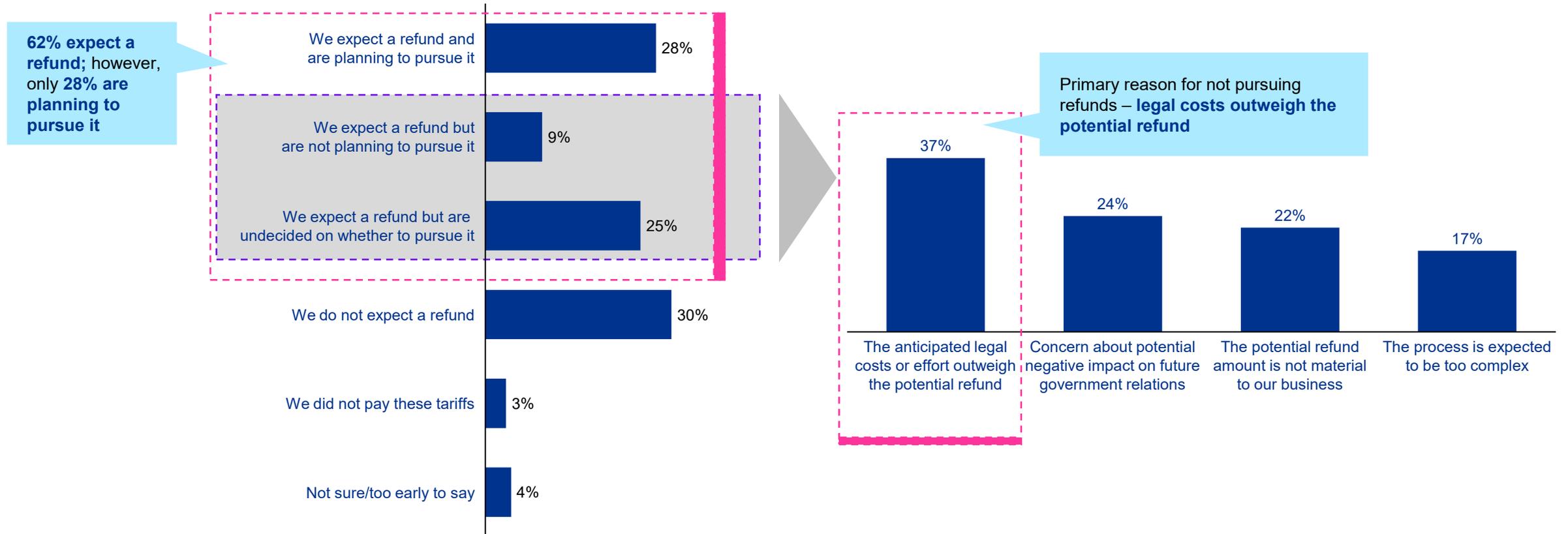


Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Not sure/Impact is still uncertain' is not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS); KPMG Tariff Survey Feb'26

Post-SCOTUS: While 62% expect a refund, fewer than 3 in 10 plan to pursue it; legal complexity and cost concerns are holding them back from acting

Following the Supreme Court's recent ruling on the President's emergency tariffs, which statement best describes your company's position on a potential refund?^(a)
 N=119, Single select

What is the primary reason your company is not planning or undecided about pursuing a refund at this time?^{(a)(b)} N=41, Single select



Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The options 'Other (please specify)' and 'Prefer not to say' are not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)

Post-SCOTUS: Refund pursuit shows a clear dollar threshold – bigger refunds trigger action, smaller refunds are largely ignored

Following the Supreme Court’s recent ruling on the President’s emergency tariffs, which statement best describes your company’s position on a potential refund?^{(a)(b)}
N=119, Single select;

Regarding the tariffs affected by the recent Supreme Court ruling, what is the approximate refund your company anticipates?^(a) *N=74, Single select*

Expected refund amount	Likelihood of pursuing refund		
	Will pursue refund	Undecided/evaluating	Will not pursue refund
< \$1M	50%	0%	50%
\$1–5M	25%	20%	55%
\$5–25M	53%	13%	33%
> \$25M	58%	17%	25%

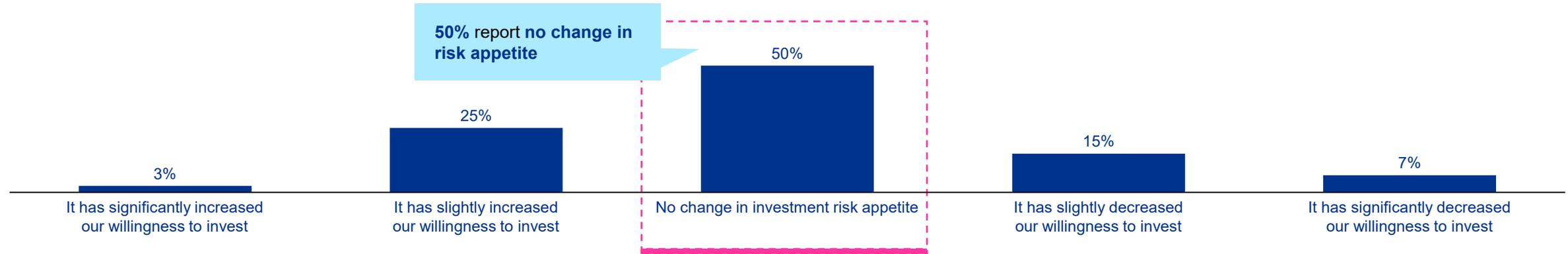
Respondents expecting small refunds up to \$5M reflect lower pursuit; low ROI below this threshold

Respondents expecting large refunds >\$25M reflect higher pursuit; high ROI materially increases likelihood of action

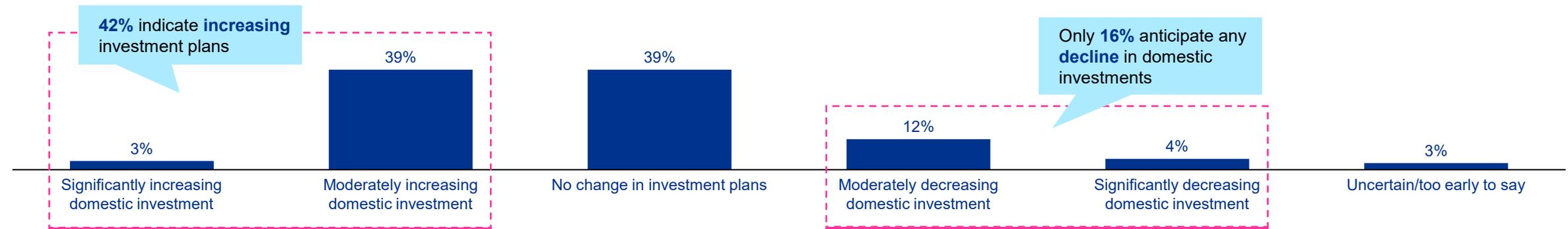
Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The options 'We do not expect a refund', 'We did not pay these tariffs', and 'Not sure/too early to say' are not considered in the representation
 Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)

Post-SCOTUS: Investment risk appetite remains largely unchanged, with domestic investment momentum skewing positive over the next 12 months

How has the court decision and subsequent announcements from the administration affected the overall investment strategy of your company?^{(a)(b)} N=119, Single select



Q8. What is your company's outlook for US domestic investments over the next 12 months, given the current tariff situation (IEEPA refunds pending and new tariffs in place)?^{(a)(b)} N=119, Single select

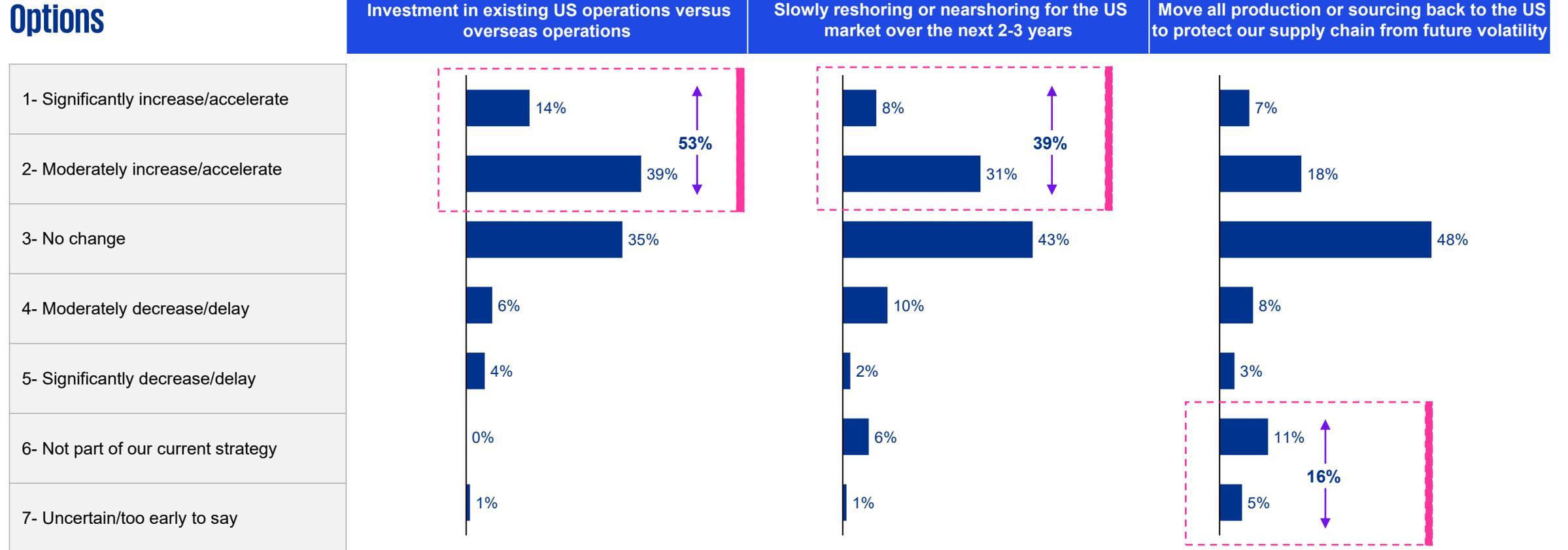


Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response

Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)

Post-SCOTUS: Recent tariff developments are accelerating investments in existing US operations versus overseas operations

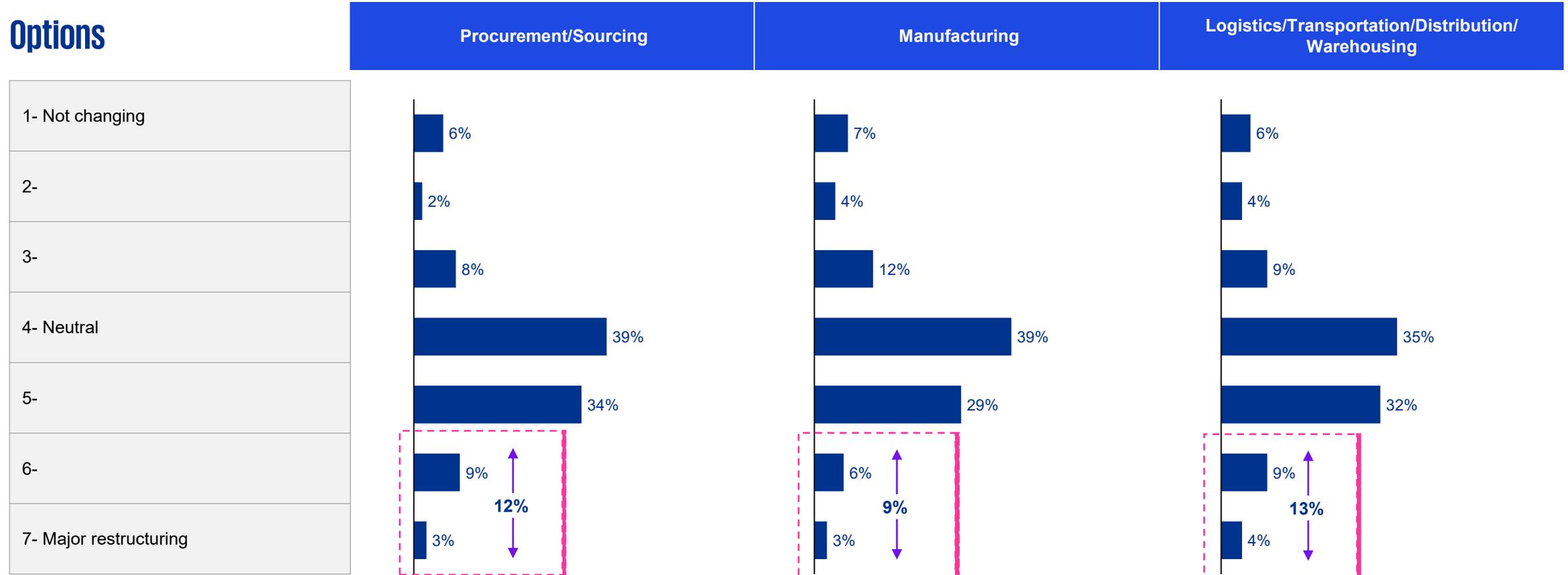
How have recent tariff developments (including the Supreme Court decision and recent administration actions) impacted your company's production and supply chain investment strategies?^{(a)(b)} N=119; Matrix, Sliding scale



Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)

Post-SCOTUS: Supply chain strategies are set for incremental tweaks; only few plan major restructuring

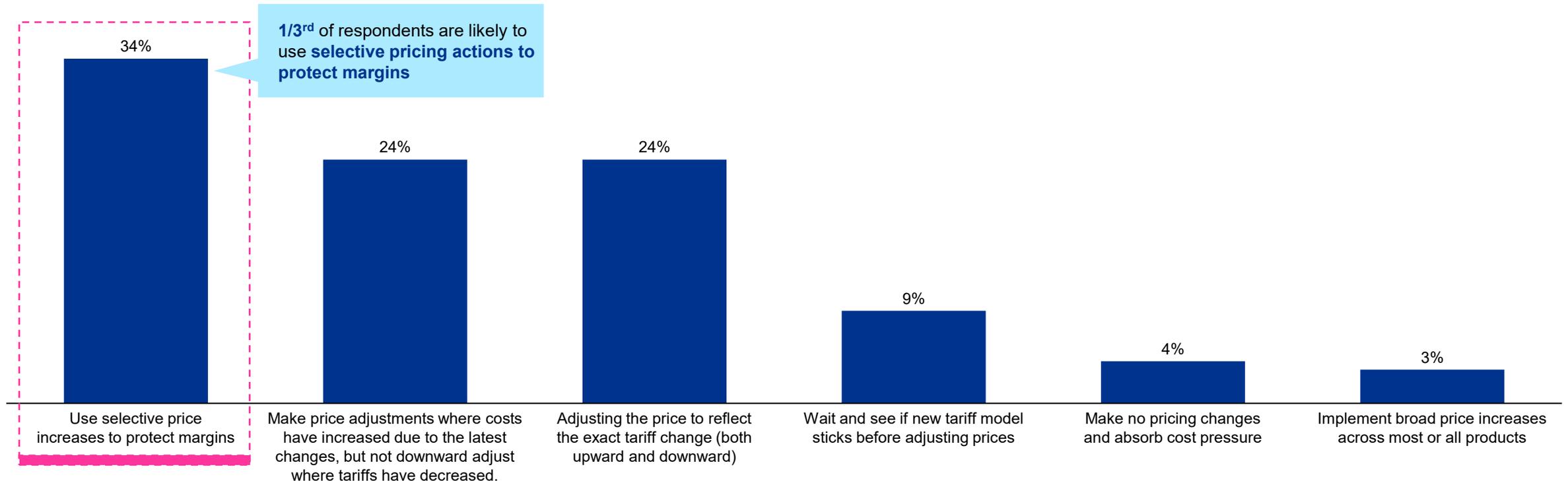
How significantly do you expect your supply chain strategy and footprint to change in the next 12 months due to current tariff changes?^(a) N=119; Matrix, Sliding scale



Note(s): (a) Sum of percentages may not add up to 100 due to rounding
 Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)

Post-SCOTUS: Organizations are favoring targeted price adjustments over broad increases in response to post-ruling tariff uncertainty

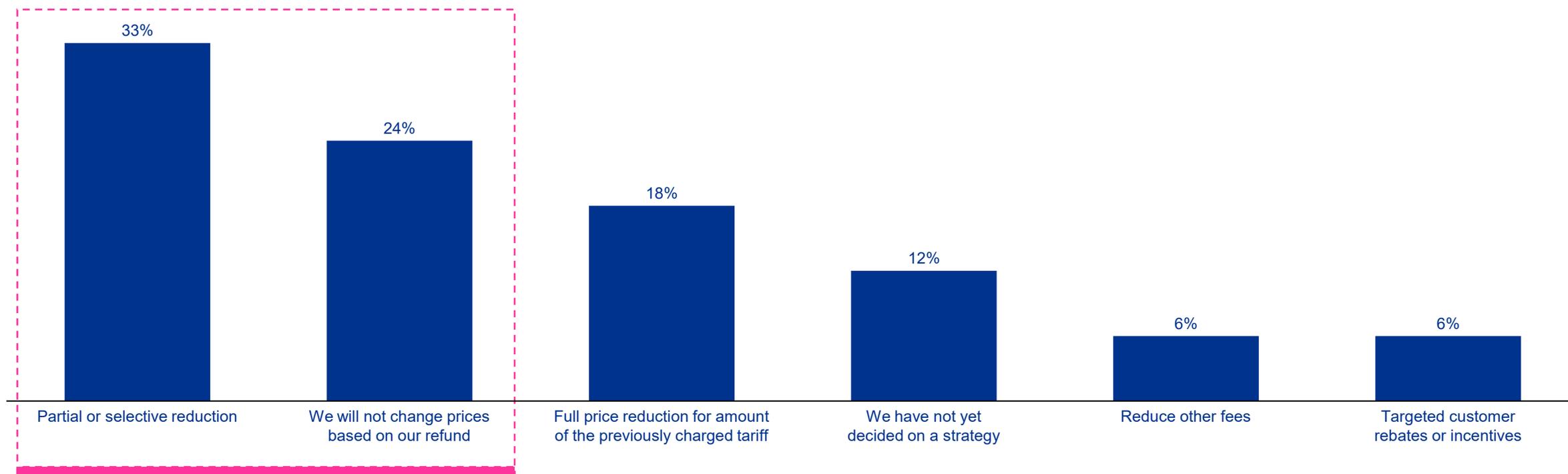
In light of recent tariff developments and the court ruling, how likely is your company to take the following new pricing actions?^(a) N=119, Single select



Note(s): (a) Sum of percentages may not add up to 100 due to rounding
Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)

Post-SCOTUS: Refunds are not expected to translate into broad price cuts; most organizations opt for selective or no pass-through

How will the expected refund for past tariff payments affect your company's prices for relevant products?^{(a)(b)} N=33, Single select



Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response

Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)

Post-SCOTUS: Tariffs are keeping US workforce levels largely steady; reskilling leads while hiring and layoffs remain muted

How do you expect current tariff impacts to affect the following US workforce decisions over the next 12 months?^(a) N=119; Matrix, Sliding scale



Note(s): (a) Sum of percentages may not add up to 100 due to rounding
 Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)



Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.



[kpmg.com](https://www.kpmg.com)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

For non-KPMG personnel: The views and opinions expressed herein are those of the interviewees/survey respondents/authors* and do not necessarily represent the views and opinions of KPMG LLP.

For KPMG personnel: This article represents the views of the author(s) only, and does not necessarily represent the views or professional advice of KPMG LLP.

© 2026 KPMG LLP, a Delaware limited liability partnership and its subsidiaries, are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.