



Tariff Pulse Survey: U.S. Businesses Grapple with Tariff Fallout Six Months In

October 2025

This survey of 300 business leaders shows how companies are adapting and building resilience to mitigate tariff impact since April 2.



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01

Executive summary

Executive summary (1/3)

The impact of tariffs — US businesses face headwinds to profitability and growth

Tariffs have constricted gross margins

- 39% say gross margins have decreased due to tariffs, 39% say margins have remained relatively unchanged, and only 2% say margins increased
- Looking ahead over the next year, 44% expect gross margins to further decrease, 41% remain relatively unchanged, and 7% increase

Demand for US products is weakening

- 35% report a decline in sales and 31% that sales are being deferred; 31% report no change and 3% an increase
- 82% of US companies report a decline in foreign sales due to the current tariff environment—most a decline between 6-25%; only 17% report no change in foreign sales and 1% an increase

Tariff uncertainty undermines business confidence

- Only 23% of respondents feel confident that US tariff levels will remain stable enough to support their planning and investment decisions; 54% cite trade uncertainty as a top challenge
- 31% say tariffs have weakened their competitive position, 48% tariffs have mixed effects in different markets, and only 4% tariffs have improved their competitive position

Source(s): KPMG Tariff Survey 2.0, Sep'25

Executive summary (2/3)

The strategic response to tariffs

Postponing capital investments

- 57% postponed major new capital investments due to tariffs and another 5% have cancelled; 34% made no changes to investments and 4% are accelerating investments
- Market expansion investments (57%) and upgrades to manufacturing facilities (53%) were the investments most affected

Passing on tariff costs to consumers with higher prices

- 88% passed on tariff costs to customers; among these, 66% passed on 1-50% of the tariff implications, but 22% of respondents passed on more than half of the tariff costs
- 43% are seeking to not only break even but increase margins as their main pricing goal
- In the next six months, 80% plan further price increase—38% expect to increase prices by more than 6%

Cutting back hiring and employment

- 47% have reduced workforces and hiring due to tariffs, 36% no change, and 17% increased their workforce
- Specific workforce actions include 38% pausing hiring due to tariffs, 38% investing in automation without increasing jobs, and 22% reducing US employment due to tariff costs or moving to lower tariff regions

Considering reshoring to the US—but little action so far

- 63% are in the early stages of evaluation for potentially reshoring to the US
- However, only 7% have a formal planning process and 3% are executing a relocation plan
- Only 14% say it is feasible to reshore—with most uncertain
- High labor (65%) and operating costs (61%) are the top barriers to reshoring

Executive summary (3/3)

Functional adaptations to tariffs

Gaps to improve readiness and governance

- 55% cite regulatory and compliance complexity as the top challenge in managing tariffs
- 53% rated their organizations as prepared or very prepared for sudden tariff changes
- However, only 31% have a dedicated cross-functional team to handle the tariff response, and 28% an assigned leader—suggesting responses may be fragmented

Accelerating innovation and automation

- 50% say tariffs drive acceleration of automation
- Tariffs significantly or moderately influenced AI adoption strategy for 44% of respondents
- 51% say GenAI will be an integral part of their tariff response / trade strategy
- 51% are using GenAI for strategic scenario modelling

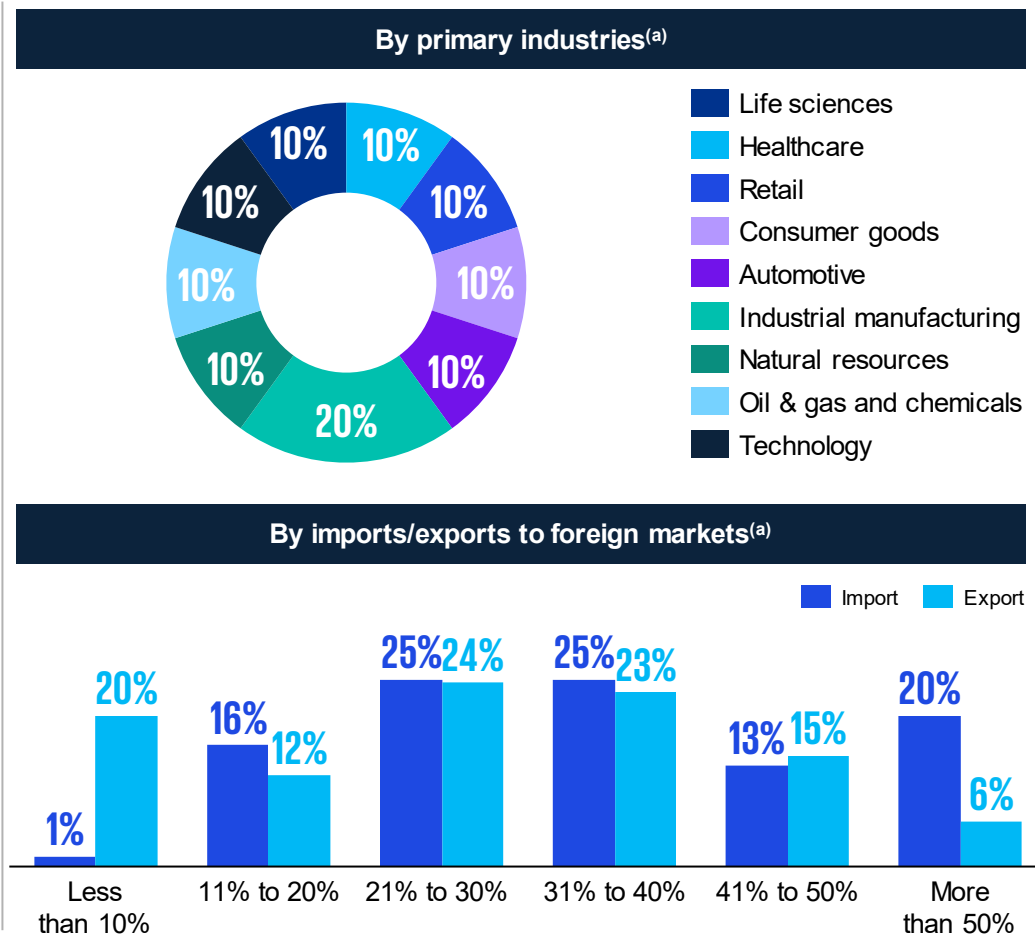
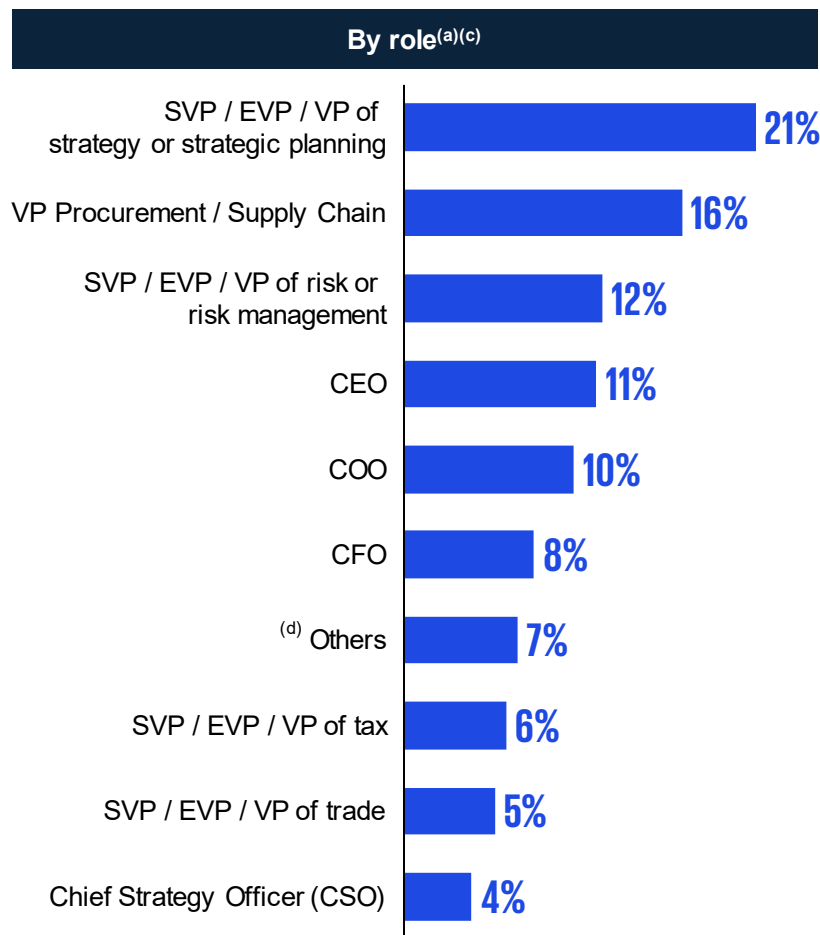
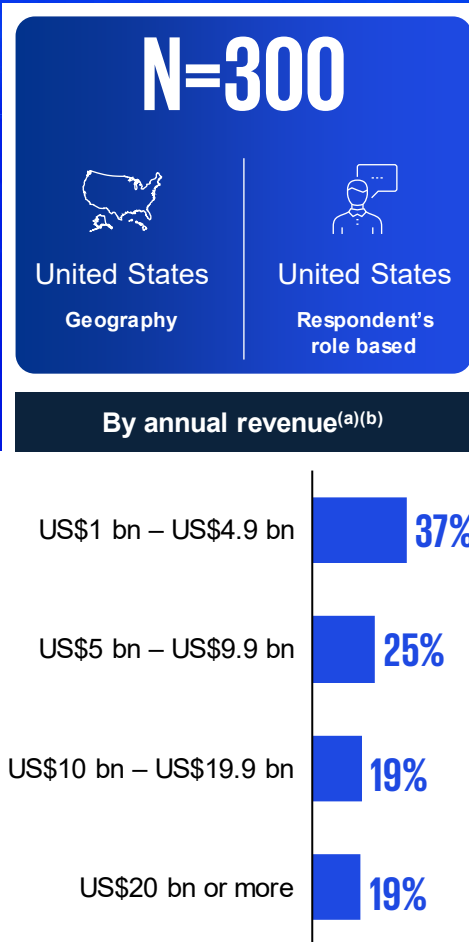
Adapting supply chains to the new tariff landscape

- 62% are reconfiguring supply chains
- To do so, 54% have diversified with new suppliers from lower-tariff regions
- 46% updated supplier risk programs with enhanced screenings and assessing high-risk third parties
- 45% added tariff clauses to supplier agreements

Adjusting tax, compliance, and corporate structures

- 27% implemented changes to both corporate structure and tax strategy
- The compliance processes requiring the most change were product tariff classification (22%) and country-of-origin determination (22%)
- 76% report minor-to-moderate cost increase in compliance functions due to tariffs

Respondents' overview



Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'I don't know / prefer not to say' is not considered in the graphical representation due to limited response; (c) The option 'Other', 'Chief Tax Officer / Head of Tax' and 'Chief Risk Officer (CRO)' is not considered in the graphical representation due to limited response; (d) For cleaner representation, we have clubbed the responses of the roles 'Chief Legal Officer', 'Chief Compliance Officer (CCO)', 'Chief Commercial Officer / Chief Revenue Officer', 'Chief Trade Officer', and 'SVP / EVP / VP of Legal Affairs or Government Relations' into a single category labeled "Others"

Source(s): KPMG Tariff Survey 2.0, Sep'25

02

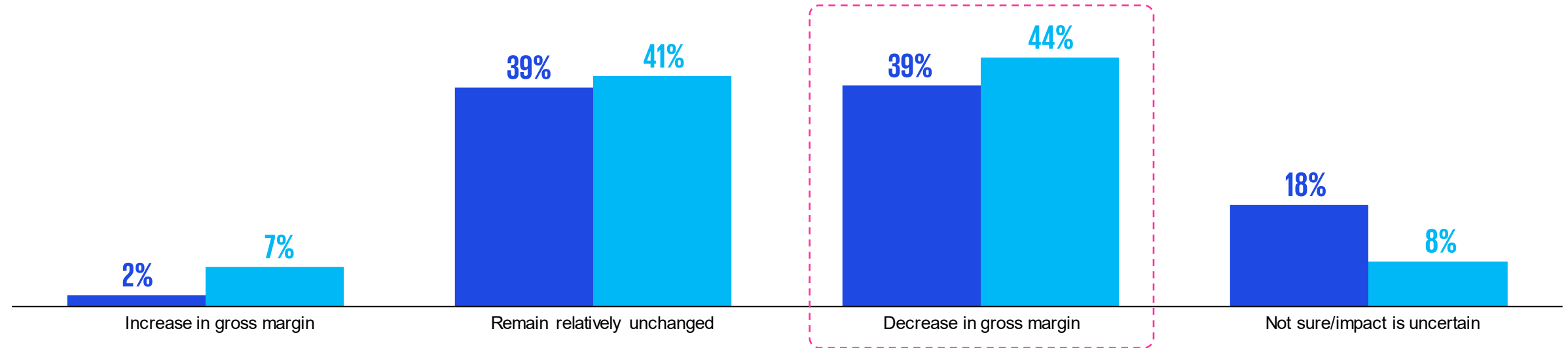
Tariff impact

Companies face gross margin pressure due to tariffs

■ Current impact ■ Anticipated impact

How have tariffs impacted your company's gross margin?^{(a)(b)(c)} N=300; Single select

Looking ahead over the next 12 months, what do you anticipate the net impact of tariffs will be on your company's gross margin? ^{(a)(c)} N=300; Single select



Key observations



- 39% report gross margins have **decreased** due to tariffs, compared to only 2% who say margins have **increased**
 - 44% expect gross margins to decrease further over the next year
- 39% report gross margins are **relatively unchanged**, and 41% expect margins to remain stable over the next year

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Have not been able to calculate' is not considered in the graphical representation due to limited response; (c) The options 'Increase by more than 50%', 'Increase by 21-50%', 'Increase by 20%' have been clubbed under 'Increase in gross margin' and options 'Decrease by 20%', 'Decrease by 21-50%' and 'Decrease by more than 50%' have been clubbed under 'Decrease in gross margin'

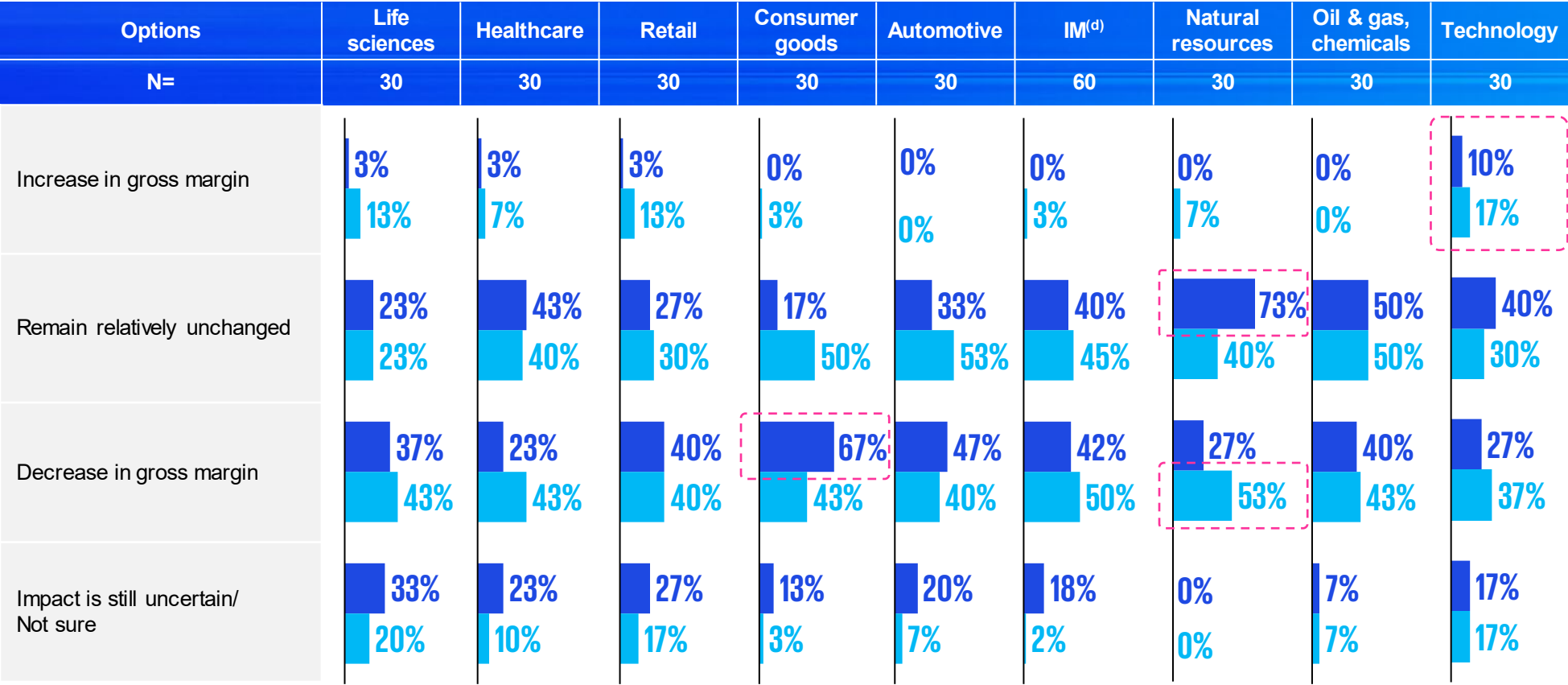
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most sectors report a decrease in gross margins

■ Current impact ■ Anticipated impact

How have tariffs impacted your company’s gross margin?^{(a)(b)(c)} N=300; Single select

Looking ahead over the next 12 months, what do you anticipate the net impact of tariffs will be on your company’s gross margin?^{(a)(c)} N=300; Single select



Key observations

- 67% of Consumer Goods report a **decrease** in gross margins—the highest of any sector
- Though 73% of Natural Resources report their margins are currently **unchanged**, 53% expect margins to **decrease** in the next 12 months—suggesting they expect the situation to deteriorate
- 17% of Technology anticipate an **increase in gross margins**, higher than other sectors

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Have not been able to calculate' is not considered in the graphical representation due to limited response; (c) The options 'Increase by more than 50%', 'Increase by 21-50%', 'Increase by 20%' have been clubbed under 'Increase in gross margin' and options 'Decrease by 20%', 'Decrease by 21-50%' and 'Decrease by more than 50%' have been clubbed under 'Decrease in gross margin'; (d) IM stands for industrial manufacturing

Source(s): KPMG Tariff Survey 2.0, Sep'25

Most say tariffs increased the cost of sourcing / manufacturing in China by 16-40%

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

	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	31%	32%	30%	4%	2%	1%	0%	1%
Mexico	11%	44%	32%	9%	1%	0%	0%	3%
Central America (excl. Mexico)	42%	45%	5%	5%	0%	0%	0%	3%
South America	33%	54%	7%	3%	0%	0%	0%	3%
Caribbean	19%	56%	13%	6%	0%	0%	0%	6%
Europe	19%	38%	37%	3%	0%	0%	0%	2%
United Kingdom	10%	64%	20%	5%	0%	0%	0%	1%
Japan	19%	49%	19%	6%	3%	1%	0%	2%
South Korea	20%	49%	24%	5%	2%	0%	0%	0%
China	3%	10%	35%	42%	7%	2%	1%	0%
Taiwan	8%	35%	37%	13%	6%	0%	0%	2%
ASEAN (Association of Southeast Nations)	12%	32%	42%	11%	1%	1%	0%	2%
India	11%	14%	27%	34%	10%	2%	0%	1%
Australia / New Zealand	68%	16%	5%	8%	3%	0%	0%	0%
Africa	18%	68%	13%	0%	0%	0%	0%	3%
Middle East	57%	22%	11%	4%	2%	0%	0%	4%

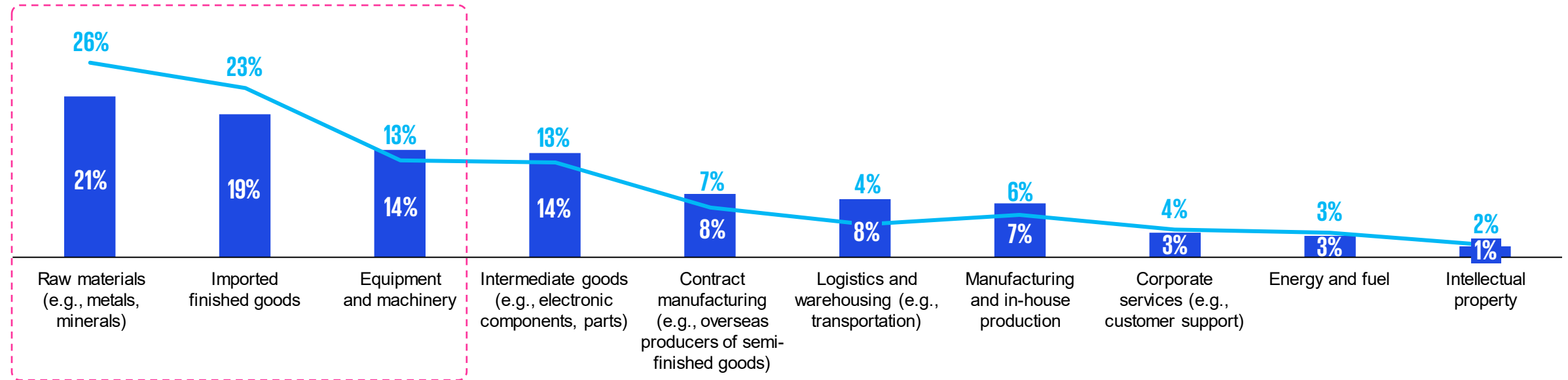
Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) N value has not been represented since it is different for each region

Source(s): KPMG Tariff Survey 2.0, Sep'25

Raw materials, finished goods, and equipment are the three cost areas most affected by tariffs

■ Weighted Average — Rank 1

Which of your company's imports or foreign operations are most affected by current or potential tariffs?^(a) N=300; Rank top 3



Key observations



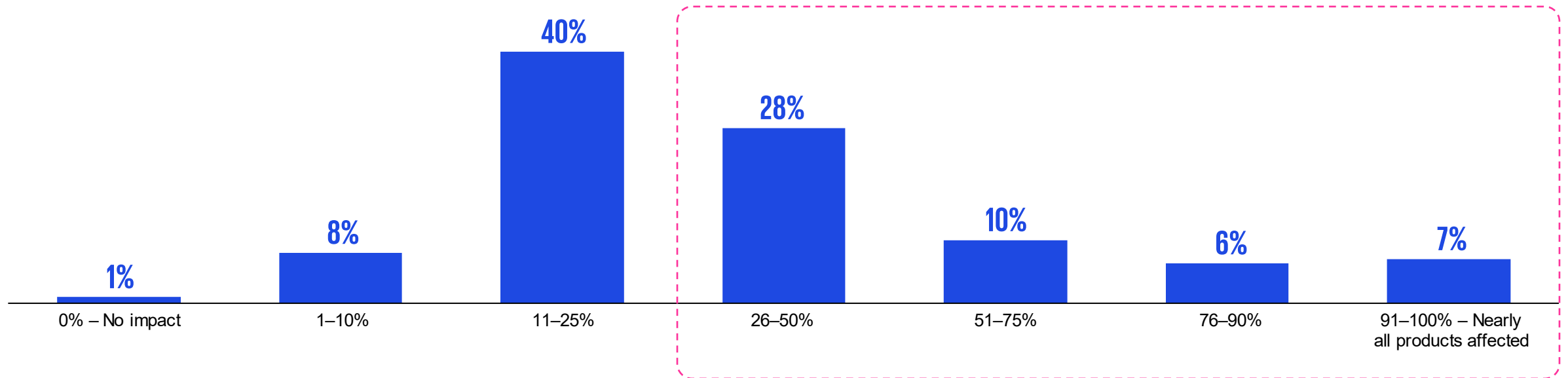
- **Raw materials (e.g., metals, minerals), imported finished goods, and equipment and machinery** had the most exposure to tariffs—with an average of 21%, 19% and 14% of organizations ranking these as their top concerns, respectively
- Services and intangible assets like **corporate services** and **intellectual property** remained largely unaffected

Note(s): (a) The option 'Other (please specify)' is not considered in the graphical representation due to limited response

Source(s): KPMG Tariff Survey 2.0, Sep '25

Half of organizations say over 25% of their products are affected by tariffs

What percentage of your products are affected by tariffs, including those with any significant parts subject to tariffs?^{(a)(b)} N=300; Single select



Key observations

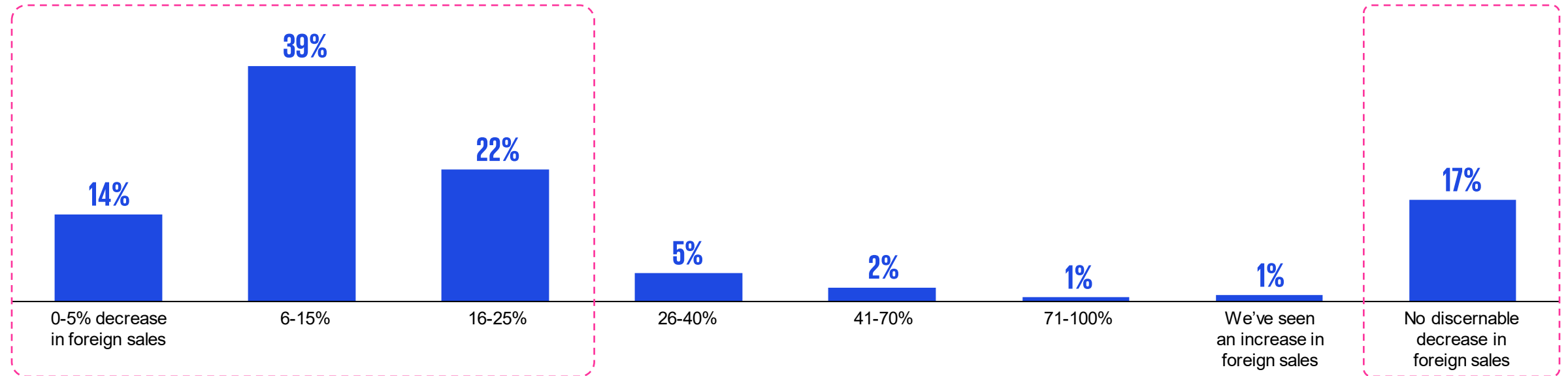


- 51% reported that **over 25%** of their products were impacted by tariffs
- 40% of respondents noted that tariffs had a moderate impact, impacting **11-25%** of their product portfolio

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Not sure' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 2.0, Sep '25

Most organizations reported a drop of up to 25% in foreign sales

Have you seen a negative impact on your sales in foreign markets based on the current tariff environment?^(a) N=300; Single select



Key observations

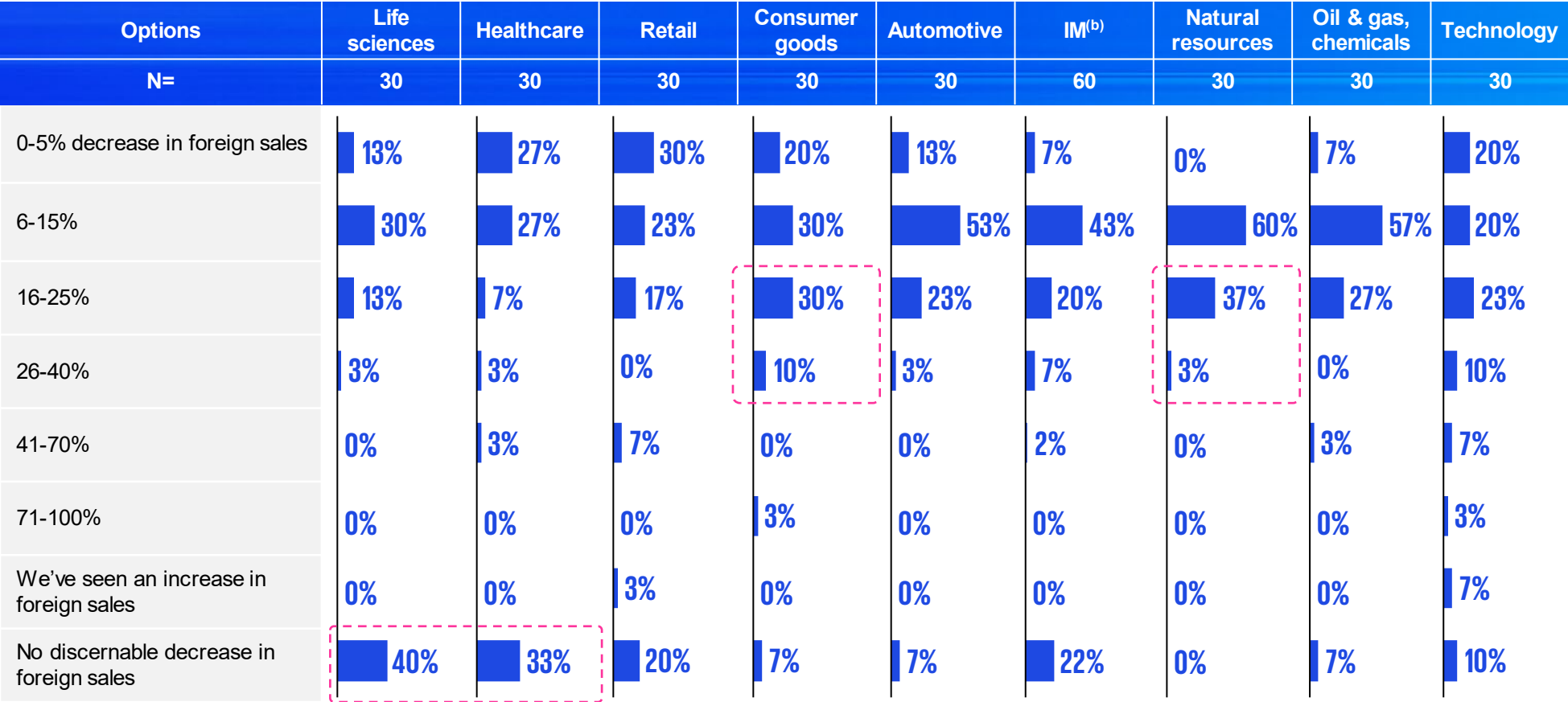


- 75% of respondents experienced a **decrease of up to 25%** in foreign sales, showing tariff-related losses are widespread
- 17% of respondents reported **no discernable decrease in foreign sales**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off
Source(s): KPMG Tariff Survey 2.0, Sep '25

Most sectors report foreign sales decreases between 6-25%

Have you seen a negative impact on your sales in foreign markets based on the current tariff environment?^(a) N=300; Single select



Key observations

- A relatively high share of Consumer Goods and Natural Resources—40% for each—reported foreign sales declines of 16-40%
- 40% of Life Sciences, and 33% of Healthcare, report no decrease in foreign sales

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep '25

39% of organizations exporting to Europe—the largest export destination for US firms-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*

	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%	Unknown
Canada	6%	6%	9%	43%	18%	9%	9%	1%
Mexico	2%	7%	8%	36%	34%	10%	3%	0%
Central America (excl. Mexico)	0%	4%	13%	57%	13%	9%	0%	4%
South America	2%	4%	4%	63%	16%	9%	2%	2%
Caribbean	0%	0%	33%	22%	33%	11%	0%	0%
Europe	3%	7%	18%	30%	21%	11%	7%	3%
United Kingdom	2%	13%	11%	40%	19%	4%	6%	4%
Japan	4%	7%	7%	56%	11%	4%	7%	4%
South Korea	0%	0%	7%	64%	21%	7%	0%	0%
China	2%	11%	4%	15%	48%	13%	7%	0%
Taiwan	0%	14%	14%	29%	14%	14%	14%	0%
ASEAN (Association of Southeast Nations)	0%	0%	6%	20%	57%	12%	4%	0%
India	6%	3%	3%	21%	35%	26%	6%	0%
Australia / New Zealand	8%	8%	15%	54%	8%	8%	0%	0%
Africa	0%	0%	20%	70%	10%	0%	0%	0%
Middle East	0%	6%	32%	39%	13%	6%	3%	0%

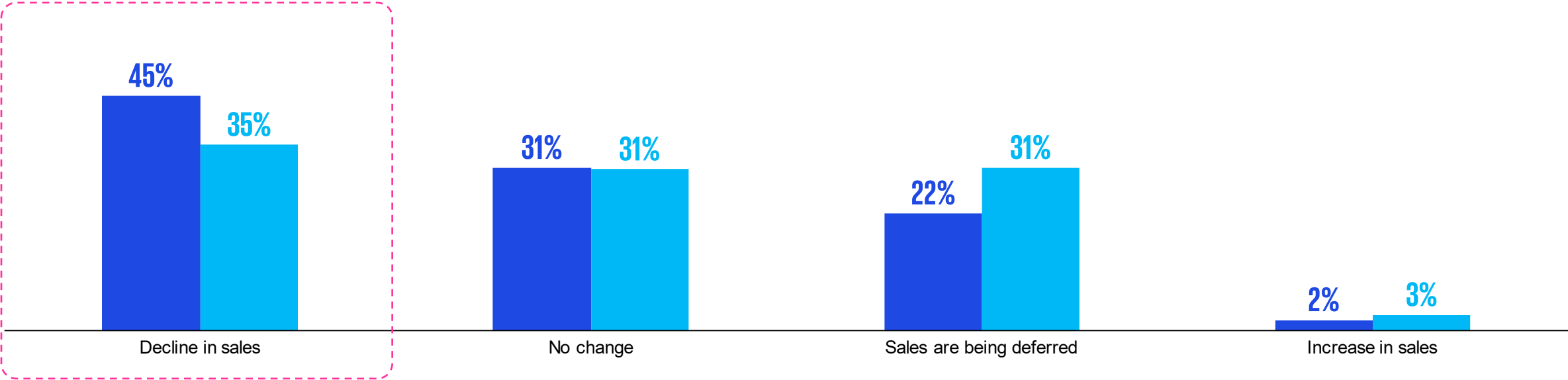
Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) N value has not been represented since it is different for each region; (c) The option 'Other (please specify)' is not considered in the graphical representation due to limited response

Source(s): KPMG Tariff Survey 2.0, Sep'25

Customer demand is weakening but shows some improvement compared to summer 2025

Have you seen changes in customer demand for your products/services?^(a) *Single select*

■ May'25 responses (N=300) ■ Sep'25 responses (N=300)



Key observations

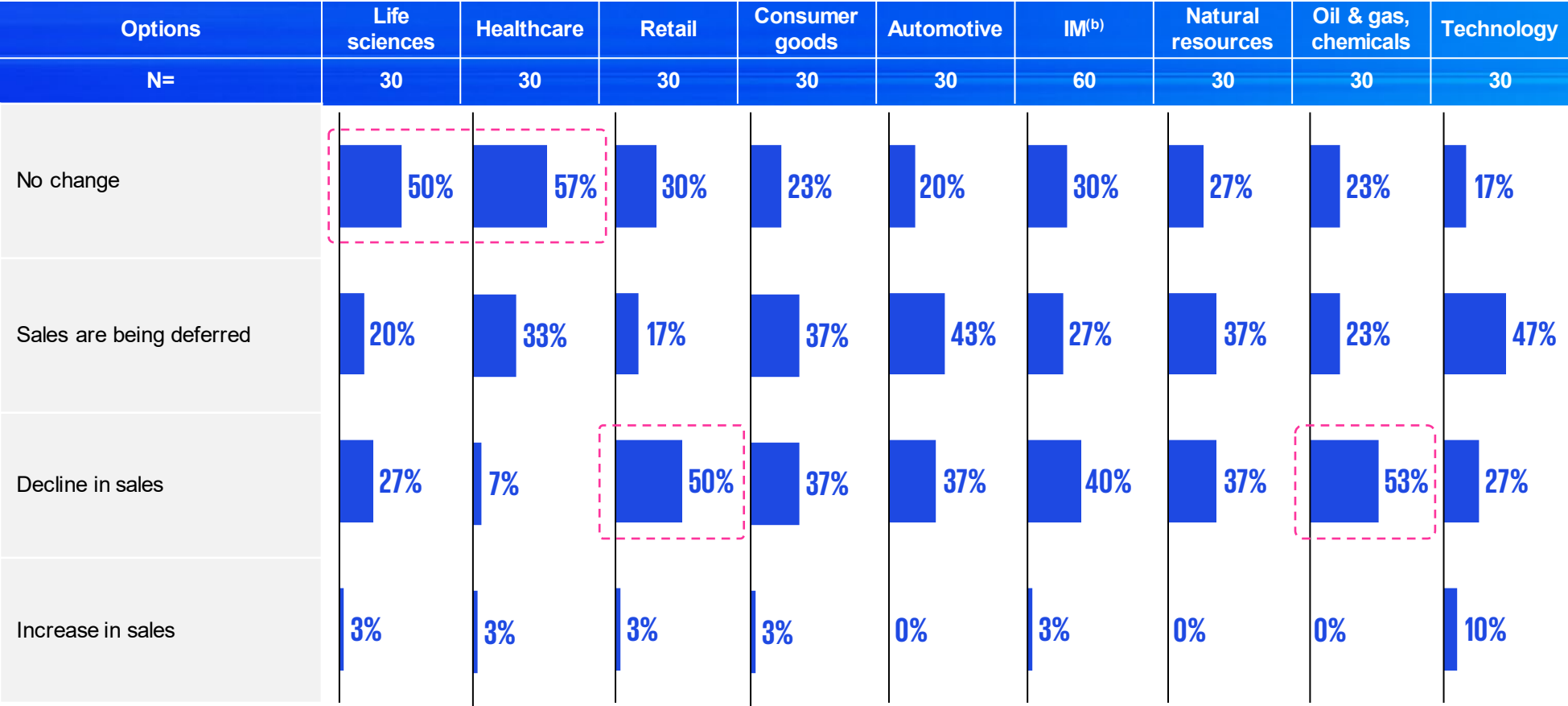


- 35% reported a **decline in sales**, however that's down from 45% last quarter
- 31% reported **sales are being deferred**—up from 22% last quarter
 - This suggests more buyers are deferring purchases rather than outright cancelling
- 31% reported **no change** in customer demand—the same as last quarter

Note(s): (a) Sum of percentages Maynot add up to 100 due to rounding off
Source(s): KPMG Tariff Survey 1.0, May'25; KPMG Tariff Survey 2.0, Sep'25

Most sectors reported deferred or declining sales

Have you seen changes in customer demand for your products/services?^(a) N=300; Single select



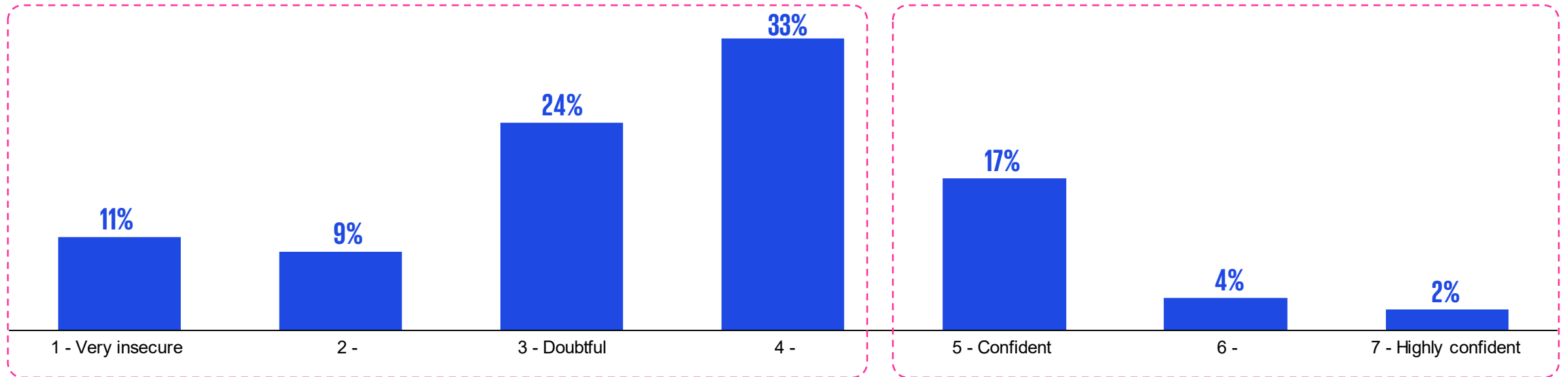
Key observations

- Retail (50%) and Oil & Gas (53%) experienced a **decline in sales**, suggesting these sectors are more vulnerable to market shifts
- Most respondents from Life Sciences (50%) and Healthcare (57%) stated **no change in customer demands**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

Only 23% are confident in the stability of US tariff levels

How confident are you in the stability of current US tariff levels for your planning and investment decisions?^(a) N=300; Sliding scale



Key observations



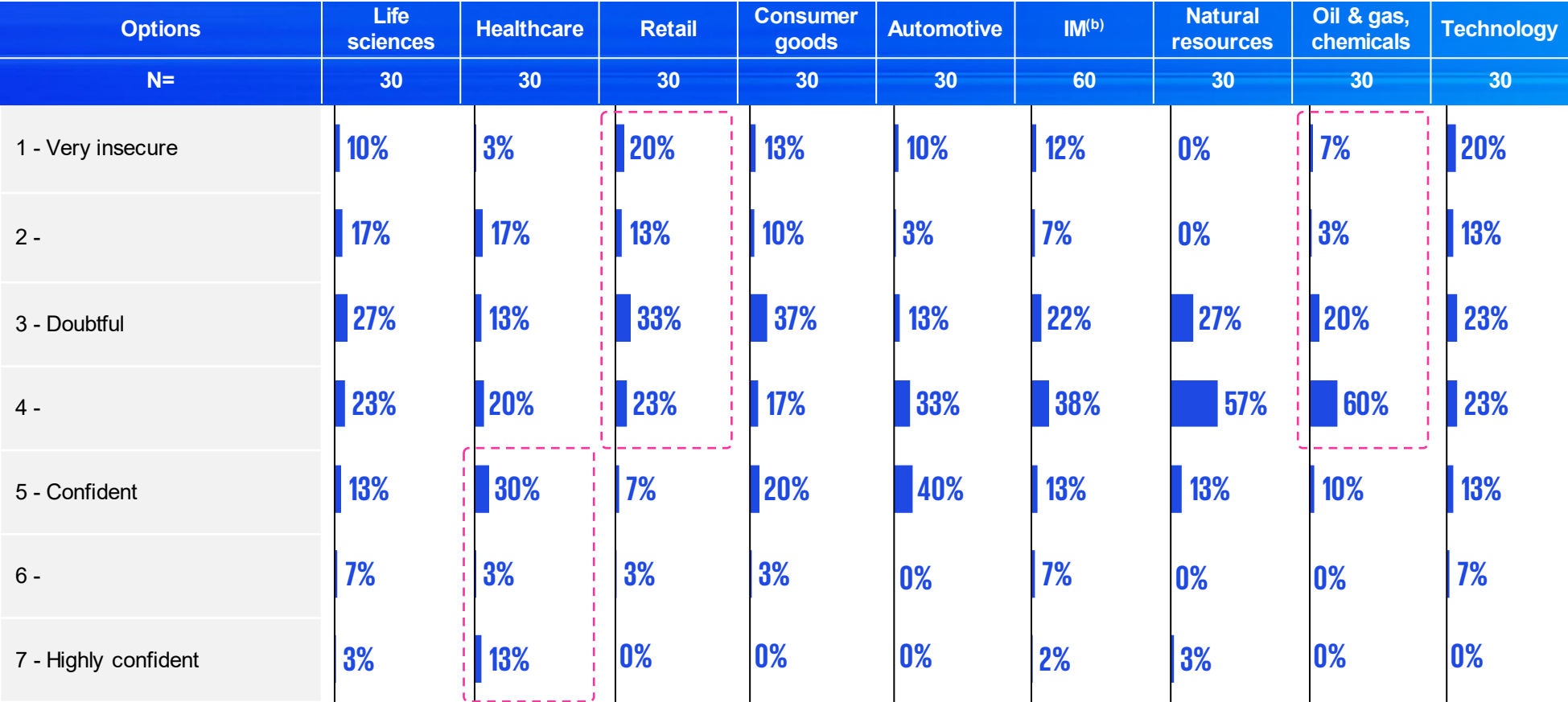
- 23% are **confident** or **very confident** in tariff level stability
- 77% are **insecure** or **uncertain** about the stability of US tariff levels—indicating that tariff instability complicates planning and investment decision

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

Source(s): KPMG Tariff Survey 2.0, Sep'25

Uncertainty across sectors about the stability of US tariffs

How confident are you in the stability of current US tariff levels for your planning and investment decisions?^(a) N=300; Sliding scale



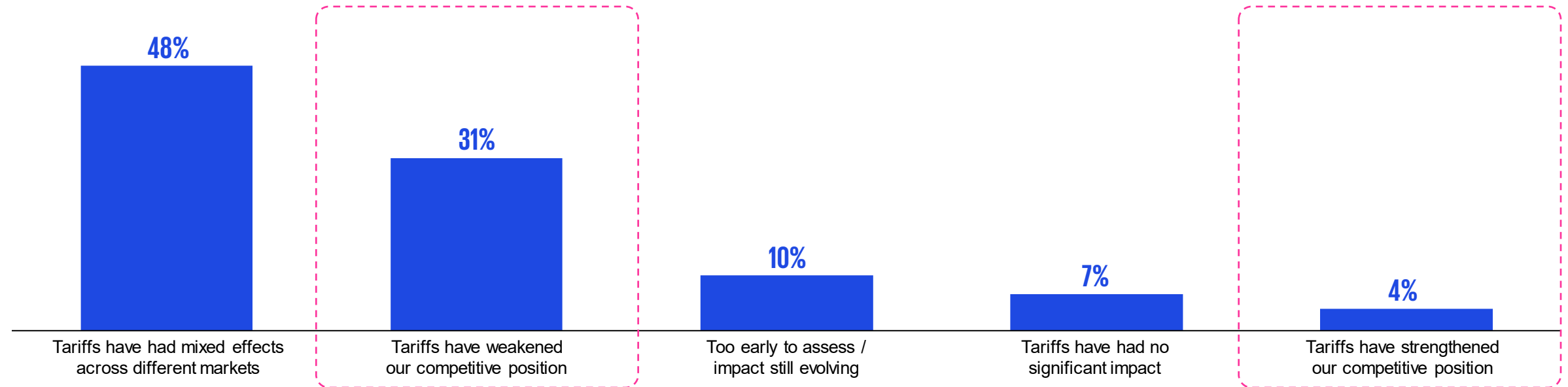
Key observations

- 46% of Healthcare are **confident in the stability of US tariff levels** for planning and investment decisions—the highest share of any sector
- 90% of Retail and Oil & Gas are **uncertain or not confident** in the stability of US tariff levels—the lowest of any sectors

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep '25

31% say tariffs have weakened their industry's competitive position

How do you perceive the overall impact of tariffs on your industry's competitive landscape?^(a) N=300; Single select



Key observations



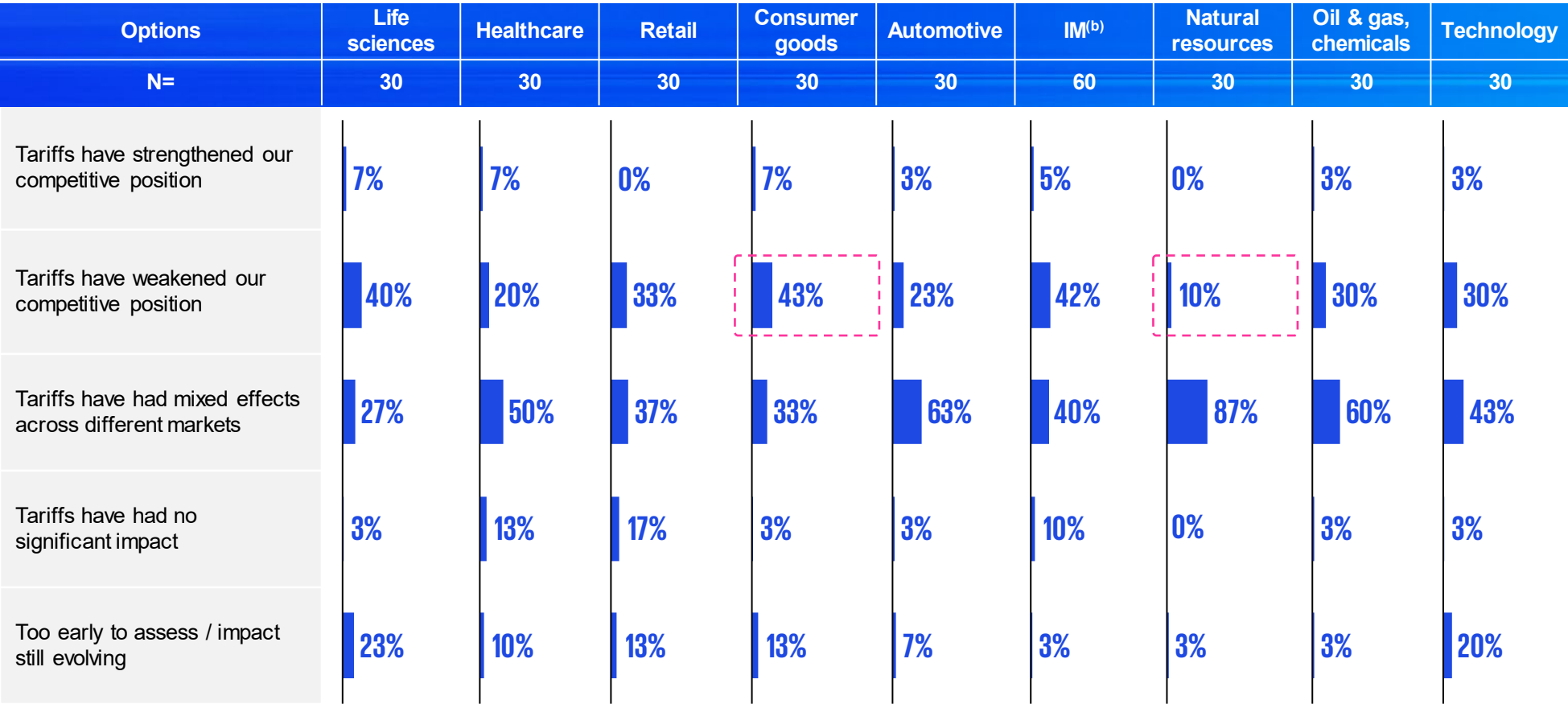
- 31% report tariffs **weakened** their industry's competitive position while only 4% report tariffs **improved** their competitive position
- 48% say tariffs had **mixed effects** across different markets
- Only 7% say tariffs had **no significant impact**

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

Source(s): KPMG Tariff Survey 2.0, Sep'25

Most sectors say tariffs had mixed impacts on their competitive position

How do you perceive the overall impact of tariffs on your industry’s competitive landscape?^(a) N=300; Single select



Key observations

- Consumer Goods had the highest share of respondents—43%—who said **tariffs weakened their competitive position**
- In contrast, only 10% of Natural Resources said tariffs **weakened their competitive position** while 87% reported **mixed impacts**—the highest of any sector

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep '25

03

Strategic response

Most sectors emphasize pricing adjustments and scenario planning to mitigate tariff risks

What are the key strategic levers/actions your company is using to mitigate and plan for tariff-related risks?^(a) N=300; Multi select

Options	Life sciences	Healthcare	Retail	Consumer goods	Automotive	IM ^(b)	Natural resources	Oil & gas, chemicals	Technology
N=	30	30	30	30	30	60	30	30	30
Adjusting pricing or cost structures to protect profit margins	43%	50%	83%	53%	57%	58%	60%	67%	50%
Repositioning supply chain to reduce tariff exposure	30%	47%	60%	47%	57%	53%	47%	43%	40%
Shifting manufacturing footprint strategically	47%	23%	27%	20%	27%	33%	13%	17%	13%
Implementing tariff mitigation mechanisms	43%	30%	40%	50%	43%	38%	53%	63%	37%
Engaging in policy advocacy or regulatory lobbying for duty minimization	37%	33%	13%	17%	43%	33%	50%	50%	30%
Building financial resilience	37%	50%	33%	40%	63%	45%	87%	70%	40%
Conducting scenario planning, stress testing, or risk modeling	57%	40%	50%	43%	67%	68%	90%	87%	57%
Strengthening third-party risk management and supplier scoring	33%	30%	33%	23%	47%	38%	53%	57%	27%

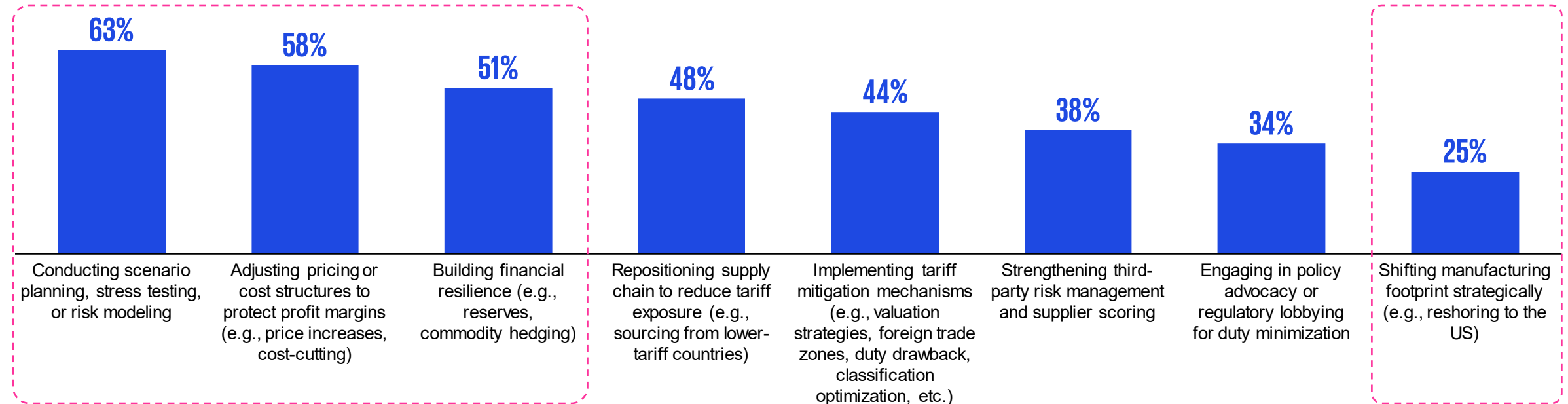
Key observations

- A relatively large share of Life Sciences (47%) is **shifting its manufacturing footprint**
- Retail emphasizes pricing **adjustments** more than other sectors (83%)
- 90% of Natural Resources are **conducting scenario planning**—the highest share of any sector

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

The top strategic levers are conducting scenario planning and adjusting pricing / cost structures to protect profit margins

What are the key strategic levers/actions your company is using to mitigate and plan for tariff-related risks?^(a) N=300; Multi select



Key observations

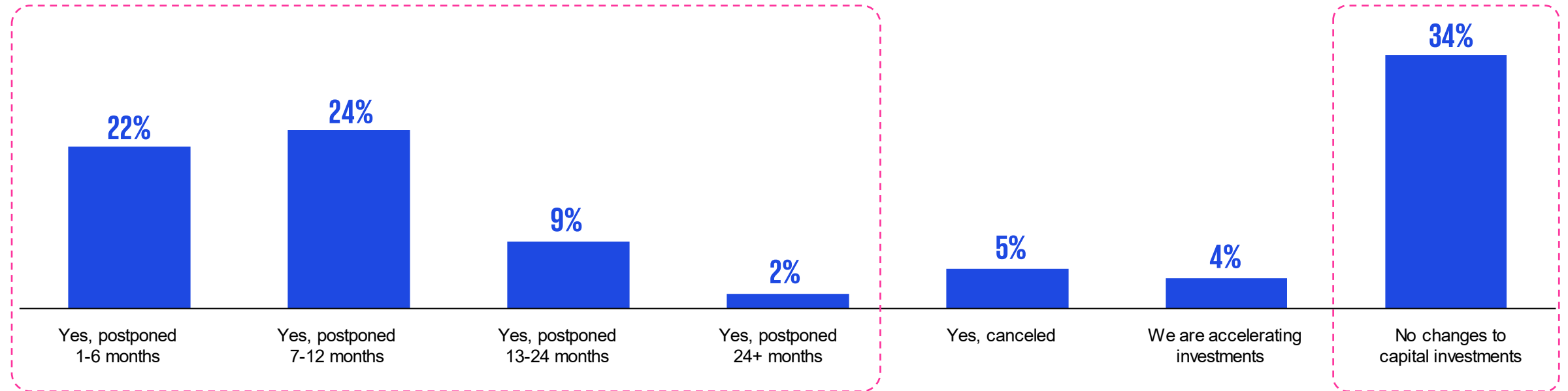


- Organizations are taking a multi-layered approach to tariff risk mitigation, with the most common levers being **scenario planning, stress testing, or risk modelling** (63%), **pricing or cost adjustments** (58%), and **building financial resilience** (51%)
- Only 25% are **shifting manufacturing footprints**

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question
Source(s): KPMG Tariff Survey 2.0, Sep'25

57% of organizations have delayed capital investments

Has your organization postponed or canceled major new capital investments due to tariff uncertainty?^(a) N=300; Single select



Key observations

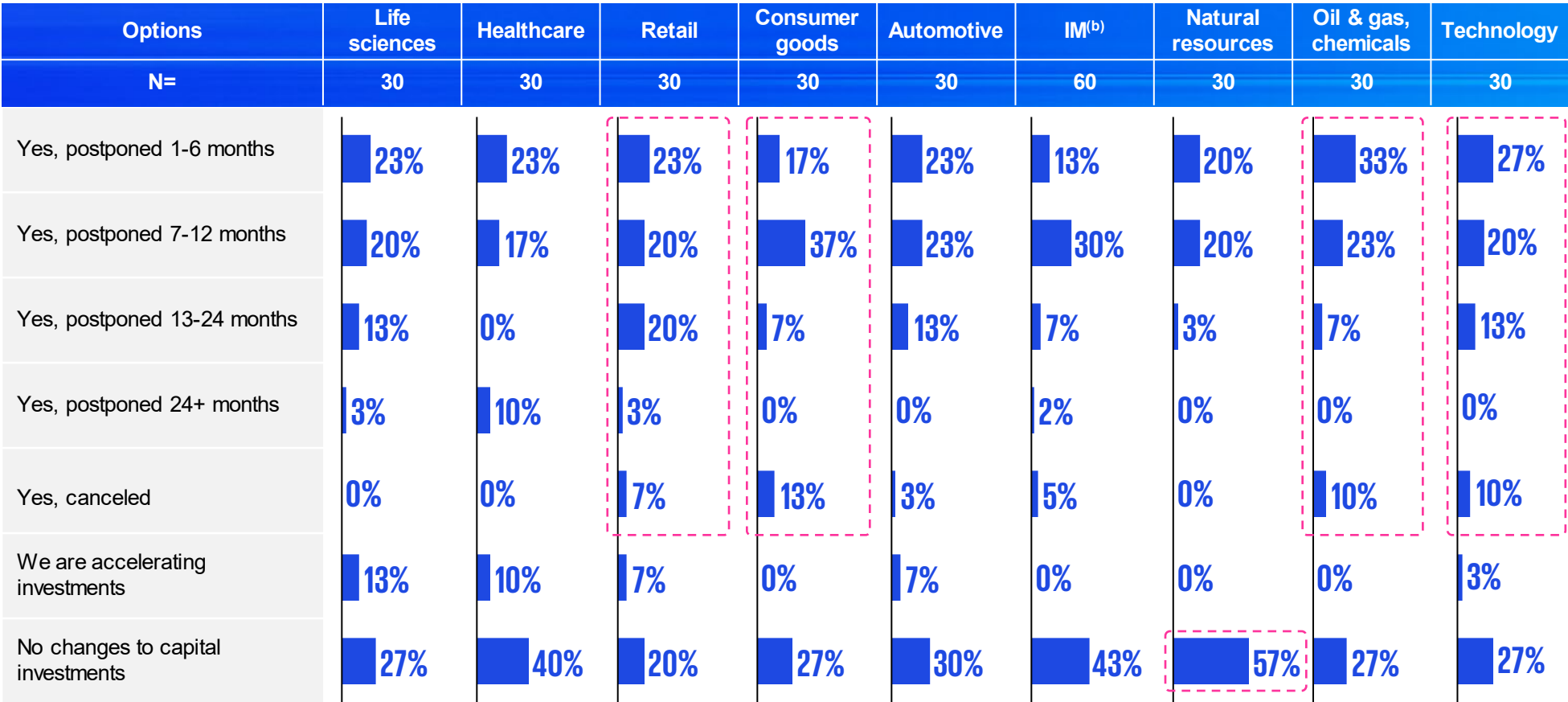


- Tariff uncertainty has delayed investment decisions, with 57% **postponing major capital investments** due to tariff uncertainty
 - Among these, 46% have delayed investments by **up to one year**
- 34% reported **no changes to capital investments**, indicating some organizations have confidence in their long-term investment strategies

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off
 Source(s): KPMG Tariff Survey 2.0, Sep'25

Most sectors are postponing some capital investments

Has your organization postponed or canceled major new capital investments due to tariff uncertainty?^(a) N=300; Single select



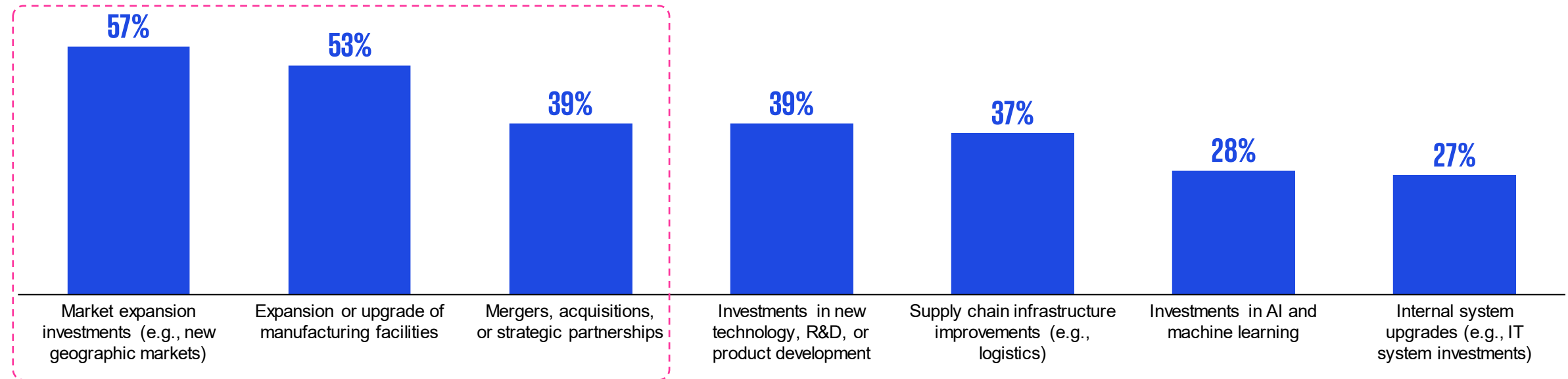
Key observations

- About two-thirds of Retail, Consumer Goods, Oil & Gas, and Technology have **postponed** or **canceled** capital investments
- In contrast, 57% of Natural Resources have made **no changes** to capital investments

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

Market expansion and manufacturing upgrades are the investments most often delayed

Please indicate which investments have been affected^(a) N=186; Multi select



Key observations

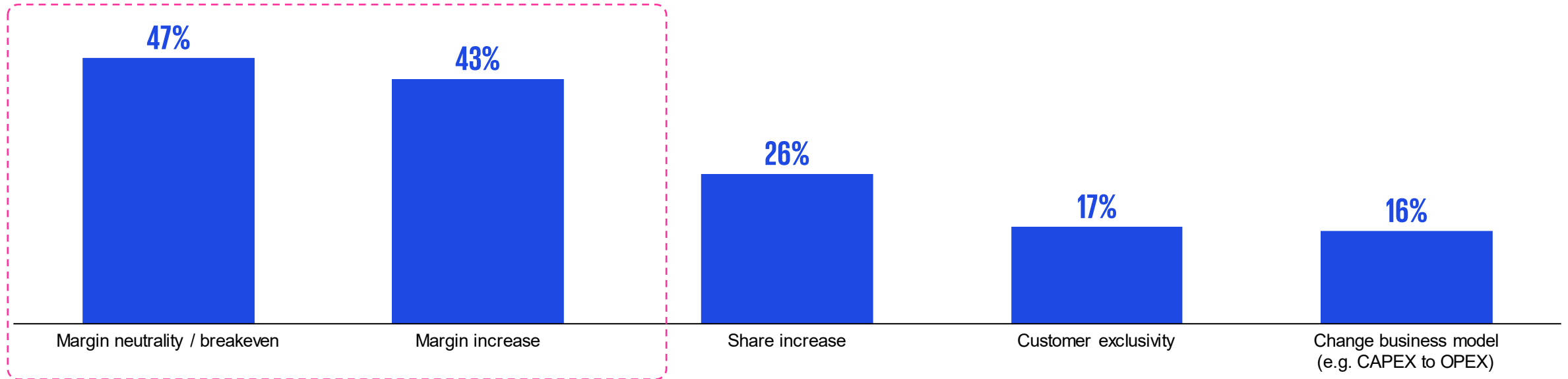


- 57% say **market expansion investments (e.g., new geographic markets)** are most affected by tariffs
 - This suggests tariffs significantly disrupt international growth strategies, likely due to increased trade barriers and market uncertainty
- 53% also say **expansion or upgrade of manufacturing facilities** are affected—indicating organizations are reassessing their production footprints
- 39% are even postponing **M&A and strategic partnerships**

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question
Source(s): KPMG Tariff Survey 2.0, Sep'25

47% are changing prices to reach margin neutrality, but 43% are seeking to increase margins

What are your main pricing goals to offset the impact of tariffs?^{(a)(b)} N=300; Multi select



Key observations

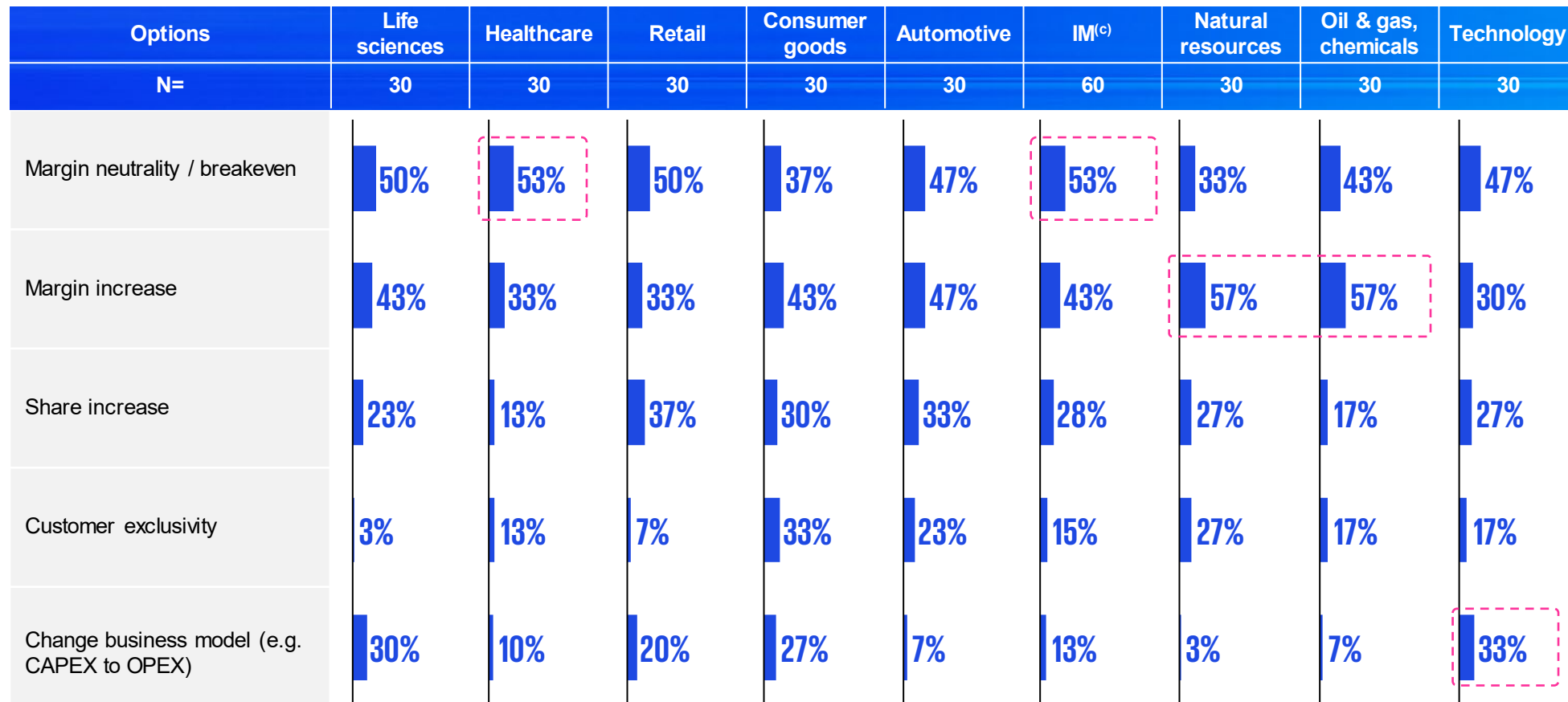


- 47% are pursuing **margin neutrality / breakeven pricing**
- However, 43% are aiming for a **margin increase**, indicating a proactive approach to not only offset tariff impacts but also strengthen overall profitability—which could serve as a financial cushion against future cost escalations or economic volatility
- 16% is **changing their business model**, reflecting a long-term strategic shift in response to tariffs

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 2.0, Sep'25

Natural Resources and Oil & Gas are more likely to seek margin increases through their pricing

What are your main pricing goals to offset the impact of tariffs?^{(a)(b)} N=300; Multi select



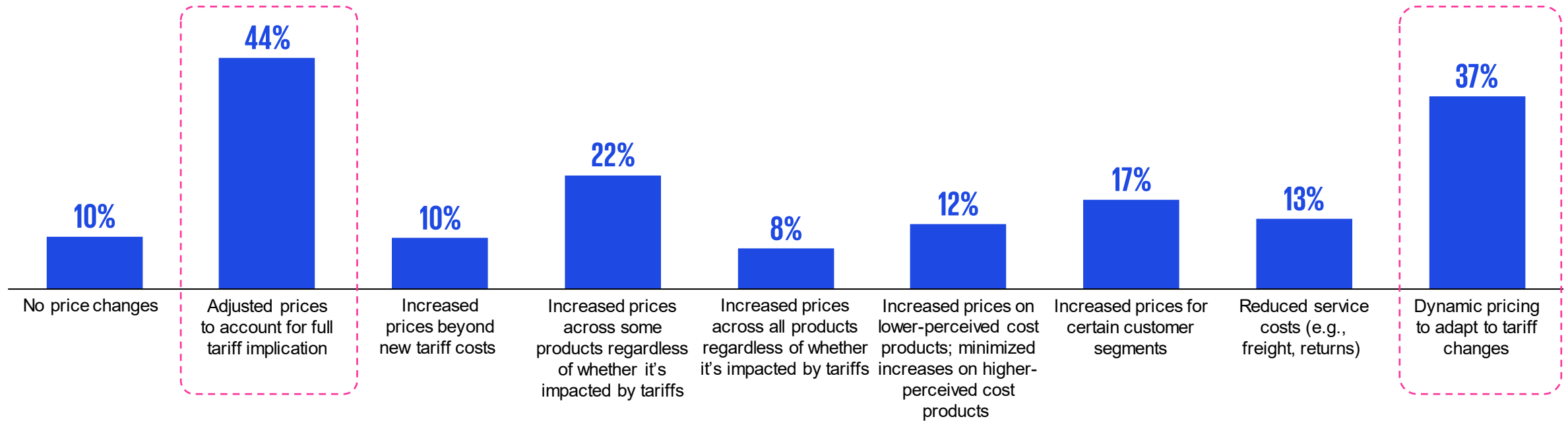
Key observations

- 57% of Natural Resources and Oil & Gas are focused on **achieving margin increases** in their pricing goals—the highest shares of the sectors
- In contrast, 53% of Healthcare and IM seek **margin neutrality / breakeven** in how they change prices to offset tariffs
- 33% of Technology aims to **change business models**

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; (c) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

44% adjusted prices to account for the full impact of tariffs; only 10% report no price changes

How have you modified your pricing strategy to address tariff-related pressures?^(a) N=300; Multi select



Key observations



- 44% **adjusted prices to account for full tariff implication**, indicating a clear intent to recover costs
- 37% adopted **dynamic pricing to adapt to tariff changes**, showing that many organizations responded to tariff volatility with adaptable pricing mechanisms
- A smaller group implemented targeted pricing strategies—**increased prices across some products regardless of whether it's impacted by tariffs** (22%), **increased prices for certain customer segments** (17%), and **reduced service costs** (13%)

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most sectors have adjusted prices to account for the full tariff implications

How have you modified your pricing strategy to address tariff-related pressures?^(a) N=300; Multi select

Options	Life sciences	Healthcare	Retail	Consumer goods	Automotive	IM ^(d)	Natural resources	Oil & gas, chemicals	Technology
N=	30	30	30	30	30	60	30	30	30
No price changes	33%	30%	0%	10%	7%	3%	0%	3%	10%
Adjusted prices to account for full tariff implication	30%	23%	47%	57%	67%	50%	33%	47%	37%
Increased prices beyond new tariff costs	10%	7%	17%	13%	0%	5%	3%	10%	27%
Increased prices across some products regardless of whether it's impacted by tariffs	27%	17%	23%	23%	10%	25%	27%	17%	23%
Increased prices across all products regardless of whether it's impacted by tariffs	13%	13%	10%	13%	0%	5%	0%	0%	17%
Increased prices on lower-perceived cost products; minimized increases on higher-perceived cost products	10%	3%	13%	17%	10%	13%	13%	10%	20%
Increased prices for certain customer segments	13%	20%	10%	27%	20%	17%	10%	13%	23%
Reduced service costs (e.g., freight, returns)	10%	7%	13%	20%	13%	15%	20%	7%	13%
Dynamic pricing to adapt to tariff changes	13%	23%	43%	30%	40%	47%	40%	63%	20%

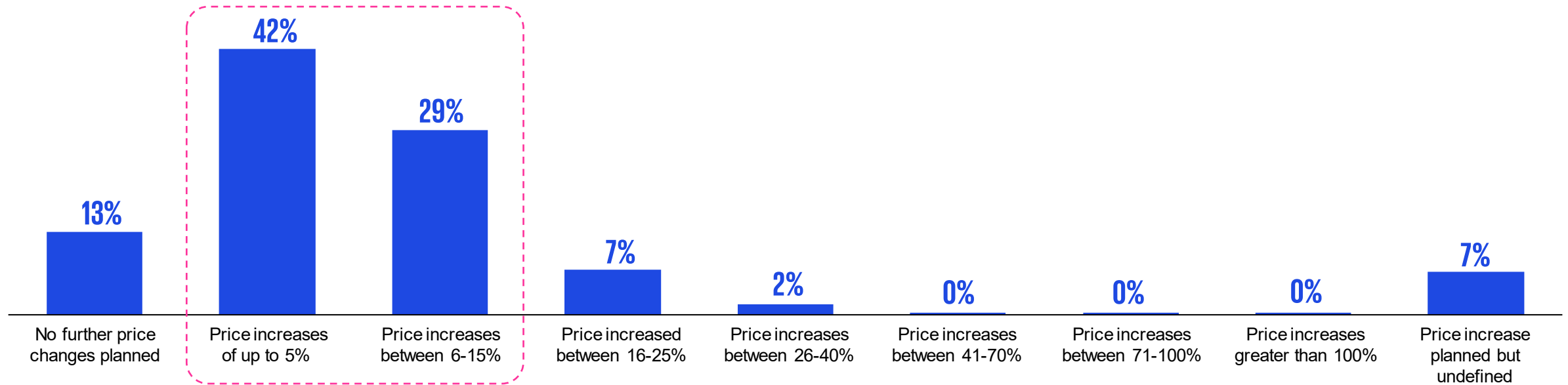
Key observations

- 67% of Automotive **adjusted prices to fully account for the tariff implication**—the highest share of any sector
- 33% of Life Sciences and 30% of Healthcare have made **no price changes** due to tariffs
- 63% of Oil & Gas used **dynamic pricing** to adapt to tariff changes

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

42% plan price increases up to 5%—While 29% plan increases between 6-15%

Is your company considering further price increases over the next six months?^(a) N=300; Single select



Key observations



- 42% plan further **price increases of up to 5%**, showing a cautious strategy to offset rising costs without losing customers; meanwhile, 29% foresee **price hikes of 6–15%**, indicating a bolder approach for some organizations
- Only 13% **plan no further** price changes

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most sectors are considering further price increases of up to 15%

Is your company considering further price increases over the next six months?^(a) N=300; Single select

Options	Life sciences	Healthcare	Retail	Consumer goods	Automotive	IM ^(d)	Natural resources	Oil & gas, chemicals	Technology
N=	30	30	30	30	30	60	30	30	30
No further price changes planned	30%	23%	13%	13%	10%	10%	0%	3%	17%
Price increases of up to 5%	40%	30%	17%	37%	67%	45%	40%	77%	20%
Price increases between 6-15%	20%	30%	30%	40%	13%	27%	53%	13%	37%
Price increased between 16-25%	3%	0%	17%	7%	3%	8%	7%	3%	13%
Price increases between 26-40%	0%	3%	7%	0%	0%	0%	0%	0%	7%
Price increases between 41-70%	0%	3%	0%	0%	0%	0%	0%	0%	0%
Price increases between 71-100%	0%	0%	0%	0%	0%	0%	0%	0%	3%
Price increases greater than 100%	0%	0%	0%	0%	0%	0%	0%	3%	0%
Price increase planned but undefined	7%	10%	17%	3%	7%	10%	0%	0%	3%

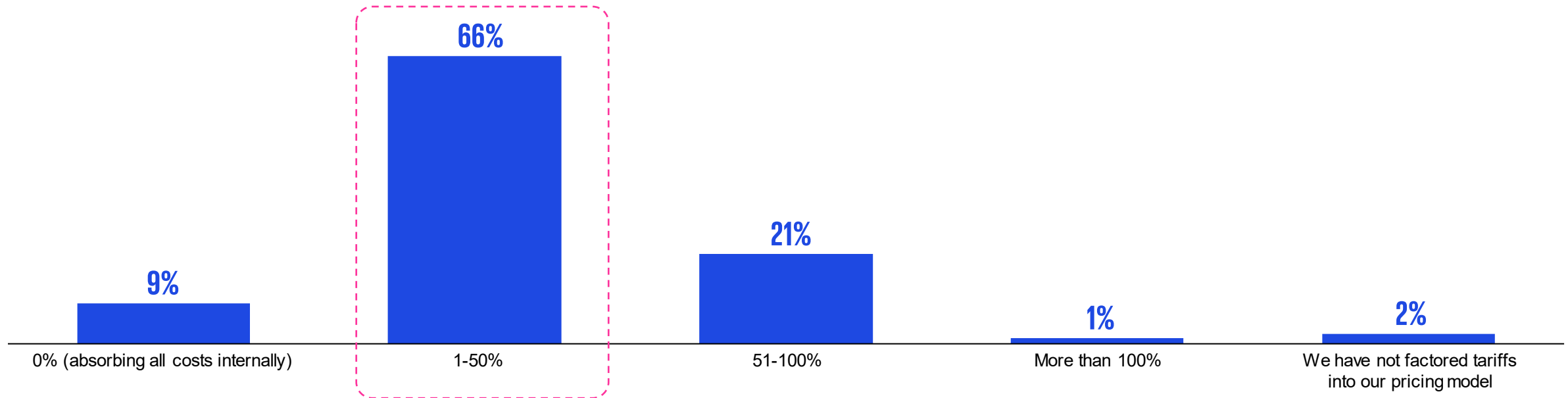
Key observations

- 60% of Natural Resources plans **price increases between 6-25%**—a relatively high share among sectors
- A notable 24% of Retail plans higher **price increases of 16-40%**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most organizations passed on up to 50% of tariff costs to customers

What percentage of tariff costs has your organization passed through to customers?^(a) N=300; Single select



Key observations

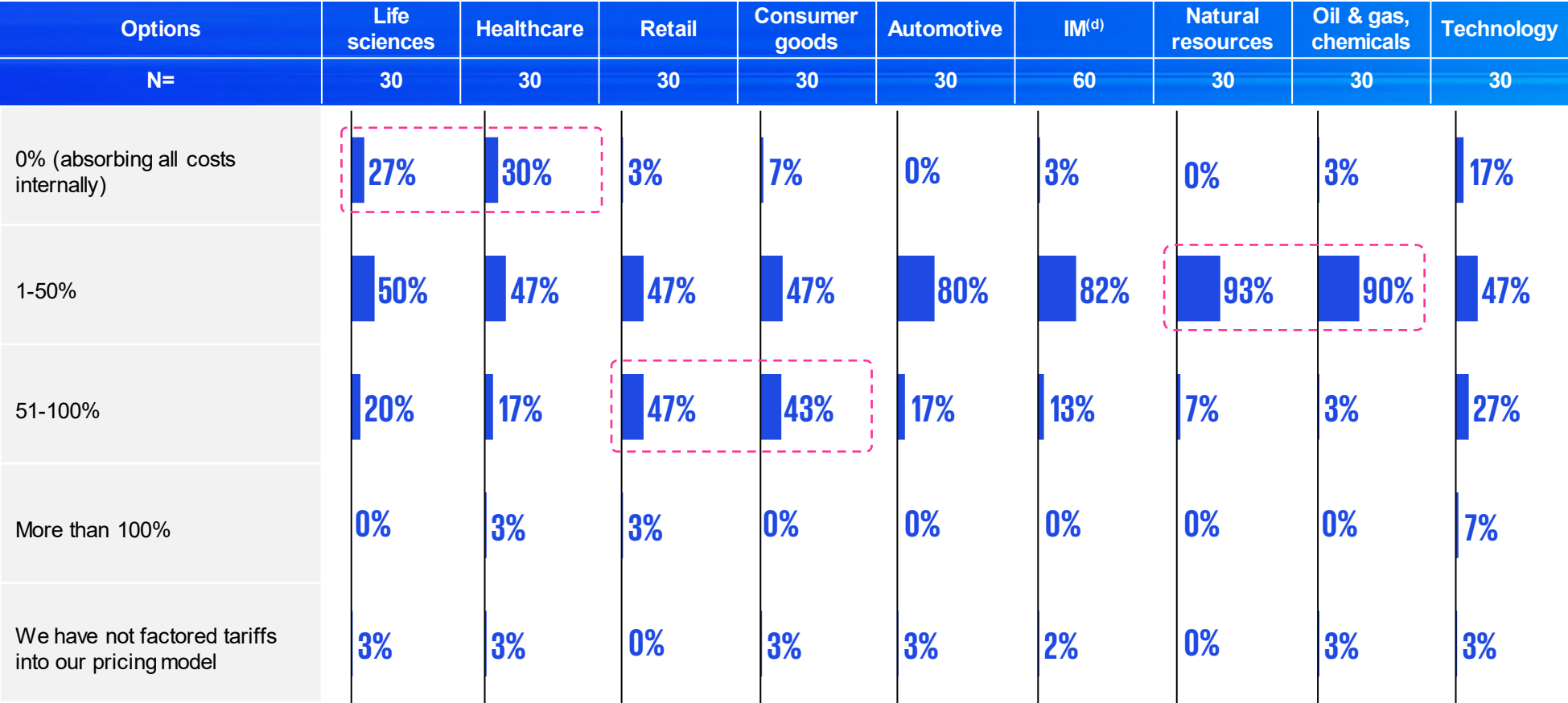


- 66% passed through **1–50%** of tariff costs to customers, indicating a balanced approach to cost recovery
- 21% passed through **51–100%** of tariff costs, showing some organizations took a more aggressive approach to margin protection by shifting the bulk of the tariff impact externally
- Only 9% **absorbed all tariff costs internally**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most sectors are passing on 1-50% of costs to customers

What percentage of tariff costs has your organization passed through to customers?^(a) N=300; Single select



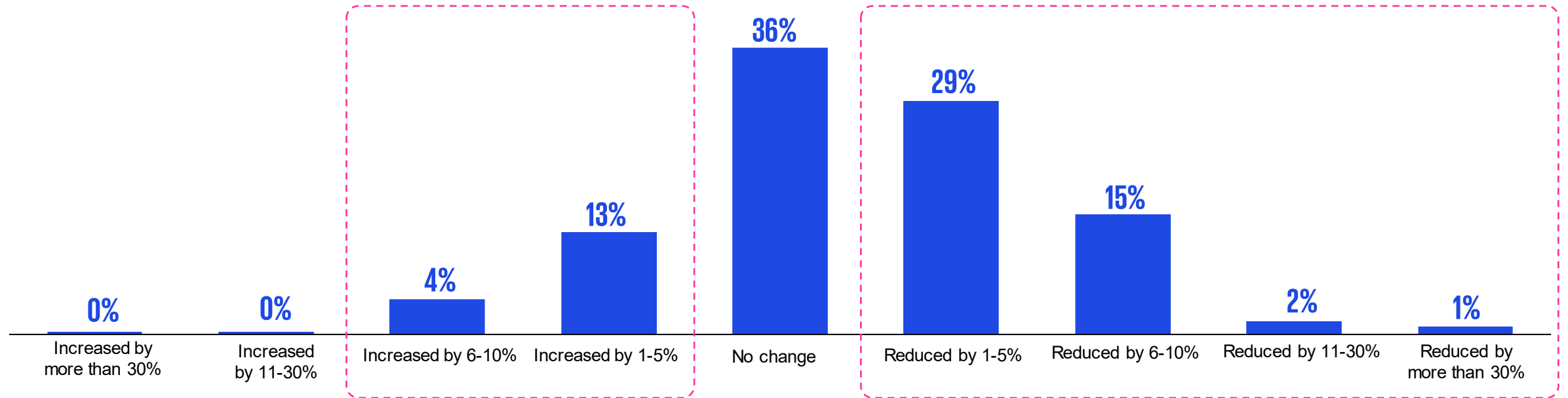
Key observations

- 93% of Natural Resources—the highest share of any sector—and 90% of Oil & Gas are **passing on 1-50% of tariff costs** to customers
- A relatively high share of Retail (47%) and Consumer Goods (43%) are **passing on 51-100%** of tariff costs
- A significant minority of Life Sciences (27%) and Healthcare (30%) are **absorbing all costs internally**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

47% report workforce or hiring reductions due to tariffs

How have recent tariff policies affected hiring or job loss in your US workforce?^(a) N=300; Single select



Key observations

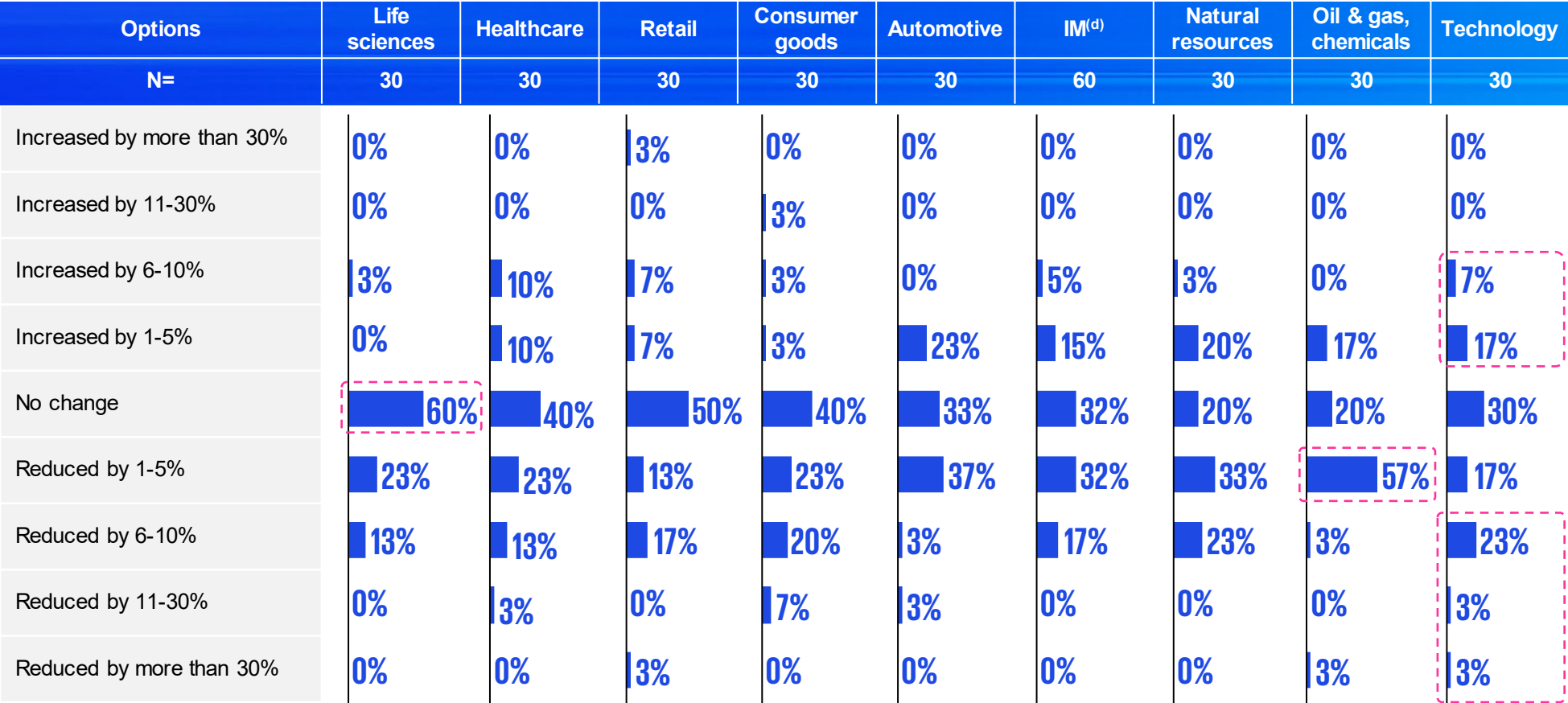


- 47% report **workforce reductions** due to tariff policies, suggesting tariffs may be hindering job growth in certain sectors
 - 29% of respondents stated that they **reduced the workforce by 1-5%**
- **Job reductions** outweighed increases, as only 17% reported any **increase**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off
 Source(s): KPMG Tariff Survey 2.0, Sep'25

Sectors report more workforce reductions than increases

How have recent tariff policies affected hiring or job loss in your US workforce?^(a) N=300; Single select



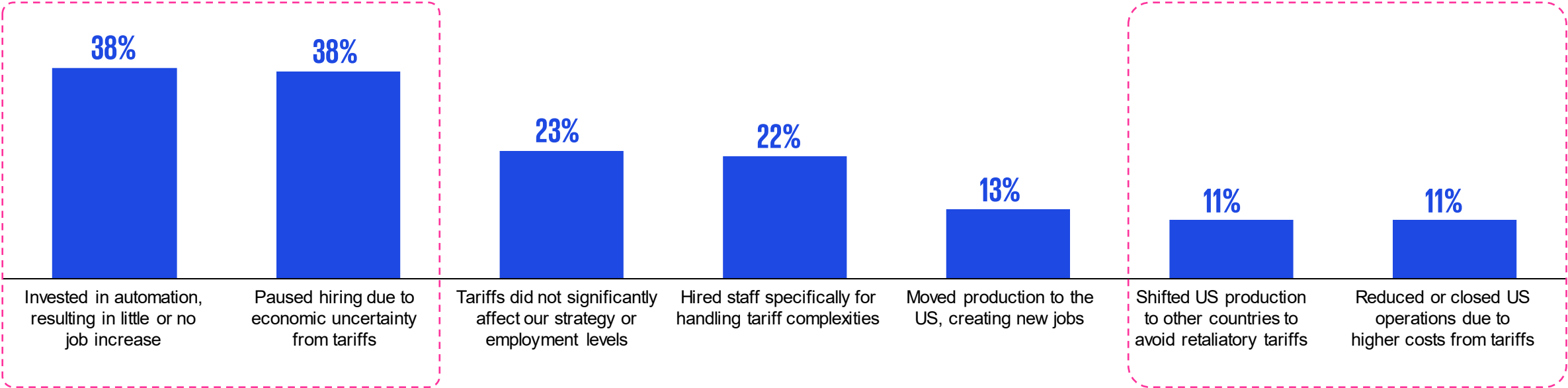
Key observations

- 57% of Oil & Gas report workforce **reductions of 1-5%**—suggesting broad but shallow reductions
- Technology respondents are polarized: 29% report workforce **reductions of over 6%** which is the steepest decrease of any sector; however, 24% report **workforce increases**—the highest increase share of any sector
- 60% of Life Sciences report **no change** in their workforce—the most stability of any sector

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

Investing in automation and hiring freezes were the responses most affecting employment

Which of the following business responses to tariffs was the primary driver of the change (or lack of change) in your US employment levels?^(a) N=300; Multi select



Key observations

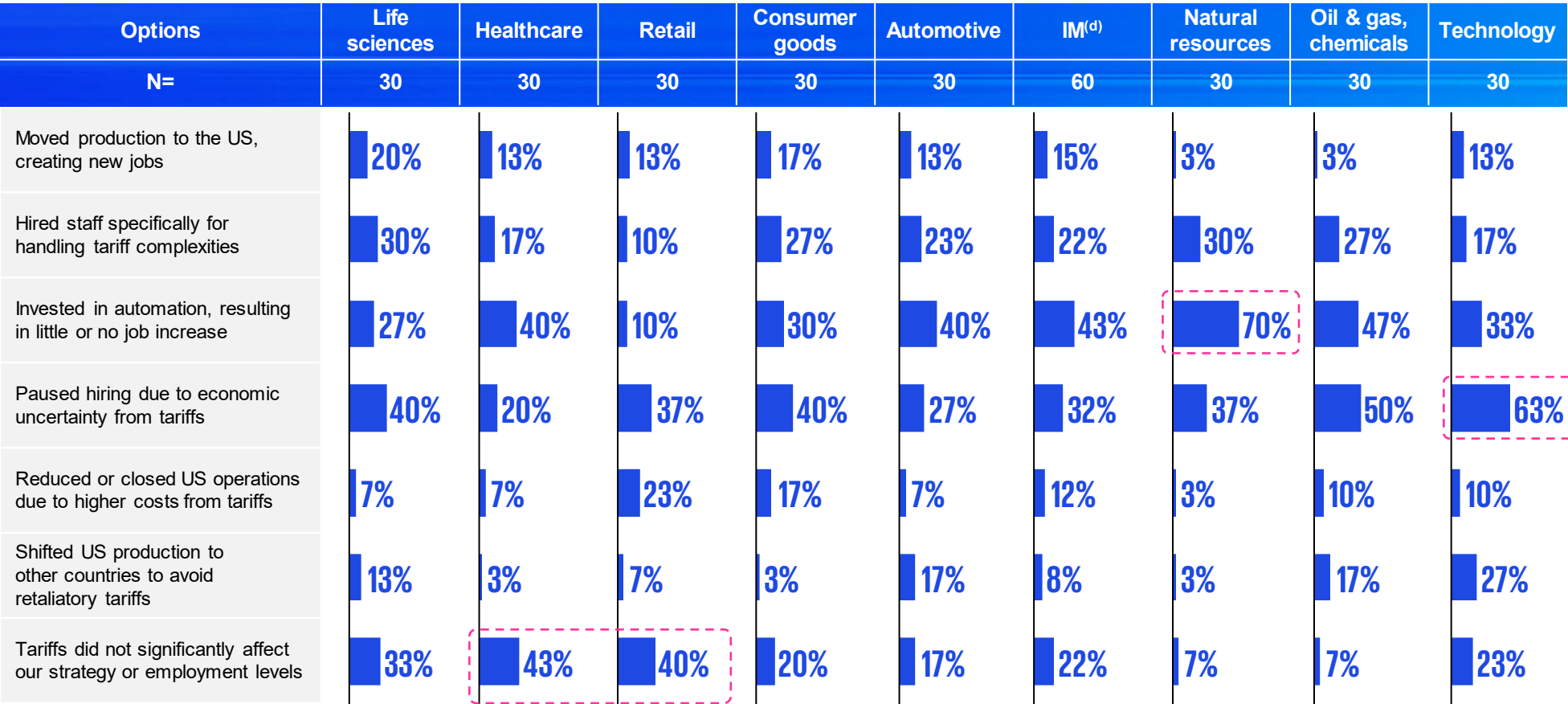


- A plurality of organizations **invested in automation** (38%) and **paused hiring due to economic uncertainty from tariffs** (38%)
- 13% **moved production to the US**—likely boosting US employment—but 22% reported shifting US production to other countries or reducing domestic operations

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question
 Source(s): KPMG Tariff Survey 2.0, Sep'25

Most sectors prioritized a pause in hiring or investing in automation

Which of the following business responses to tariffs was the primary driver of the change (or lack of change) in your US employment levels?^(a) N=300; Multi select



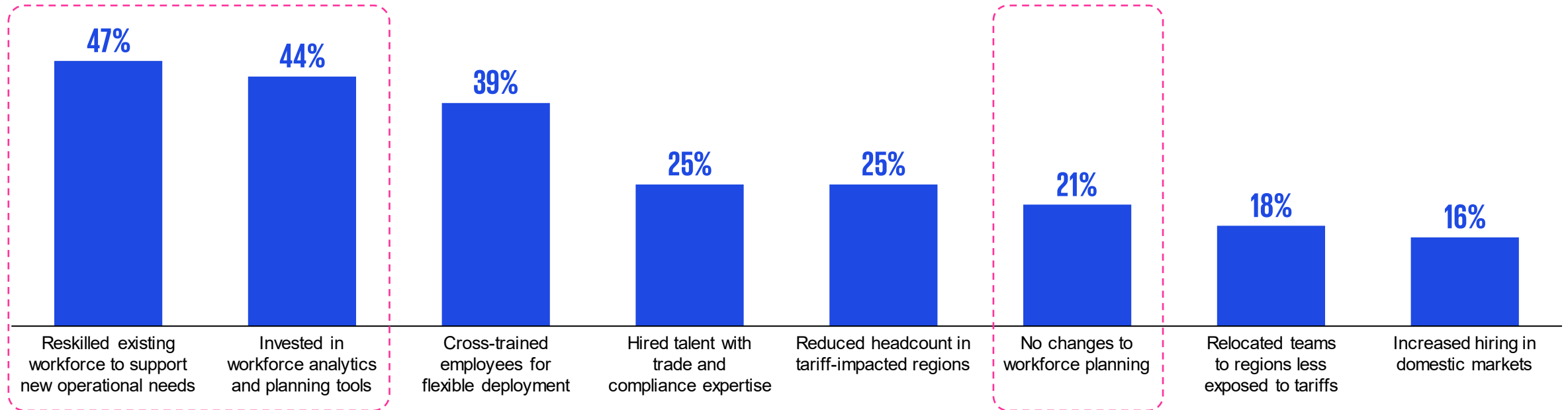
Key observations

- 70% of Natural Resources **invested in automation**—the highest share of any sector
- 63% of Technology **paused hiring**—the highest share of any sector
- 43% of Healthcare, and 40% of Retail, reported **tariffs did not significantly affect** workforce strategy

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

Reskilling talent and investing in analytics are the top workforce strategies

Which workforce strategies are being prioritized to improve resilience against tariff volatility?^{(a)(b)} N=300; Multi select



Key observations

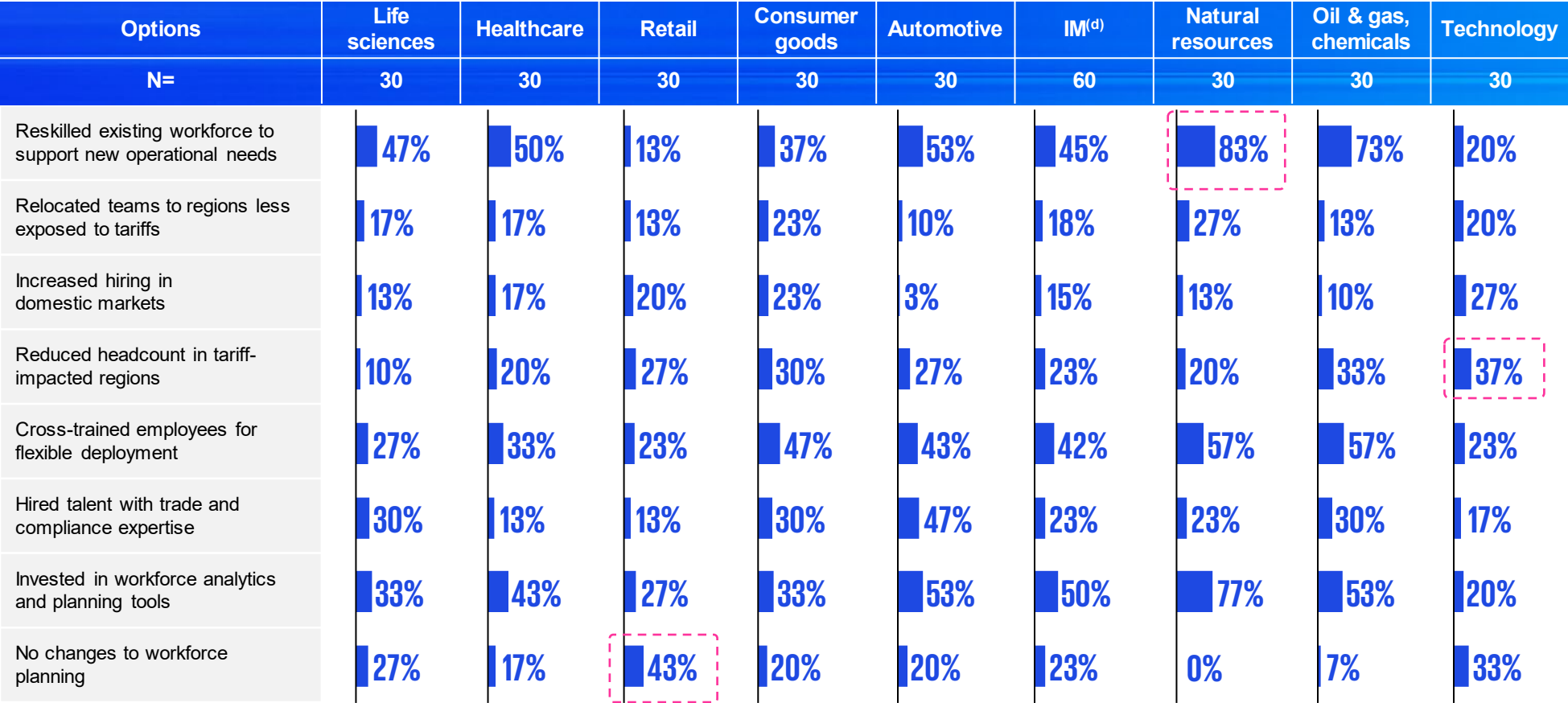


- 47% are **reskilling their existing workforce to support new operational needs**—the top workforce strategy
- 44% are **investing in workforce analytics and planning tools**—indicating a data-driven approach to workforce planning
- Only 21% reported **no changes in workforce planning**, suggesting tariffs had a workforce impact for the vast majority of respondents

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 2.0, Sep'25

Reskilling is a high workforce priority for most sectors

Which workforce strategies are being prioritized to improve resilience against tariff volatility?^{(a)(b)} N=300; Multi select



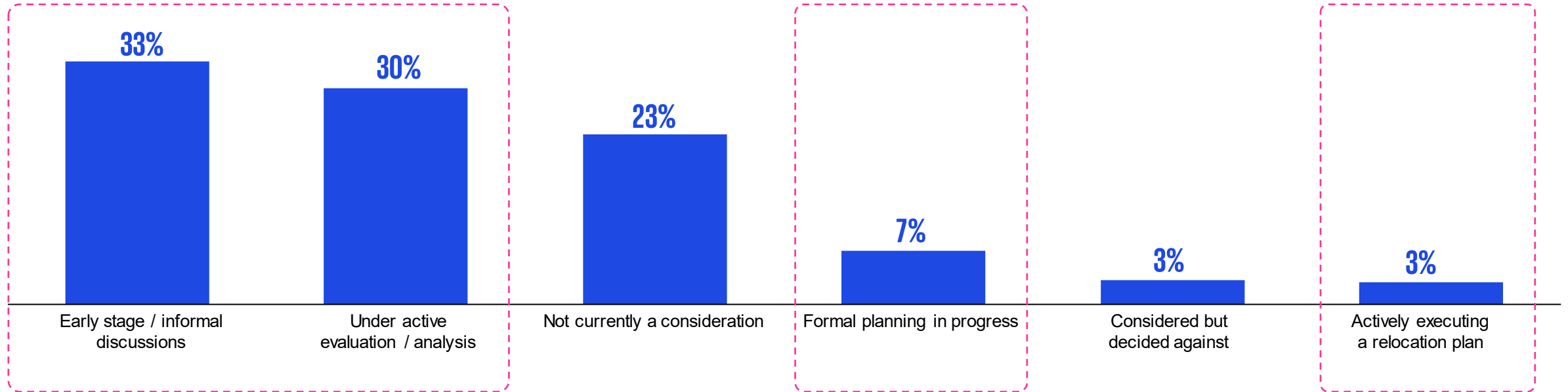
Key observations

- 83% of Natural Resources—the highest share of any sector—are prioritizing **reskilling the existing workforce**
- 37% in Technology have **reduced headcount in tariff impacted regions**
- 43% of Retail have made **no changes in their workforce planning**

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; (c) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most are considering reshoring operations to the US—but only 10% are taking action

How seriously is your company considering reshoring operations to the US because of the current trade environment?^(a) N=300; Single select



Key observations

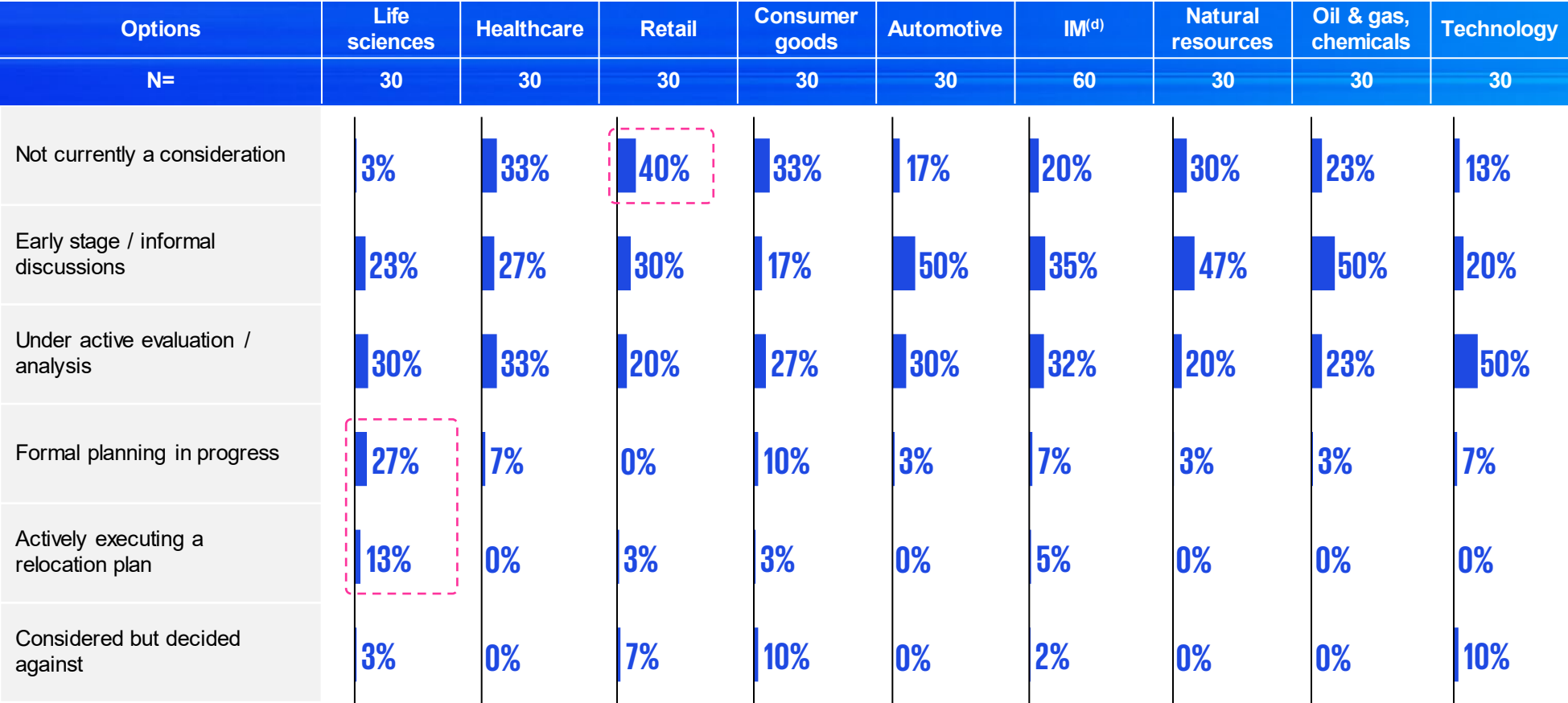


- 33% are in **early stage / informal discussions** to reshore operations to the US
- 30% say reshoring to the US is **under active evaluation / analysis**
 - This suggests that 63% are giving some consideration to US reshoring
- Action is so far limited, with 7% reporting **formal planning in progress** and only 3% **actively executing a relocation plan**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most sectors are in the early stages of considering / evaluating reshoring to the US

How seriously is your company considering reshoring operations to the US because of the current trade environment?^(a) N=300; Single select



Key observations

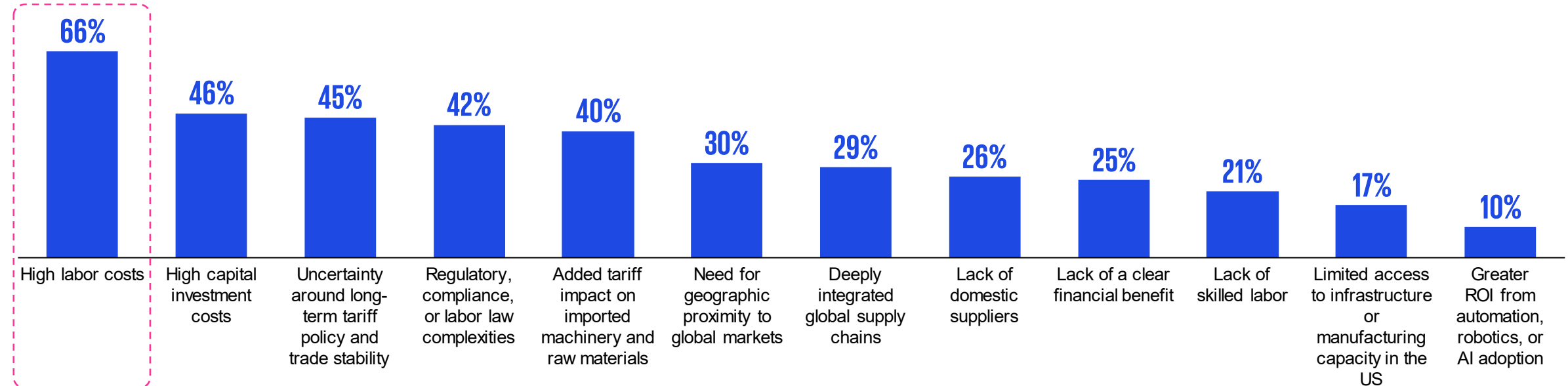
- 40% of Life Sciences is in **formal planning for reshoring** or **actively executing** a relocation plan—a higher share taking action than other sectors
- 40% of Retail is **not currently considering reshoring**—the highest share of any sector

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

High labor cost is the most common barrier for reshoring to the US

What are the primary challenges your company would face in shifting more of its production and employment to the United States in the current tariff environment?^{(a)(b)}

N=300; Multi select



Key observations

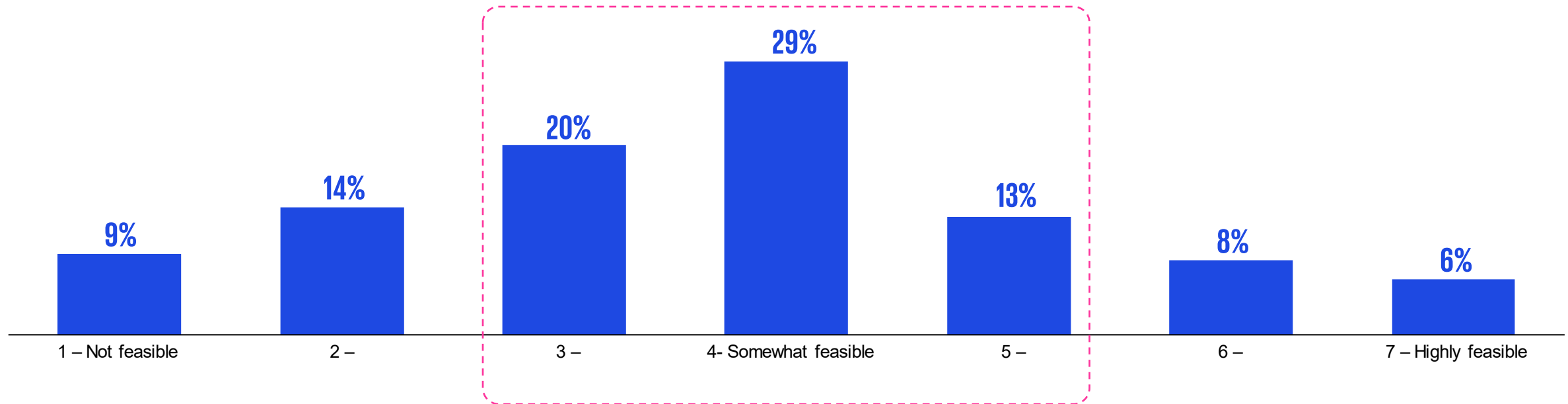


- 66% cite **high labor costs** as a barrier to shifting more production and employment to the US
- **High capital investment costs** (46%) and **uncertainty around long-term tariff policy and trade stability** (45%) are also significant challenges—highlighting financial and strategic risks in reshoring 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 2.0, Sep'25

Most express caution or uncertainty about the feasibility of reshoring to the US

How feasible is it to bring your company's manufacturing and / or operations to the US?^{(a)(b)} N=300; Sliding scale



Key observations



- 14% say reshoring is **very / highly** feasible; 23% say reshoring is **not feasible**
- 62% say reshoring is **somewhat feasible**—indicating uncertainty or indecision

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Not applicable' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most sectors are cautious or uncertain about the feasibility of US reshoring

How seriously is your company considering reshoring operations to the US because of the current trade environment?^(a) N=300; Single select

Options	Life sciences	Healthcare	Retail	Consumer goods	Automotive	IM ^(d)	Natural resources	Oil & gas, chemicals	Technology
N=	30	30	30	30	30	60	30	30	30
1 – Not feasible	3%	7%	23%	13%	7%	5%	3%	10%	10%
2 –	10%	17%	17%	10%	3%	15%	23%	20%	7%
3 –	17%	10%	17%	17%	37%	13%	27%	30%	23%
4- Somewhat feasible	10%	30%	23%	27%	37%	38%	37%	33%	20%
5 –	20%	13%	7%	17%	7%	20%	3%	7%	13%
6 –	20%	3%	7%	13%	7%	5%	7%	0%	13%
7 – Highly feasible	20%	17%	0%	3%	3%	3%	0%	0%	10%

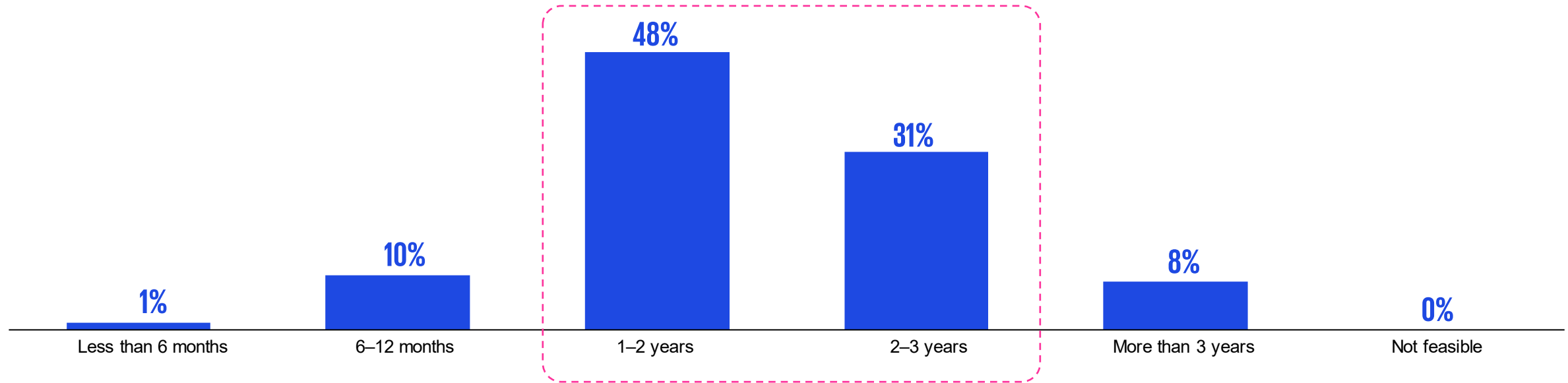
Key observations

- 40% of Retail say reshoring is **not feasible**—the highest share of any sector
- Life Sciences is most optimistic about reshoring—with 40% saying it is **very / highly feasible**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Not applicable' is not considered in the graphical representation due to limited response; (c) IM stands for Industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

79% say it would take 1-3 years to reshore to the US

How long would it take for your company to bring manufacturing and / or operations to the US?^{(a)(b)} N=168; Single select



Key observations



- 79% said reshoring to the US would take **1-3 years**—indicating that relocation is at least a medium-term undertaking
 - This suggests that reshoring is not a quick fix and requires significant planning and execution time

Note(s): (a)) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Unsure / not applicable' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 2.0, Sep'25

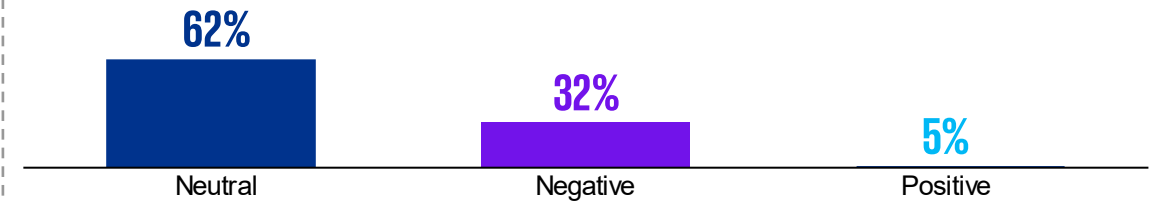
Looking ahead, organizations are prioritizing short- to medium-term actions with mostly neutral impacts on hiring and headcount

Which actions are you planning on taking next to mitigate tariff pressures?^(a) N=300; Multi select

Options	Response	Hiring impact	Time horizon
Pricing adjustments	44%	⊖	Short-term
Operational efficiency improvement	32%	↓	Medium-term
Cost-sharing negotiations	23%	⊖	Short-term
Supply chain reconfiguration	35%	⊖	Medium-term
Corporate tax/legal adjustments	16%	⊖	Short-term
Active lobbying and policy advocacy	11%	⊖	Short-term
Reshoring operations and jobs to the US	16%	⊖	Short-term
Reducing headcount to cut costs	13%	↑	Long-term
An integrated, multi-functional approach	19%	↓	Short-term
Focus on tariff management through available duty management programs	19%	↓	All three ^(b)
Planning to discontinue or rationalize my product portfolio	8%	⊖	Short-term
Investing in technology or automation	25%	↓	Medium-term
Strategic partnerships or alliances	30%	↓	Long-term
Product innovation or differentiation that will justify higher costs	9%	⊖	Medium-term

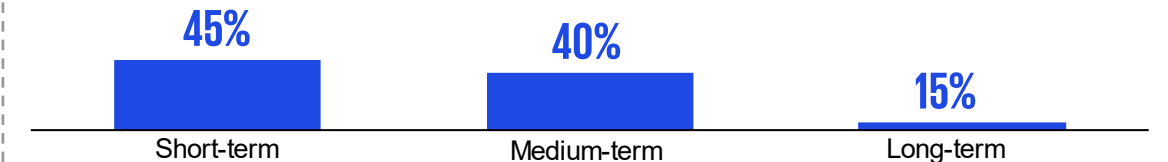
Impact of proposed initiatives on hiring / headcount^(a)

62% of the planned actions would have a little to no impact on US headcount, 32% would have a negative impact, and only 5% would increase headcount



Strategic focus: Short vs medium vs long-term initiatives^(a)

Most companies are focused on **short to medium-term** initiatives—with 45% short-term, 40% medium-term, and 15% long-term



Legend: Neutral ⊖ Negative impact ↓ Positive impact ↑

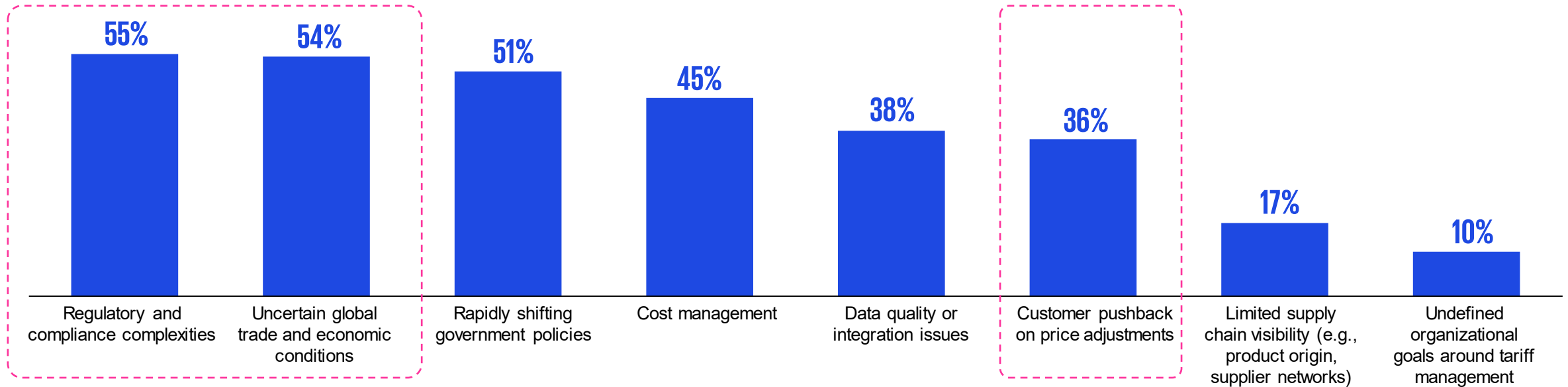
Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) "An integrated, multi-functional approach" can have short, medium as well as long-term impact. However, this has not been used in calculating the share in the bottom right chart
Source(s): KPMG Tariff Survey 2.0, Sep'25

4.1

Functional readiness

Regulatory complexity and uncertain global trade conditions are the top challenges

What specific challenges do you face in managing tariff-related issues?^{(a)(b)} N=300; Multi select



Key observations

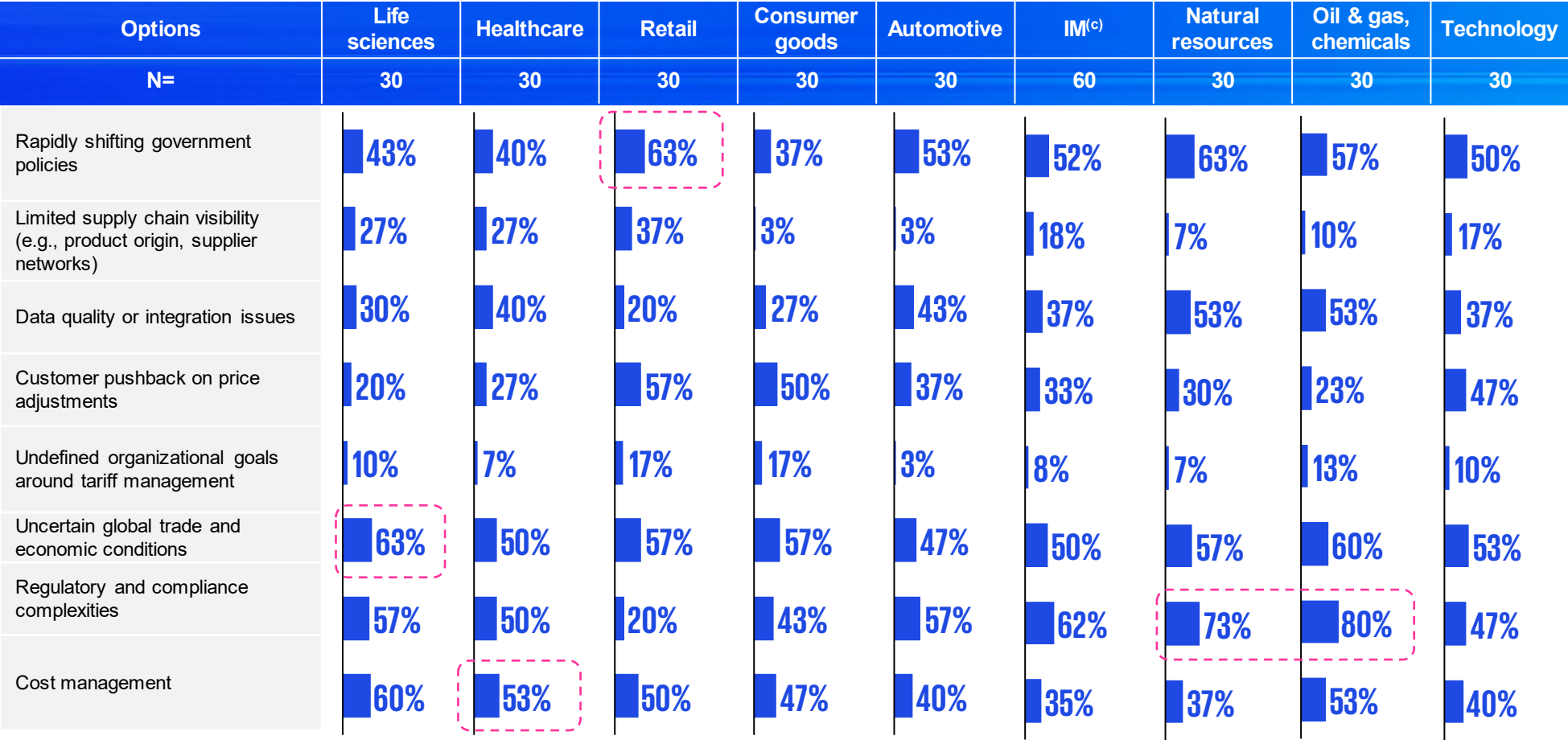


- The top challenges in managing tariffs are **regulatory complexities** (55%) and **uncertain global trade conditions** (54%)—highlighting how compliance burdens and volatility are the most pressing concerns
- 36% cite **customer pushback on price adjustments**—reflecting the pressure to balance potential revenue loss with mitigating tariff cost pressures

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 2.0, Sep'25

Regulatory complexity and trade uncertainty are key challenges across sectors

What specific challenges do you face in managing tariff-related issues?^{(a)(b)} N=300; Multi select



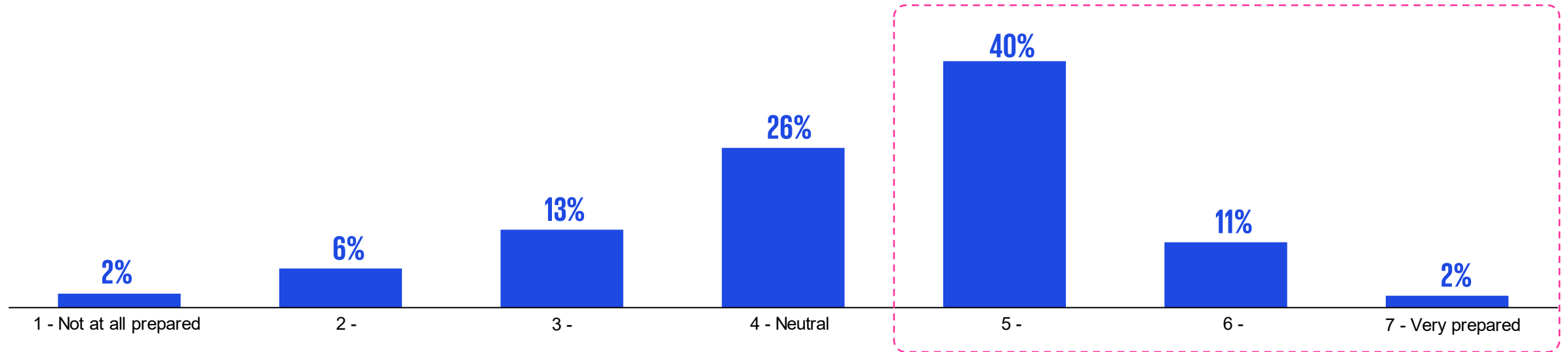
Key observations

- A high share of Retail respondents (63%) cite the **rapid pace of change** in tariff policy as the key challenge
- Life Sciences top challenge (63%) is **uncertain global trade / economic conditions**
- A high share of Oil & Gas and Natural Resources, 80% and 73%, respectively, cite **regulatory / compliance complexity** as the main challenge
- 53% of Healthcare reports that **cost management** is a key challenge

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; (c) IM stands for Industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most organizations say they are at least somewhat prepared for sudden tariff changes

How prepared is your company to respond to sudden tariff changes?^(a) N=300; Sliding scale



Key observations

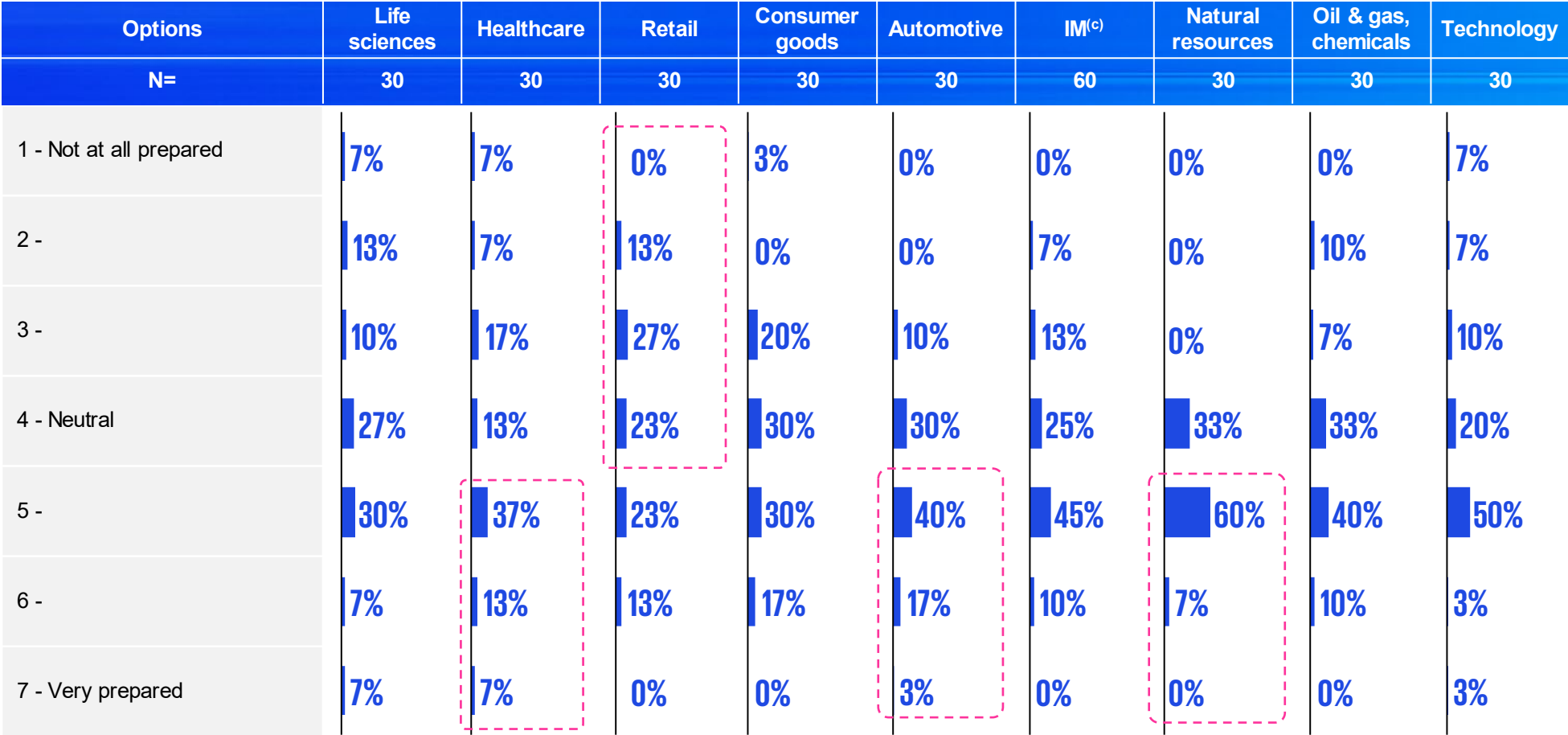


- 53% rated their organization as **prepared or very prepared** for tariff changes
- 47% rated their organization as **unprepared or neutral**—indicating uncertainty or indecision
- This suggests that while most organizations have some confidence in their approach there is room for improvement

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most sectors report being at somewhat prepared for tariff changes

How prepared is your company to respond to sudden tariff changes?^(a) N=300; Sliding scale



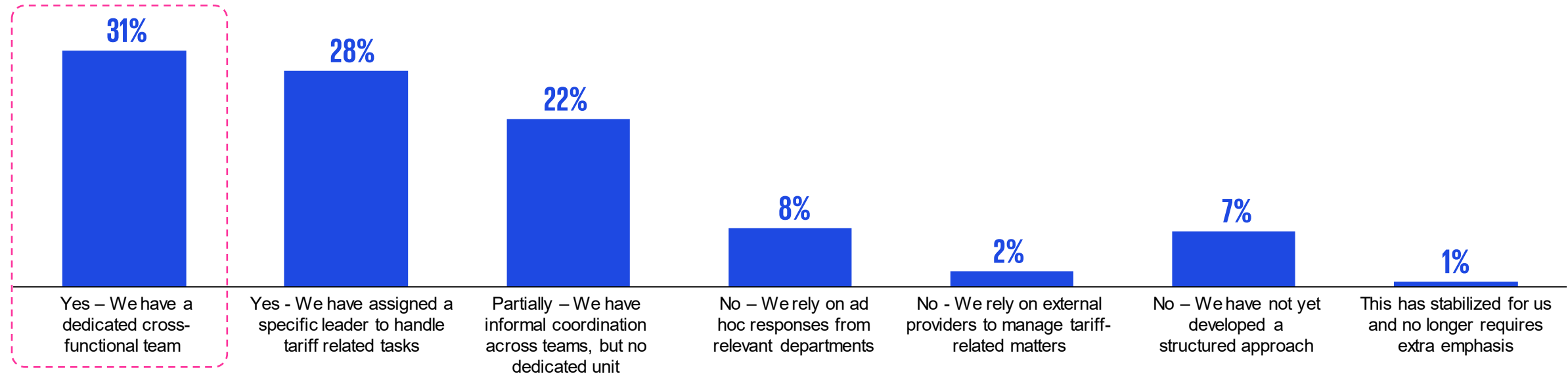
Key observations

- Natural Resources (67%), Automotive (60%) and Healthcare (57%) have relatively high shares that are **prepared or very prepared** for tariff shifts
- In contrast, 63% of Retail report **uncertainty or that their organization is not prepared**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

While most say they are prepared, only 31% have a dedicated cross-functional team

Does your company have a dedicated team to manage tariff-related decisions?^{(a)(b)} N=300; Single select



Key observations

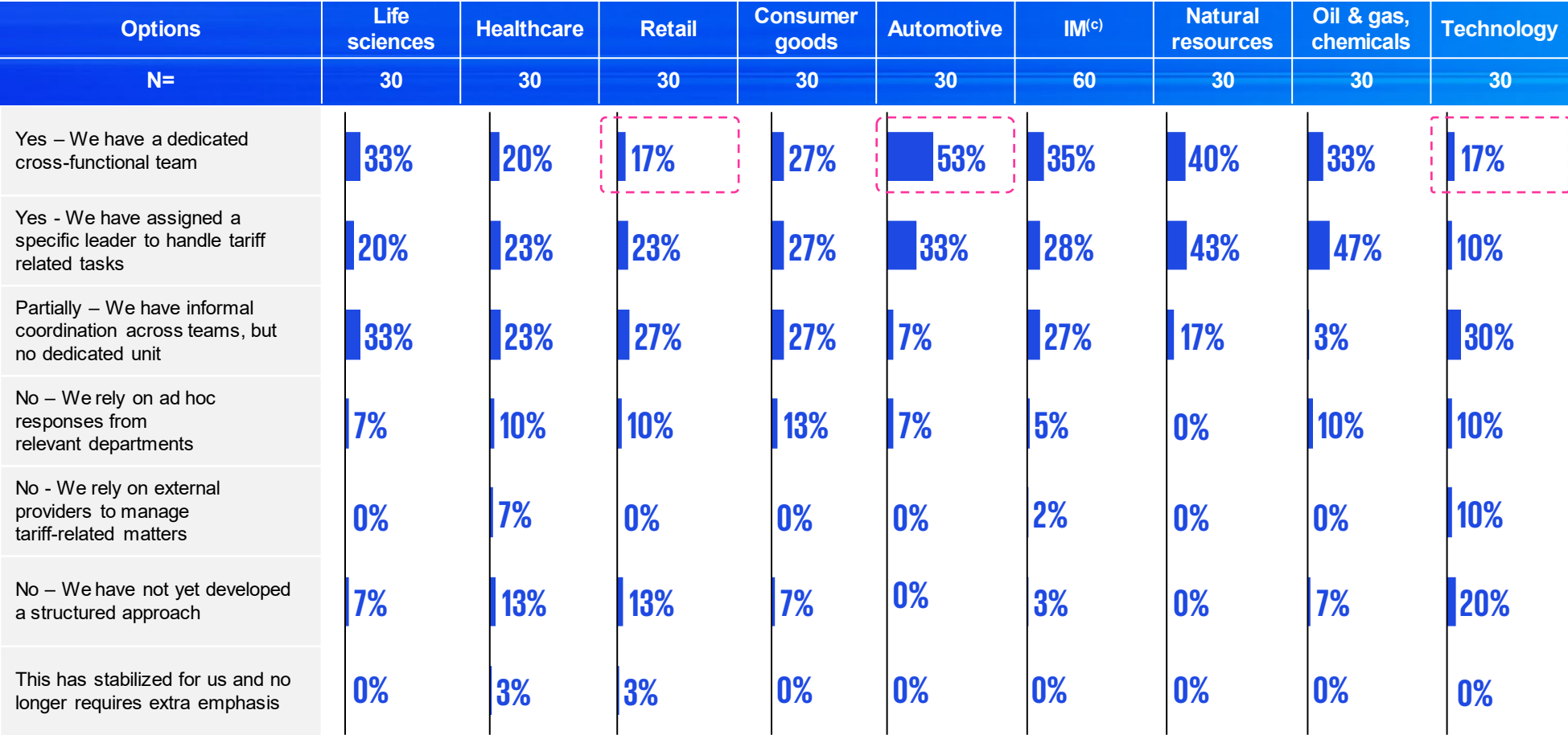


- 31% of organizations have a **dedicated cross-functional team**, and 28% have appointed a **specific leader to manage tariff-related decisions**
 - This highlights fragmented governance for most businesses—in which the tariff response may be siloed or under-resourced, potentially limiting responsiveness and accountability

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Do not know/Unsure' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 2.0, Sep'25

Different tariff governance across sectors suggests varied levels of readiness

Does your company have a dedicated team to manage tariff-related decisions?^{(a)(b)} N=300; Single select



Key observations

- 53% of automotive respondents have a **dedicated cross functional team**—the highest of any sector—suggesting more mature tariff governance
- Only 17% of Retail and Technology respondents report dedicated cross-functional teams—indicating areas for improvement

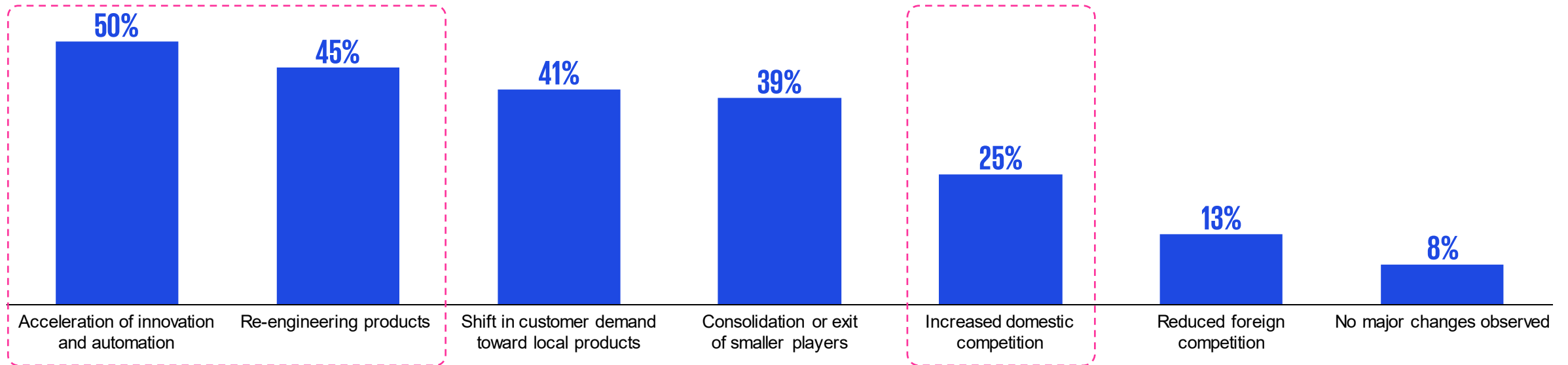
Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Do not know/Unsure' is not considered in the graphical representation due to limited response; (c) IM stands for Industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

4.2

Technology

Tariffs are accelerating innovation / automation and product re-engineering

Which of the following industry-wide changes have you observed as a result of tariffs?^{(a)(b)} N=300; Multi select



Key observations



- 50% report **acceleration of innovation and automation**, while 45% say tariffs are driving the **re-engineering of products**
- 41% note a **shift in customer demand toward local products**, suggesting a potential market realignment favoring domestic producers; 25% report **increased domestic competition**, signaling a shift towards domestic 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 2.0, Sep'25

The push for innovation and product re-engineering is most pronounced in industrial and energy sectors

Which of the following industry-wide changes have you observed as a result of tariffs?^{(a)(b)} N=300; Multi select

Options	Life sciences	Healthcare	Retail	Consumer goods	Automotive	IM ^(c)	Natural resources	Oil & gas, chemicals	Technology
N=	30	30	30	30	30	60	30	30	30
Increased domestic competition	13%	13%	27%	23%	23%	30%	20%	40%	27%
Reduced foreign competition	17%	20%	3%	17%	17%	10%	10%	13%	17%
Shift in customer demand toward local products	40%	33%	37%	30%	53%	45%	40%	33%	50%
Consolidation or exit of smaller players	40%	33%	47%	33%	43%	28%	53%	47%	37%
Acceleration of innovation and automation	40%	43%	13%	23%	63%	60%	90%	70%	33%
Re-engineering products	37%	30%	30%	37%	47%	53%	70%	60%	30%
No major changes observed	17%	10%	10%	23%	7%	2%	0%	0%	7%

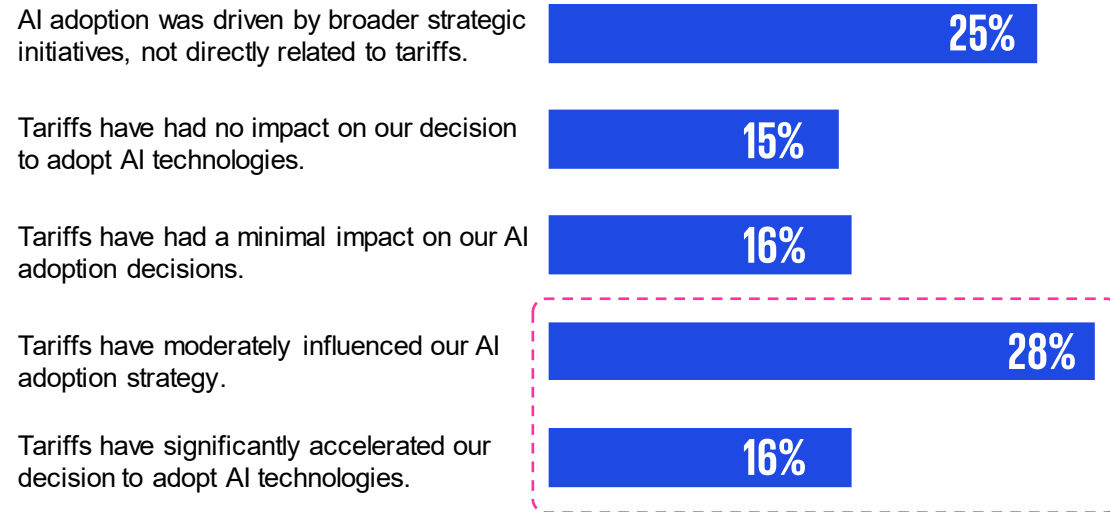
Key observations

- Majorities in IM, Natural Resources, and Oil & Gas say tariffs have driven the **acceleration of innovation** and the **re-engineering of products**
- 47% of Retail say tariffs have driven the **consolidation or exit of smaller players**
- Half of the Technology sector report a shift in **customer demand toward local products**

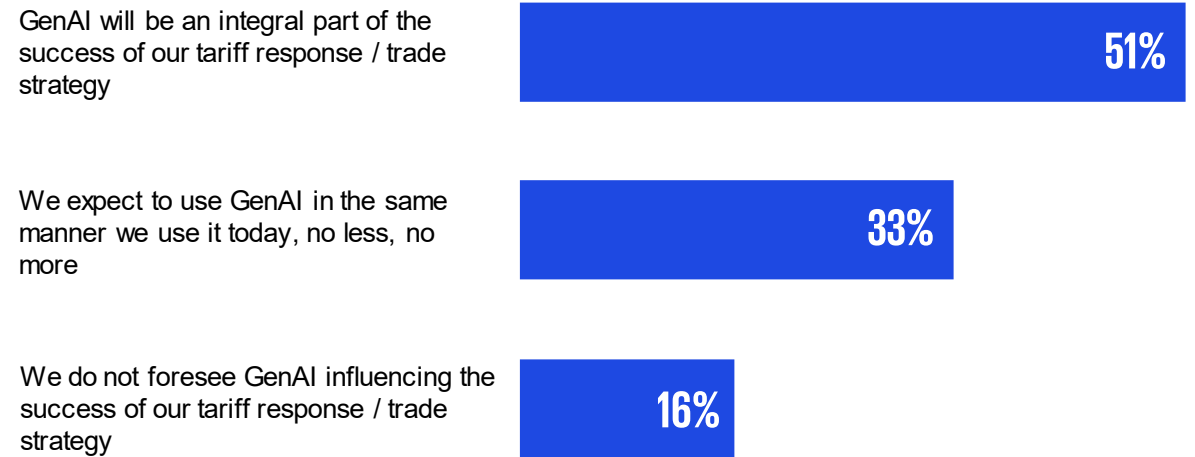
Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response; (c) IM stands for Industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

44% of organizations say tariffs influenced their AI adoption strategy

How have tariffs impacted your company's adoption of AI technologies?^{(a)(b)} N=300; Single select



D3. Which of the following best describes the role of GenAI in your company's response to tariffs?^(a) N=300; Single select



Key observations

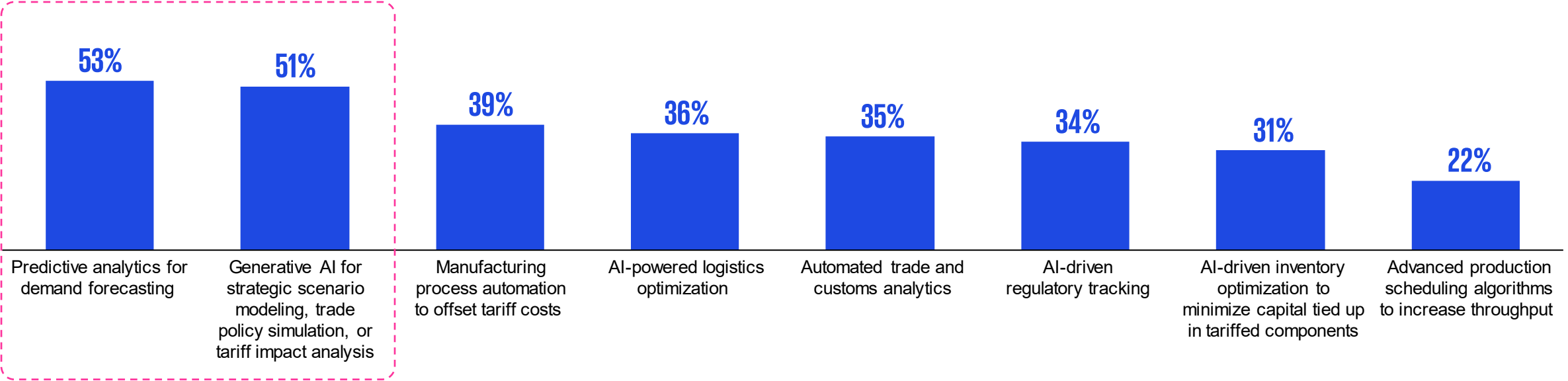


- 44% report **tariffs either significantly or moderately influenced their AI adoption**, indicating external pressures acted as a trigger for digital acceleration in some cases
- 56% say tariffs had **minimal or no impact** on their AI adoption strategy—showing broader technology imperatives were the key driver of AI in most cases
- 51% believe **GenAI will be an integral part of the success of their tariff response / trade strategy**
- 33% **expect to use GenAI in the same manner they use it today, no less, no more**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 2.0, Sep'25

About half are implementing predictive analytics and generative AI in their tariff response

What tools or capabilities is your company implementing or planning in response to tariffs?^{(a)(b)} N=300; Multi select



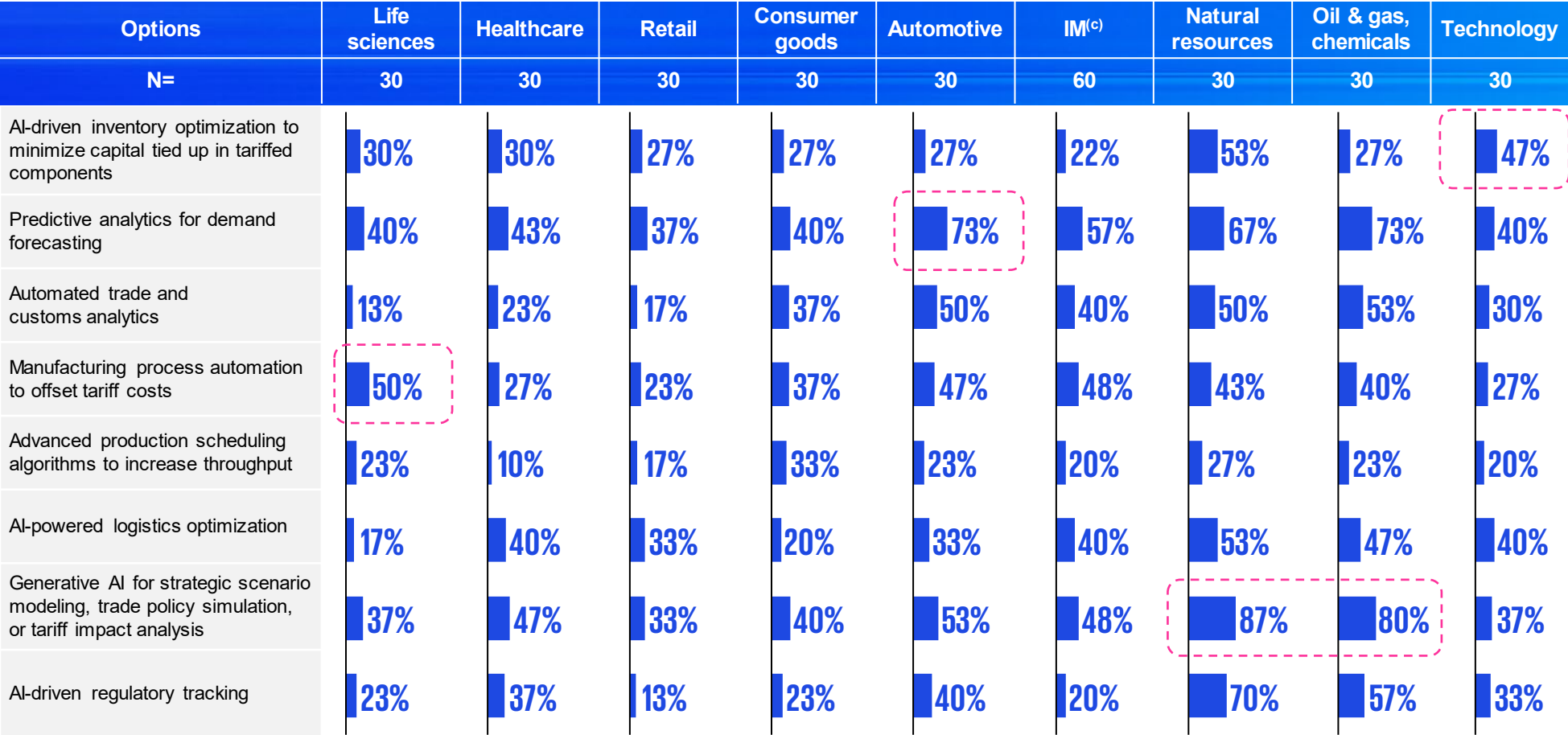
Key observations

- Organizations are using **predictive analytics** (53%) and **GenAI for strategic planning** (51%) as strategic levers to tackle tariff challenges with agility
- Some are investing in **manufacturing process automation to offset tariff costs** (39%) and **AI-powered logistics optimization** (36%), which reflects a push toward cost efficiency and operational agility

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)' and 'None of the above' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 2.0, Sep'25

Sectors show variation in technology deployment priorities

What tools or capabilities is your company implementing or planning in response to tariffs?^{(a)(b)} N=300; Single select



Key observations

- 47% of Technology are prioritizing **AI-driven inventory optimization**—the most of any sector
- 73% of Automotive are deploying **predictive analytics** for demand forecasting
- 50% of Life Sciences is implementing **manufacturing process automation**
- Natural Resources and Oil & Gas show clear focus on **GenAI for scenario modelling**, 87% and 80%, respectively

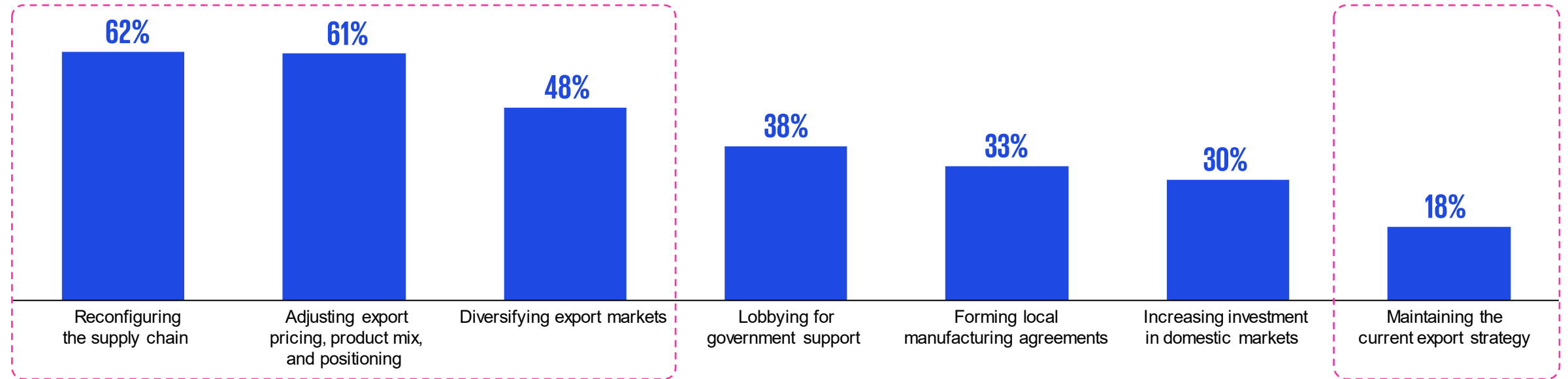
Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response; (c) IM stands for Industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

4.3

Supply chains

82% are making changes to their export strategy because of tariffs

How is your organization addressing the shift in demand for US exports caused by recent tariff changes?^(a) N=240; Multi select



Key observations



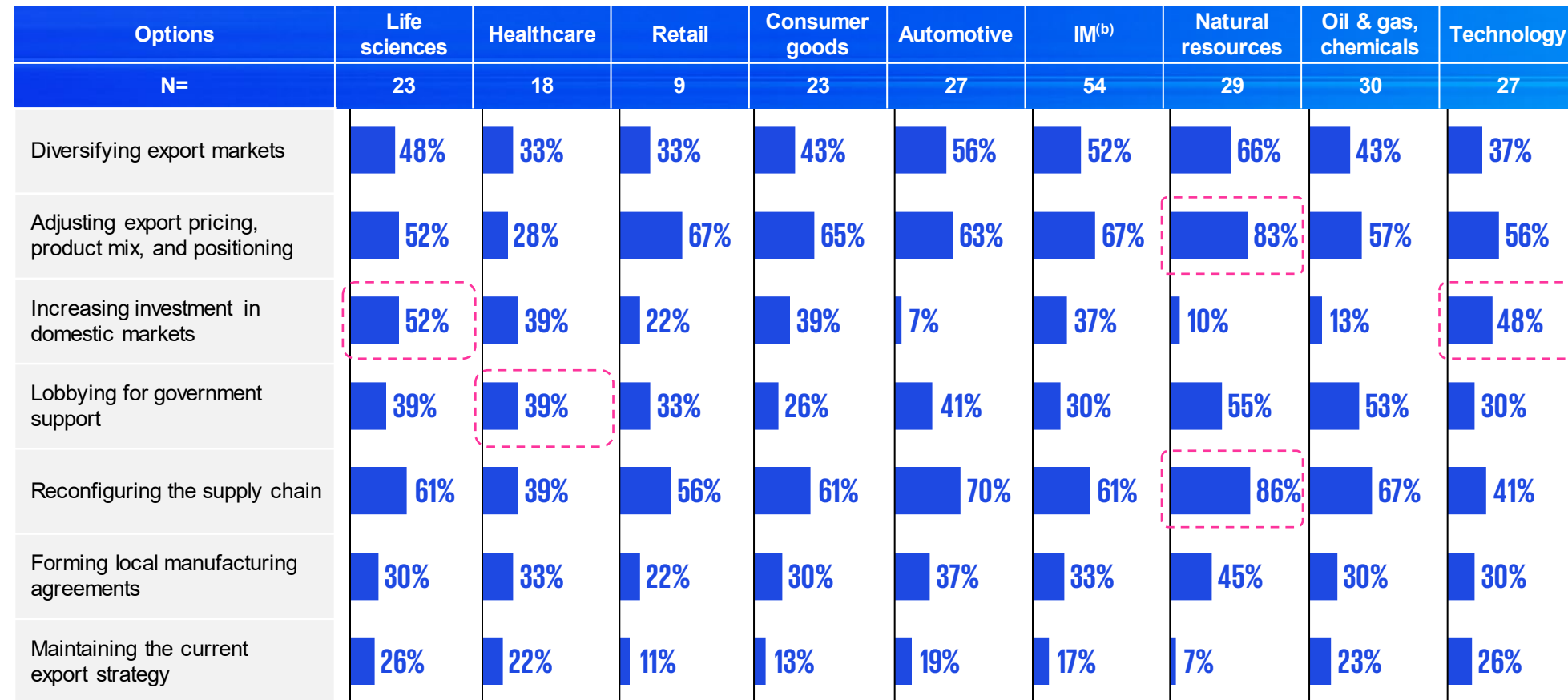
- Organizations are **reconfiguring the supply chain** (62%), **adjusting export pricing, product mix, and positioning** (61%), and **diversifying export markets** (48%) to address the shift in demand for US exports
- Only 18% are **maintaining the current export strategy** (18%), suggesting that a minority have a wait-and-see approach or believe their current strategies are still viable despite the tariff changes

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question

Source(s): KPMG Tariff Survey 2.0, Sep'25

Supply chain reconfiguration and price adjustments are the top levers across most sectors

How is your organization addressing the shift in demand for US exports caused by recent tariff changes?^(a) N=240; Multi select



Key observations



- Among Natural Resources respondents 86% are **reconfiguring the supply chain** and 83% are **adjusting export pricing**—the highest shares of any sector
- 52% of Life Sciences, and 48% of Technology, are **increasing investment in domestic markets**—a relatively high share among the sectors
- 39% of Healthcare are **lobbying for government support**

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) IM stands for industrial manufacturing

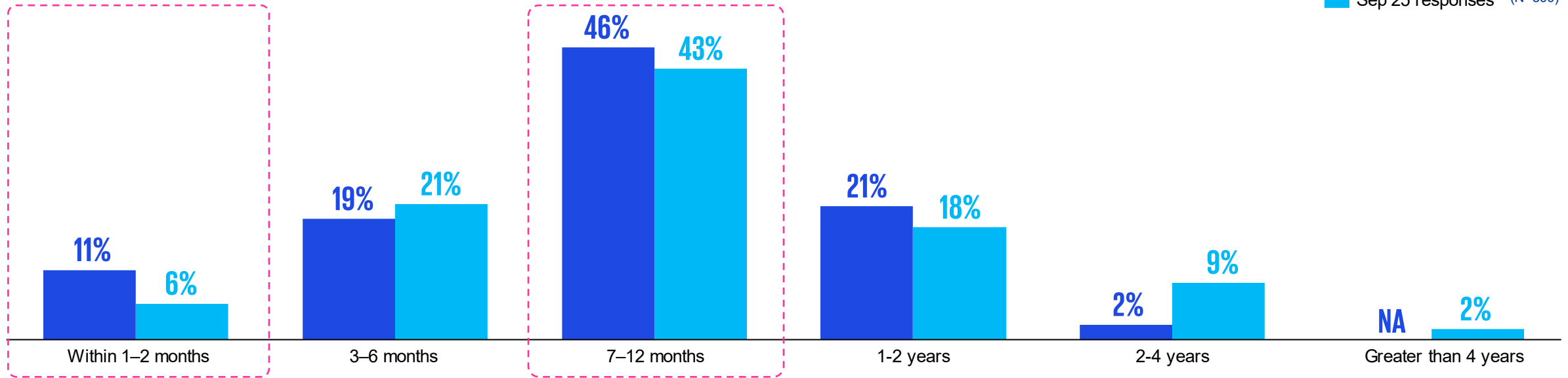
Source(s): KPMG Tariff Survey 2.0, Sep'25

43% of organizations require 7-12 months to adjust to tariff changes

How quickly can your organization pivot (e.g., significant supply chain changes) if tariffs increase or new tariffs are introduced?^{(a)(b)} *Single select*

■ May'25 responses (N=300)

■ Sep'25 responses (N=300)



Key observations

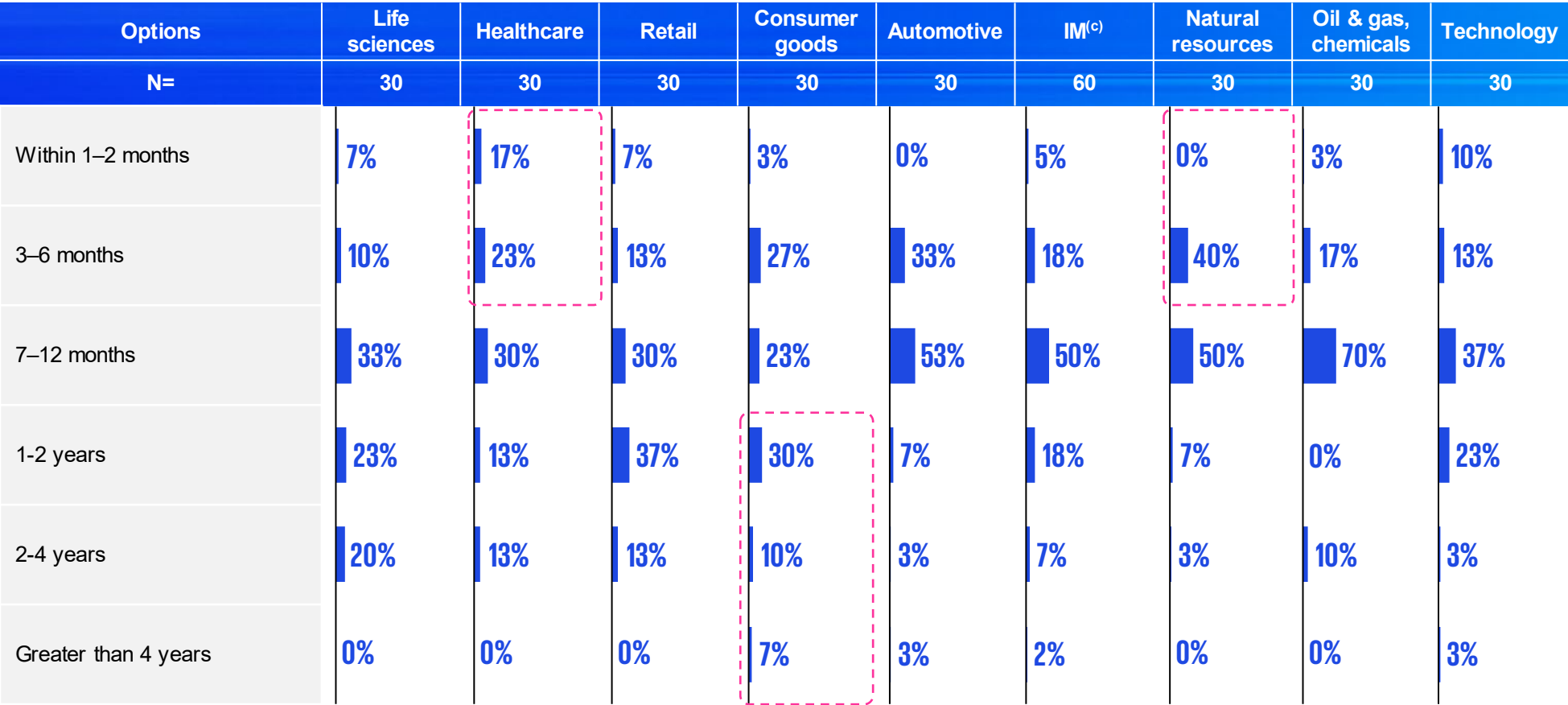


- The share of organizations able to pivot within **1-2 months** fell from 11% in **previous survey** to 6% in **current survey**, indicating a reduced ability for quick adaptation
- The largest group of respondents in **both surveys** reported a pivot time of **7–12 months**; though this slightly decreased from 46% to 43% in the current survey, it remains the most common timeframe

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Do not know/unsure' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 1.0, May'25; KPMG Tariff Survey 2.0, Sep'25

Many from Retail and Consumer goods noted that they would need 1-2 years to pivot

How quickly can your organization pivot (e.g., significant supply chain changes) if tariffs increase or new tariffs are introduced?^{(a)(b)} N=300; Single select



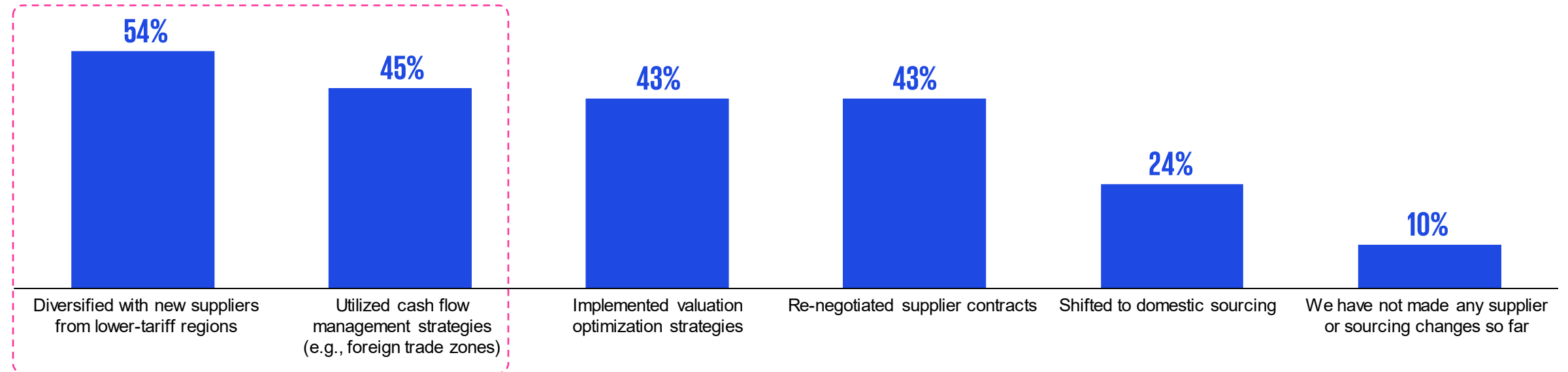
Key observations

- A relatively high share of Consumer Goods (47%) would need **more than a year** to pivot if new tariffs are introduced
- 40% of both Healthcare and Natural Resources could pivot in **six months or less**—showing slighting more agility than other sectors

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Do not know/unsure' is not considered in the graphical representation due to limited response; (c) IM stands for Industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

54% diversified their supply chain / sourcing with new suppliers from lower-tariff regions

How have you adjusted your supply chain and sourcing processes to mitigate tariff exposure?^{(a)(b)} N=300; Multi select



Key observations

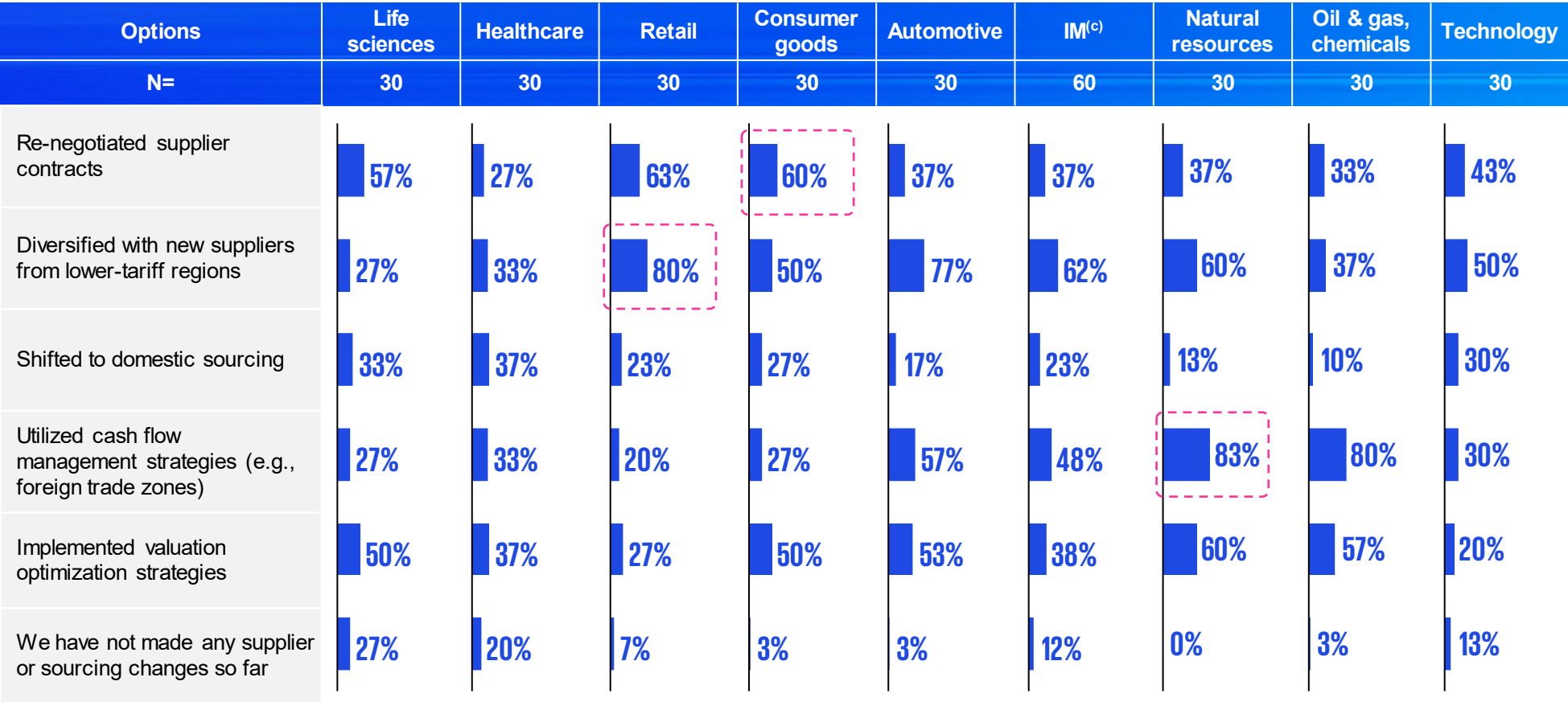


- 54% **diversified with new suppliers from lower-tariff regions** to mitigate tariff exposure, highlighting diversification as a top strategy
- 45% **utilized cash flow management strategies** to mitigate tariff pressures

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)' and 'None of the above' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 2.0, Sep'25

Supply diversification and re-negotiation were common priorities among sectors

How have you adjusted your supply chain and sourcing processes to mitigate tariff exposure?^{(a)(b)} N=300; Multi select



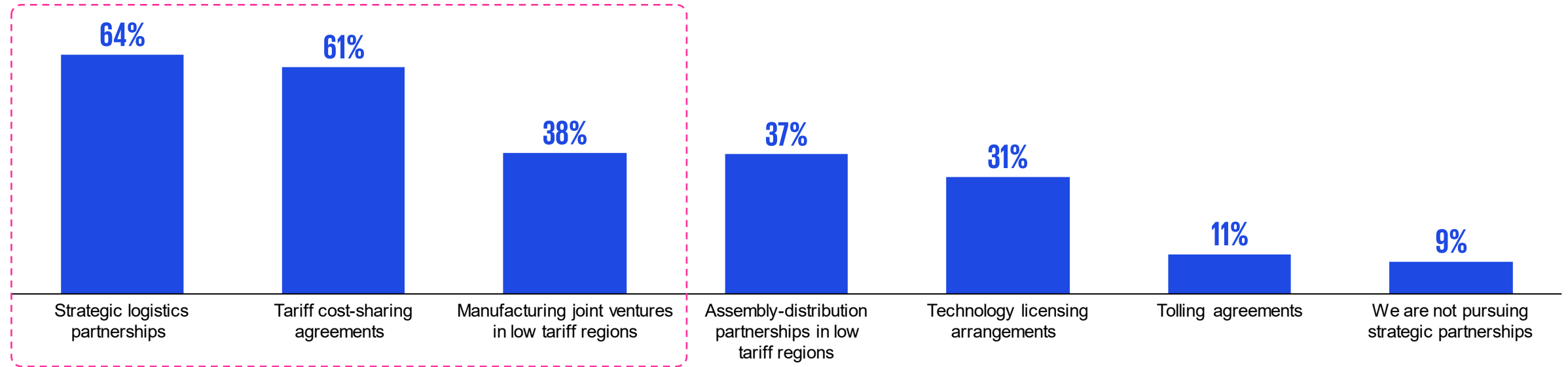
Key observations

- 80% in Retail **diversified with new suppliers** from lower-tariff regions—the highest share of any sector
- 60% in Consumer Goods **re-negotiated supplier contracts**
- 83% in Natural Resources utilized **cash flow management strategies**

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The option 'None of the above' and "Other (please specify)" are not considered in the graphical representation due to limited response; (c) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most organizations are pursuing strategic partnerships and alliances to mitigate tariff impacts

Which types of strategic partnerships or alliances are you pursuing to mitigate tariff impacts?^(a) N=300; Multi select



Key observations

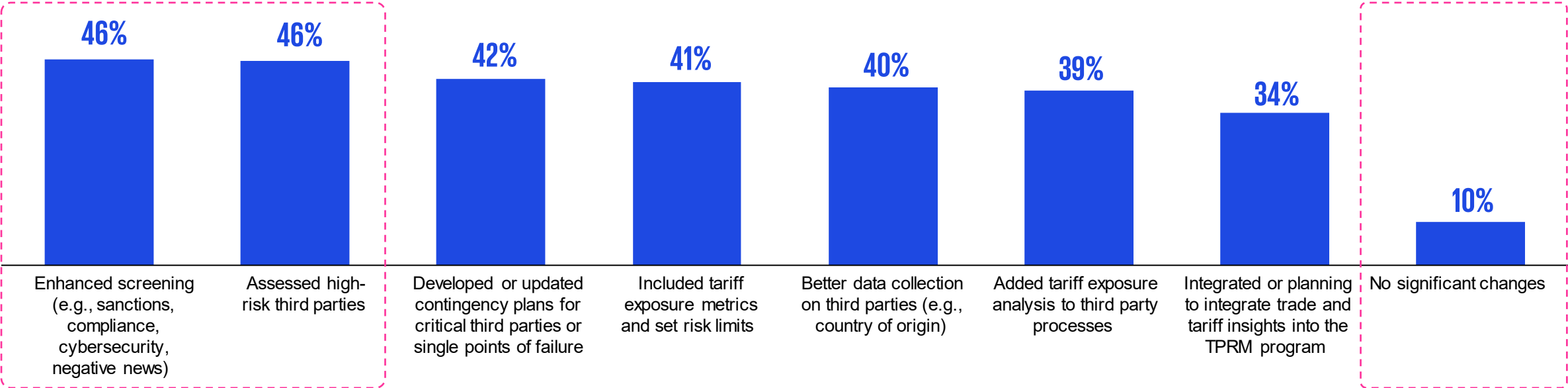


- **Strategic logistics partnerships** (64%) and **tariff cost-sharing agreements** (61%) are the most sought-after type of alliances, indicating a strong focus on optimizing supply chains and absorbing the financial burden of tariffs
- Regional strategies are gaining traction, as 38% are pursuing **manufacturing joint ventures in low-tariff regions**, reflecting a shift toward geographic diversification

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question
Source(s): KPMG Tariff Survey 2.0, Sep'25

Strengthening supplier risk programs with enhanced screening and third-party assessments

How has your company's supplier risk management (SRM) or third-party risk management (TPRM) program adapted to handle tariff changes?^{(a)(b)} N=300; Multi select



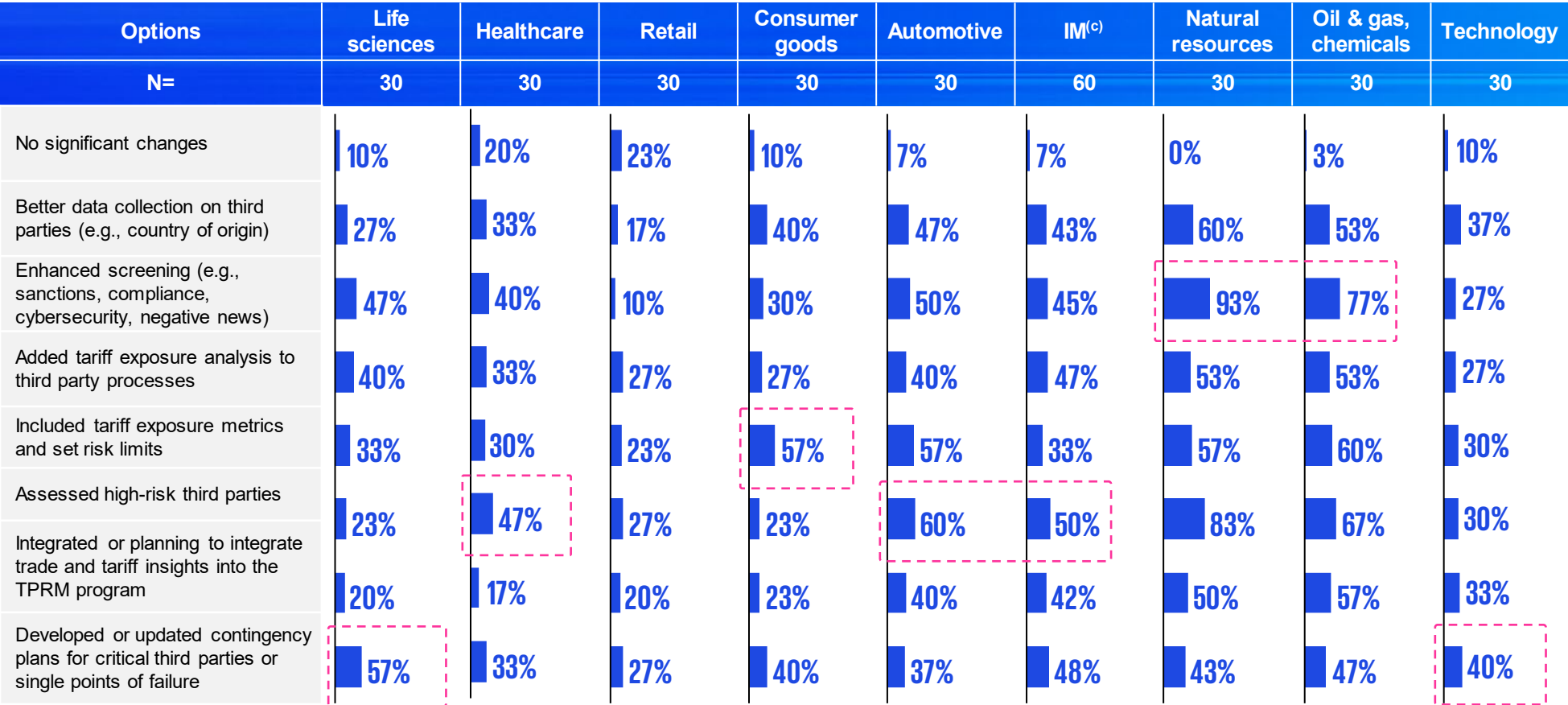
Key observations

- 46% reported that they **enhanced screening and assessed high-risk third parties** to improve their supplier / third-party risk management program
- 10% made **no significant changes** to their programs

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The option 'Do not know/unsure' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 2.0, Sep'25

Changes to supplier risk programs varied considerably across sectors

How has your company’s supplier risk management (SRM) or third-party risk management (TPRM) program adapted to handle tariff changes?^{(a)(b)} N=300; Multi select



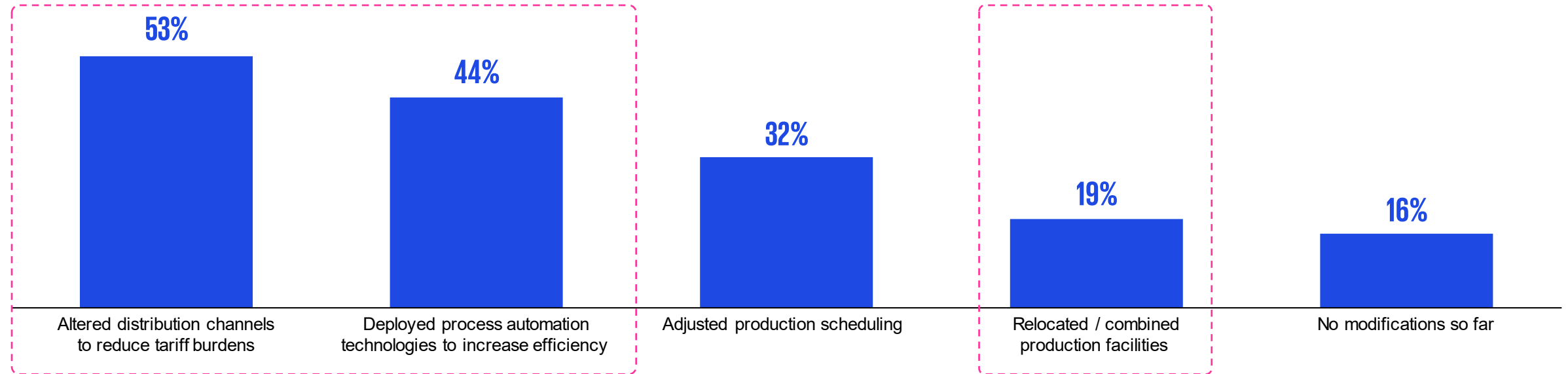
Key observations

- 93% of Natural Resources, and 77% of Oil & Gas, emphasized **enhanced supplier screenings**
- Consumer Goods’ top adaptation was including **tariff exposure metrics supplier selection**
- Healthcare, Automotive, and IM prioritized **assessment of high-risk third-parties**
- Life Sciences and Technology **prioritized updating contingency plans**
- Retail respondents varied widely in their approach—suggesting no clear consensus

Note(s): (a) Sum of percentages maynot add up to 100 as it is a multi select question; (b) The option ‘Do not know/unsure’ is not considered in the graphical representation due to limited response; (c) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep’25

53% altered distribution channels while 44% deployed automation technology

How have you modified production or distribution processes to address tariff-related pressures?^(a) N=300; Multi select



Key observations



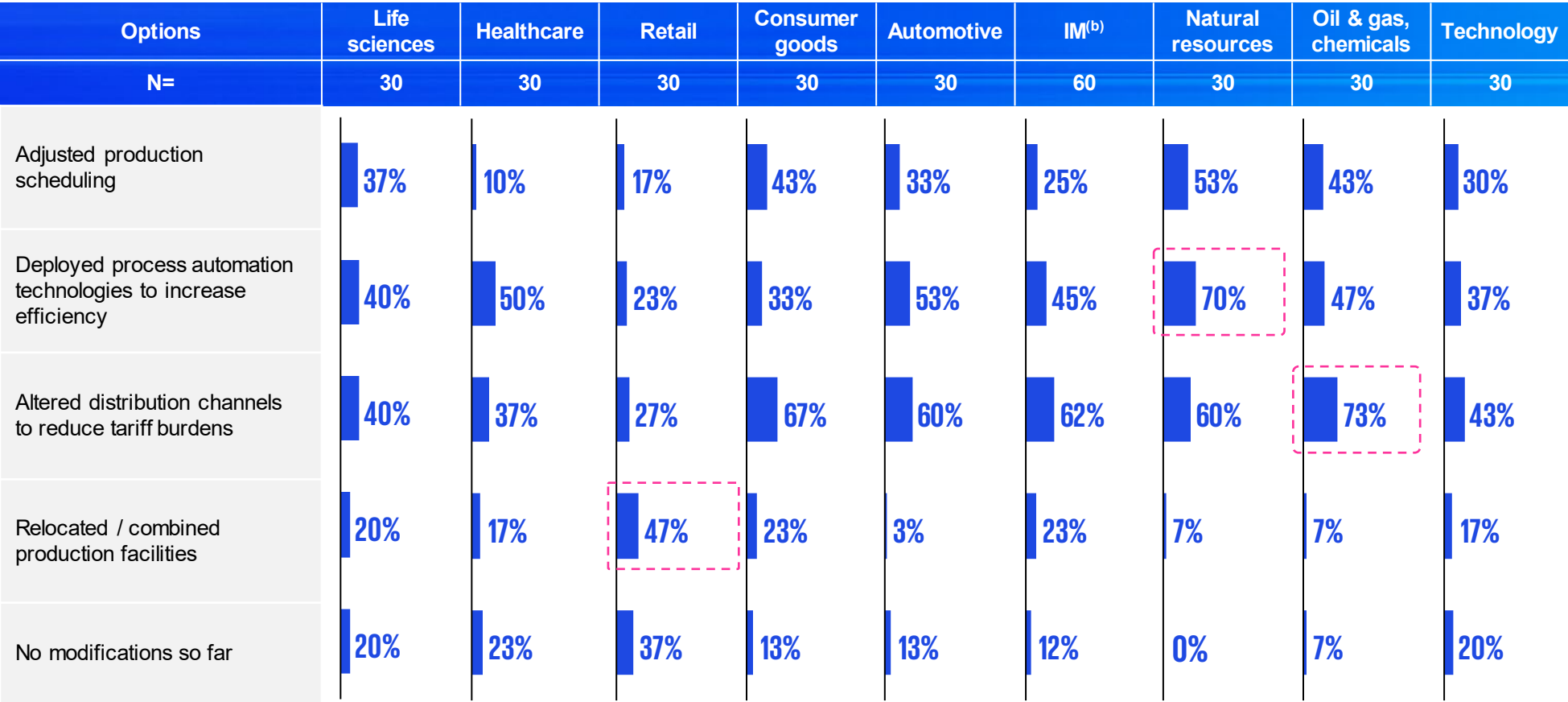
- To modify production / distribution channels amid tariff pressures, 53% **altered distribution channels**
- 44% **deployed process automation technologies** to increase efficiency, signaling a deliberate investment in productivity to counteract tariff-related pressures
- Only 19% **relocated or combined production facilities**

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question

Source(s): KPMG Tariff Survey 2.0, Sep'25

Most sectors prioritized altering distribution channels to reduce tariff burdens

How have you modified production or distribution processes to address tariff-related pressures?^(a) N=300; Multi select



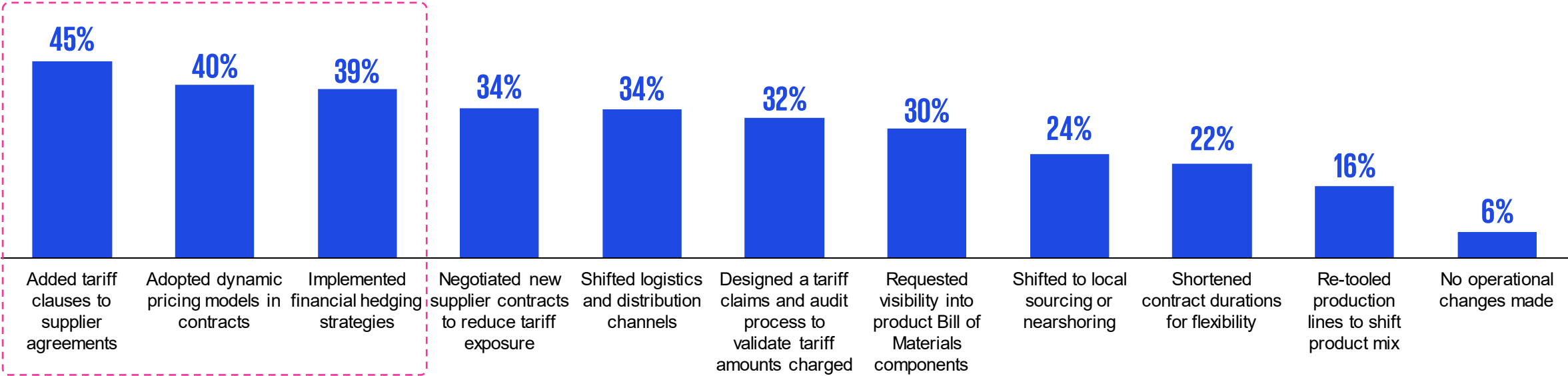
Key observations

- 73% in Oil & Gas **altered distribution channels**—the highest share of any sector
- 70% in Natural Resources prioritized deploying **process automation technologies**
- Retail was the only sector that prioritized (47%) **relocating / combining production facilities**

Note(s): (a) Sum of percentages maynot add up to 100 as it is a multi select question; (b) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

Adding tariff clauses to supplier agreements is the top operational / structural change companies have made

Which operational/structural changes has your company made to mitigate tariff-related impacts?^{(a)(b)} N=300; Multi select



Key observations



- 45% added **tariff clauses to supplier agreements**, reflecting a proactive stance of embedding risk controls directly into commercial relationships
- 40% adopted **dynamic pricing models in contracts**, and 39% **implemented financial hedging strategies**—highlighting the importance of financial tools and flexible pricing mechanisms

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 2.0, Sep'25

Different sectors pursued financial, supplier, and pricing changes to mitigate tariffs

Which operational / structural changes has your company made to mitigate tariff-related impacts?^{(a)(b)} N=300; Multi select

Options	Life sciences	Healthcare	Retail	Consumer goods	Automotive	IM ^(c)	Natural resources	Oil & gas, chemicals	Technology
N=	30	30	30	30	30	60	30	30	30
Re-tooled production lines to shift product mix	10%	10%	17%	30%	17%	20%	17%	7%	17%
Negotiated new supplier contracts to reduce tariff exposure	27%	27%	37%	40%	33%	33%	37%	47%	30%
Implemented financial hedging strategies	33%	40%	23%	33%	57%	28%	53%	77%	13%
Shifted logistics and distribution channels	43%	23%	47%	33%	43%	33%	40%	20%	23%
No operational changes made	10%	7%	10%	10%	3%	7%	0%	0%	7%
Shortened contract durations for flexibility	27%	27%	23%	37%	10%	13%	7%	10%	50%
Added tariff clauses to supplier agreements	20%	37%	37%	37%	60%	48%	60%	67%	37%
Shifted to local sourcing or nearshoring	37%	33%	20%	27%	20%	27%	0%	17%	30%
Adopted dynamic pricing models in contracts	23%	27%	13%	23%	50%	55%	70%	53%	27%
Requested visibility into product Bill of Materials components	23%	33%	30%	20%	33%	27%	47%	40%	17%
Designed a tariff claims and audit process to validate amount charged	20%	20%	27%	27%	47%	28%	60%	50%	13%

Key observations

- 77% of Oil & Gas implemented **financial hedging strategies**
- 60% of Automotive added **tariff clauses to supplier agreements**
- 70% of Natural Resources adopted **dynamic pricing models** in contracts
- This suggests sectors have different priorities in how they adapt operations

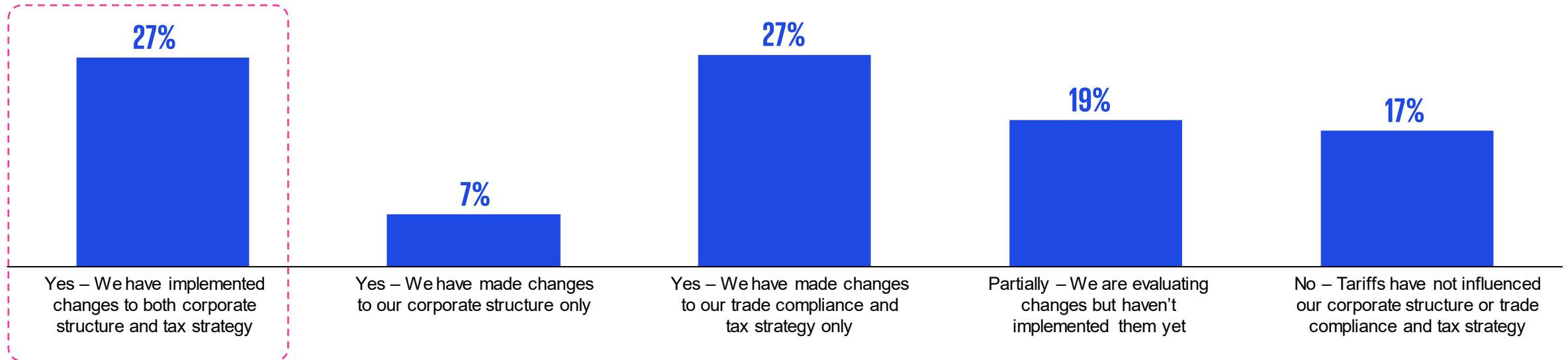
Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response; (c) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

4.4

Tax & corporate structure

27% adjusted their corporate and tax frameworks in response to tariffs

Has your company made or considered changes to its corporate structure or tax strategy in response to tariffs?^{(a)(b)} N=300; Single select



Key observations

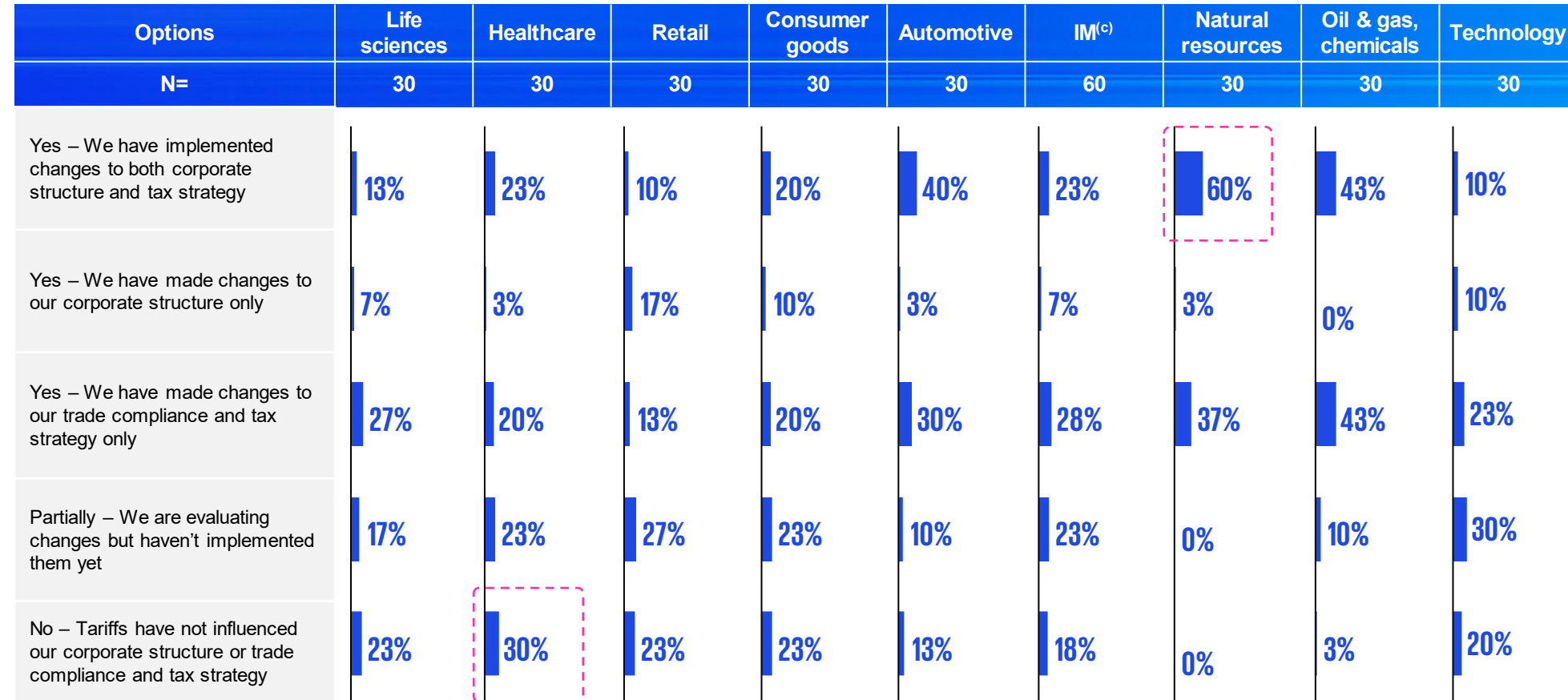


- 27% implemented **changes to both corporate structure and tax strategy**, reflecting a comprehensive response to tariff pressures
- 27% focused solely on **trade compliance and tax strategy**, indicating many organizations prioritized financial and regulatory agility over structural overhauls
- 17% say **tariffs have not influenced their corporate structure or trade compliance and tax strategy**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Do not know/unsure' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most sectors made at least some changes to their corporate structure and tax strategy

Has your company made or considered changes to its corporate structure or tax strategy in response to tariffs?^{(a)(b)} N=300; Single select



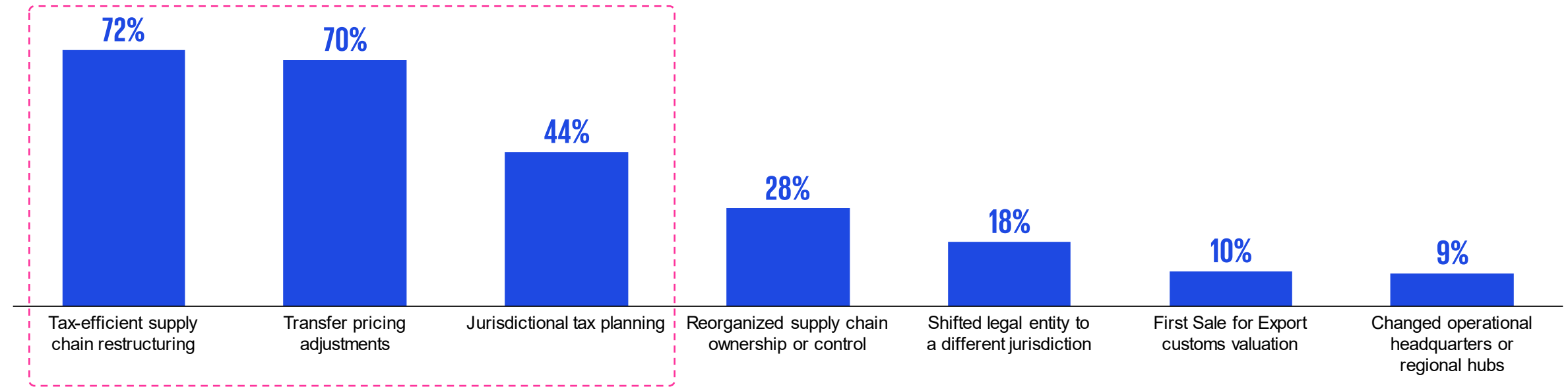
Key observations

- 60% of Natural Resources have implemented changes to **both corporate structure and tax strategy**—the highest share of any sector
- A plurality of Healthcare (30%) have made changes to **neither corporate structure nor tax strategy**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Do not know/unsure' is not considered in the graphical representation due to limited response; (c) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most organizations are prioritizing tax-efficient supply chains and transfer pricing adjustments

What types of changes have been made or considered?^{(a)(b)} N=181; Multi select



Key observations

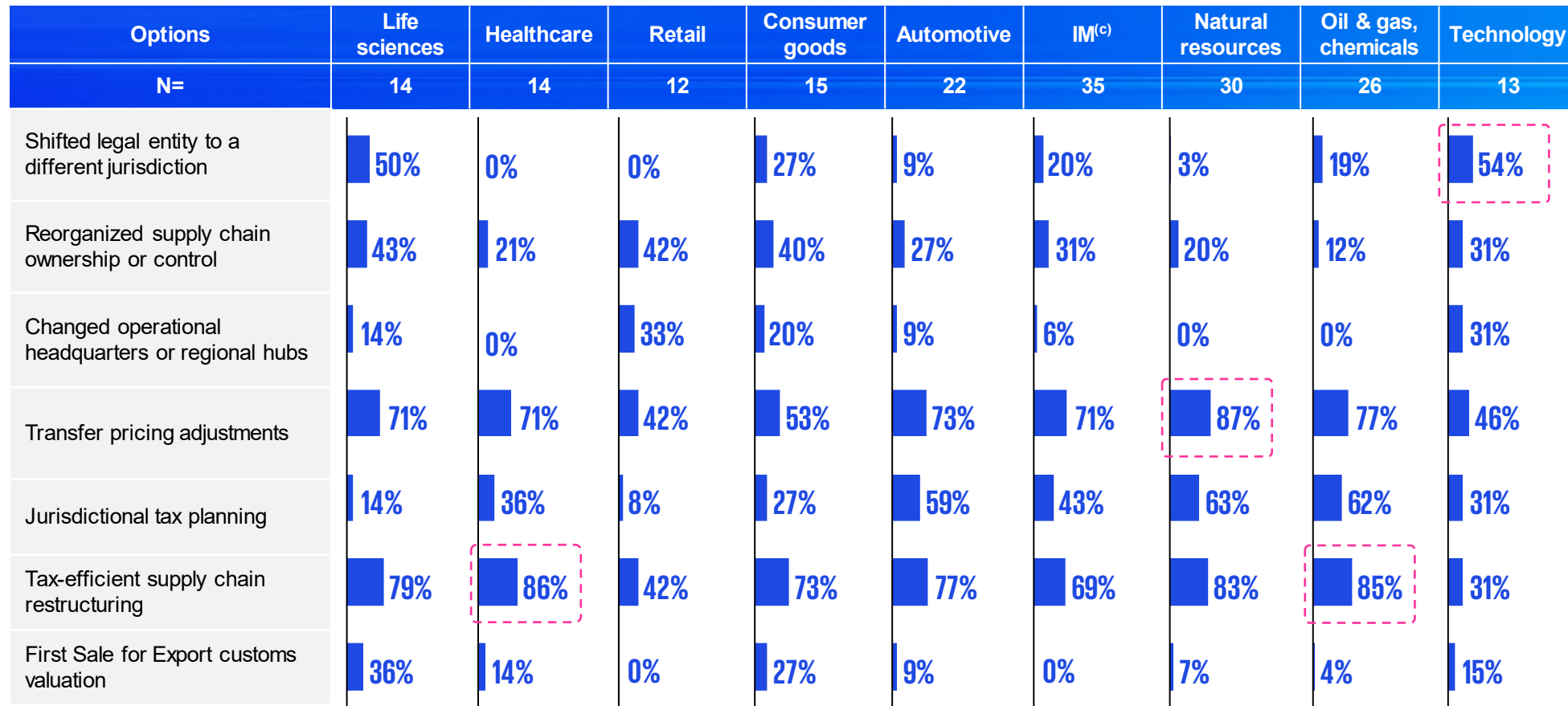


- **Tax-efficient supply chain restructuring** (72%) was the most prominent change made or considered by organizations in response to tariffs
- **Transfer pricing adjustments** (70%) was also a widely adopted strategy, showing a focus on managing costs and profits across different entities within a company's global structure
- 44% also focused on **jurisdictional tax planning**, reflecting a broader effort to align operations with favorable tax environments

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 2.0, Sep'25

Most sectors have implemented or considered tax-efficient supply chain restructuring

What types of changes have been made or considered?^{(a)(b)} N=181; Multi select



Key observations



- 86% of healthcare and 85% of Oil & Gas are focused on **tax-efficient supply chain restructuring**—the highest shares of any sectors
- 87% of Natural Resources are making or considering **transfer pricing adjustments**
- 54% of Technology are focused on **shifting the legal entity to a different jurisdiction**

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; (c) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

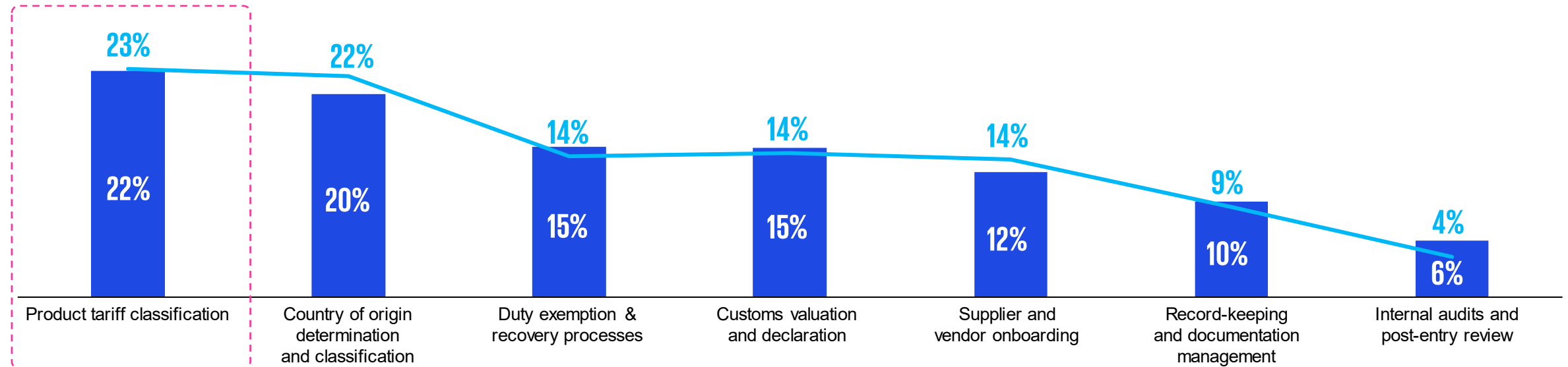
4.5

Compliance

Product tariff classification was the compliance processes requiring the most modification

■ Weighted Average — Rank 1

Which compliance processes/activities have required the most significant modification due to the new tariff policies?^{(a)(b)} N=300; Rank top 3



Key observations

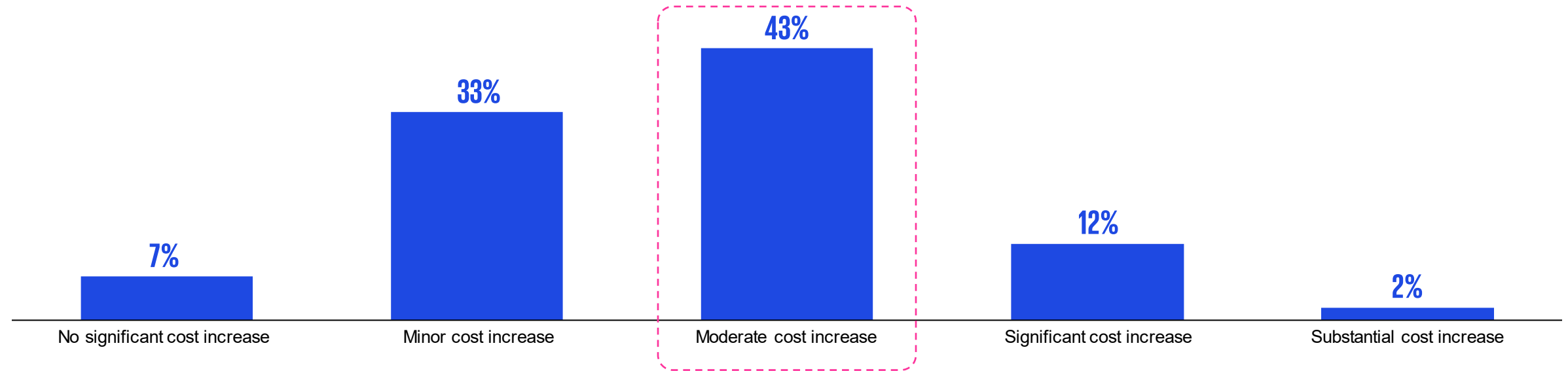


- **Product tariff classification** (23%) was the compliance process that required the most significant modification due to new tariff policies
- **Country of origin determination and classification** (22%) was also a process that commonly required modification

Note(s): (a) Weighted average has been represented; (b) (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 2.0, Sep'25

Most report minor-to-moderate operational cost increases in compliance functions

How have these process changes increased the operational costs of your compliance functions?^{(a)(b)} N=300; Single select



Key observations

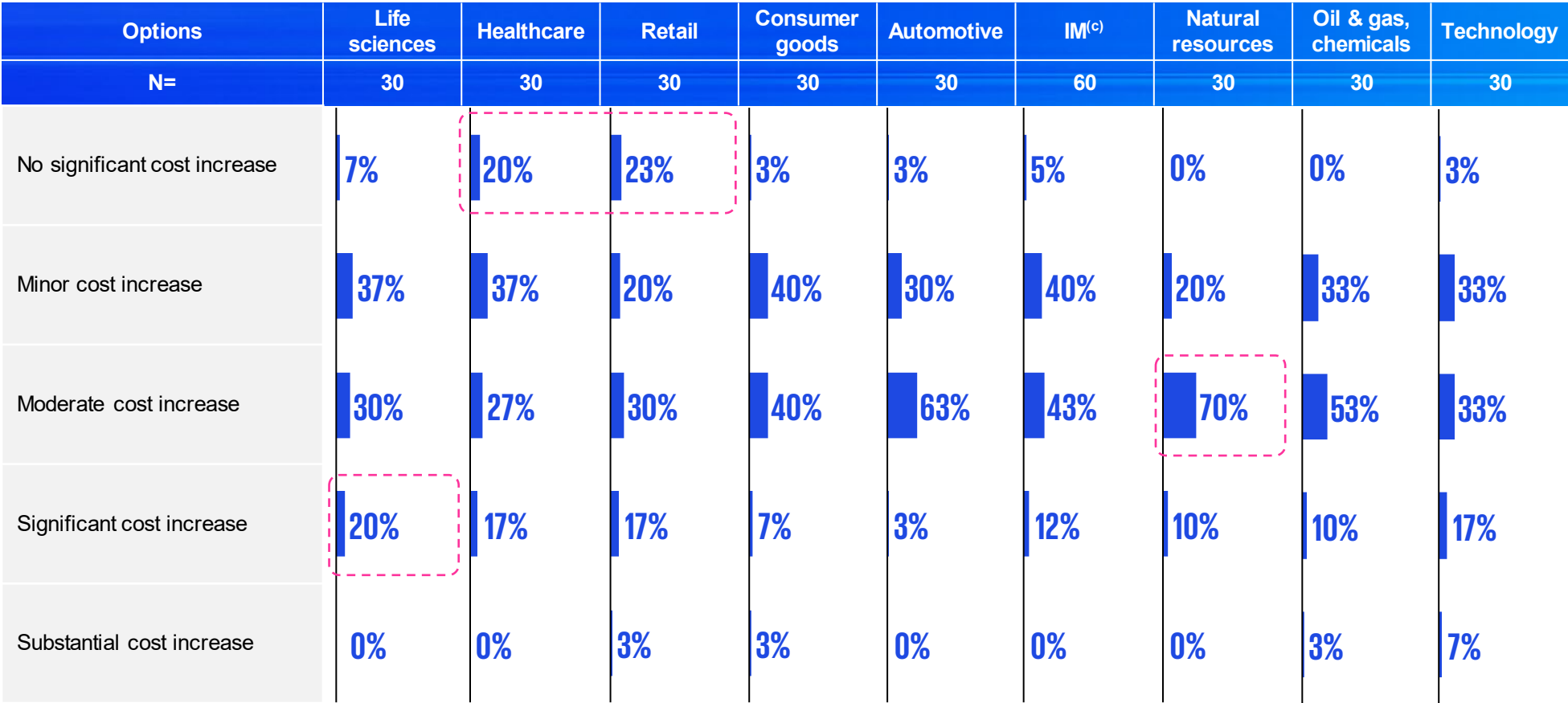


- 43% reported a **moderate cost increase** in their compliance functions due to tariff-related process changes
- 33% experienced a **minor cost increase** indicating that some organizations adapted to the new requirements with minimal financial strain
- Relatively few organizations reported **significant** (12%) or **substantial** (2%) cost increases

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Do not know/unsure' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 2.0, Sep'25

Sectors report minor-to-moderate cost increases due to compliance changes

How have these process changes increased the operational costs of your compliance functions?^{(a)(b)} N=300; Single select



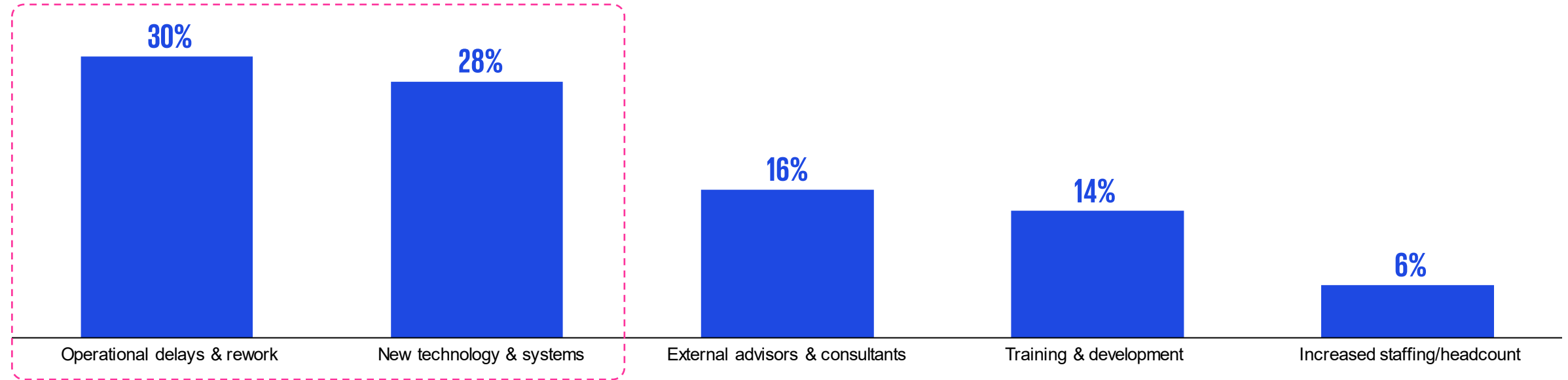
Key observations

- 70% of Natural Resources reports **moderate** compliance cost increases
- A notable minority in Healthcare and Retail—20% and 23%, respectively—report **no significant cost increase**
- A notable minority in Life Sciences (20%) reports a **significant cost increase**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Do not know/unsure' is not considered in the graphical representation due to limited response; (c) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep '25

Most organizations are modernizing operations and investing in new technology

Which of the following best describes the primary source of increased costs related to these tariff compliance process changes?^{(a)(b)} N=300; Single select



Key observations

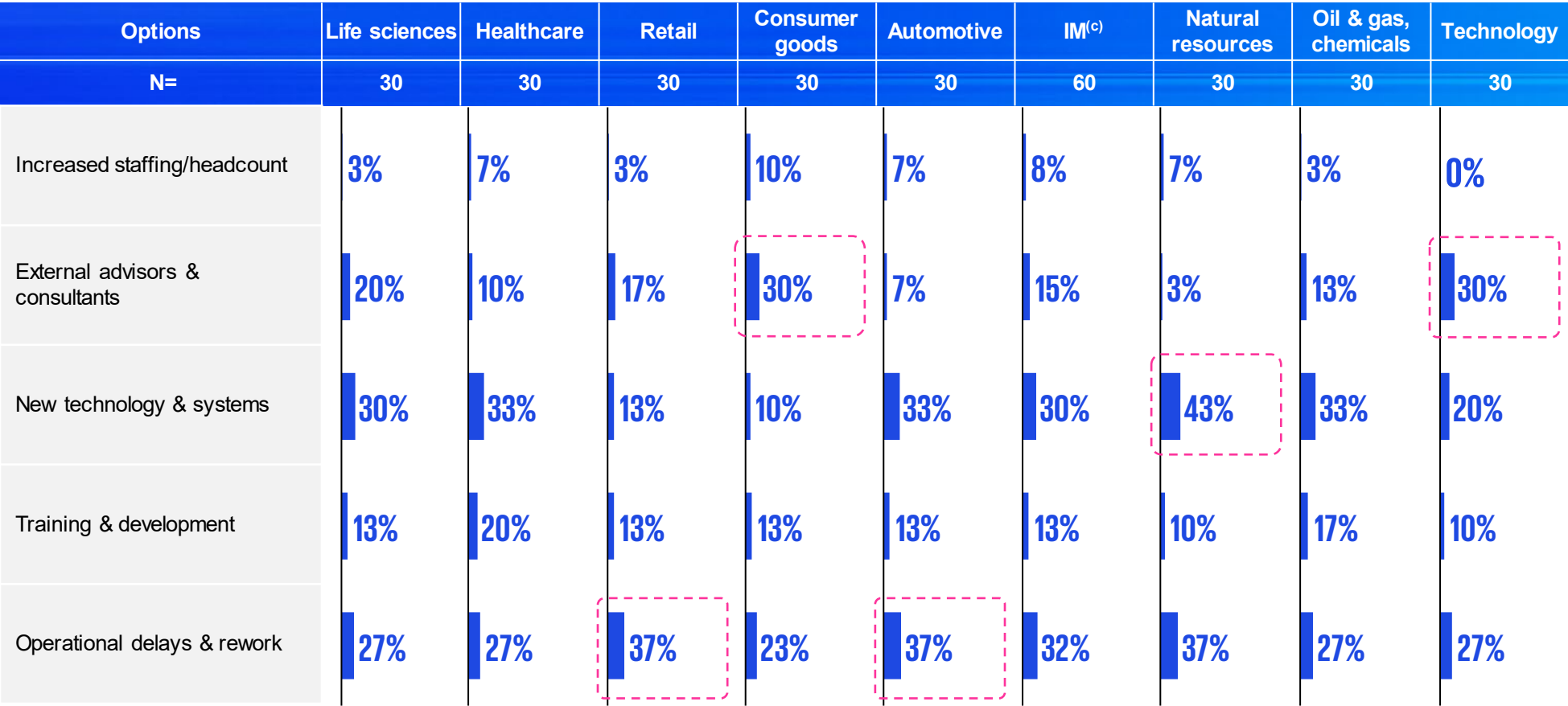


- 30% cited **operational delays and rework** as the primary source of increased compliance costs
- 28% cited **new technology and systems**, reflecting the need to invest in more advanced technologies

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Other (please specify)' and 'Do not know/unsure' is not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey 2.0, Sep'25

Sectors report new tech, operational delays, and external advisors are the top cost drivers

Which of the following best describes the primary source of increased costs related to these tariff compliance process changes?^{(a)(b)} N=300; Single select



Key observations

- 30% of both Consumer Goods and Technology cite **external advisors** as the key factor for increased compliance costs
- 43% of Natural Resources say **new technology** is the main cost driver
- 37% of both Retail and Automotive say **operational delays** drive higher compliance costs

Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The option 'Other (please specify)' and 'Do not know/unsure' is not considered in the graphical representation due to limited response; (c) IM stands for industrial manufacturing
Source(s): KPMG Tariff Survey 2.0, Sep'25

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