



Tariff Survey - One Year Later

March 2026



Contents



01	Executive summary	03
02	Respondents' overview	08
03	Tariff impact on businesses	12
04	Tariff impact on consumers	37
05	Tariff impact on the workforce	42
06	Functional responses <i>(Innovation, tech, and data; Supply chain; Risk and compliance; Tax and corporate structure)</i>	60
07	Tariff impact post-SCOTUS ruling	72

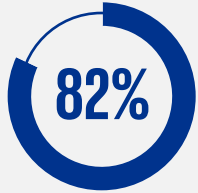
01

Executive summary

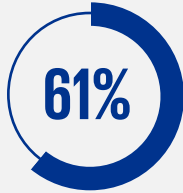
Tariffs have had a pervasive impact across organizations...

Businesses

Revenue pressure persists across markets



report a **decline in foreign sales**



report a **decline in domestic sales**

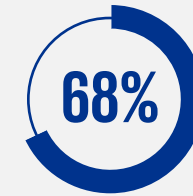
Higher costs continue to compress margins

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

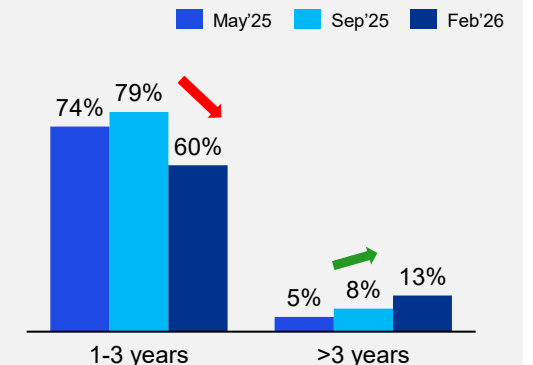
Reshoring evaluation stage:

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

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

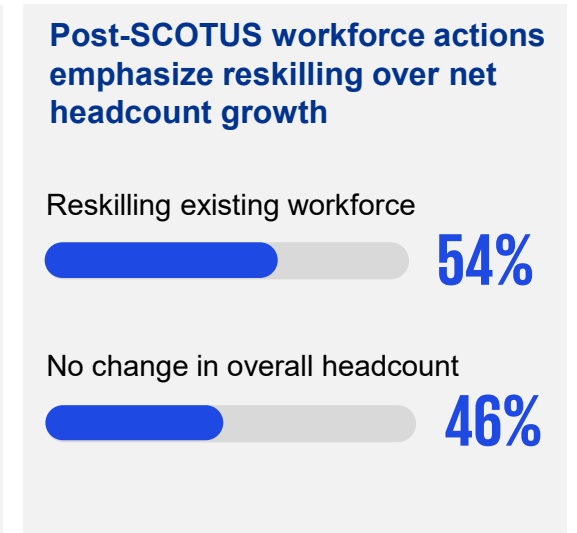
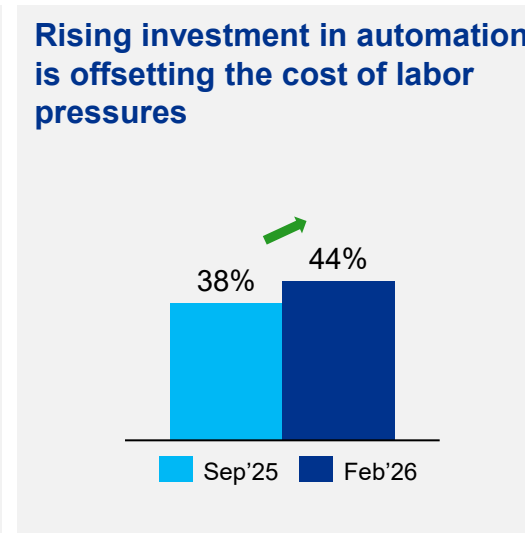
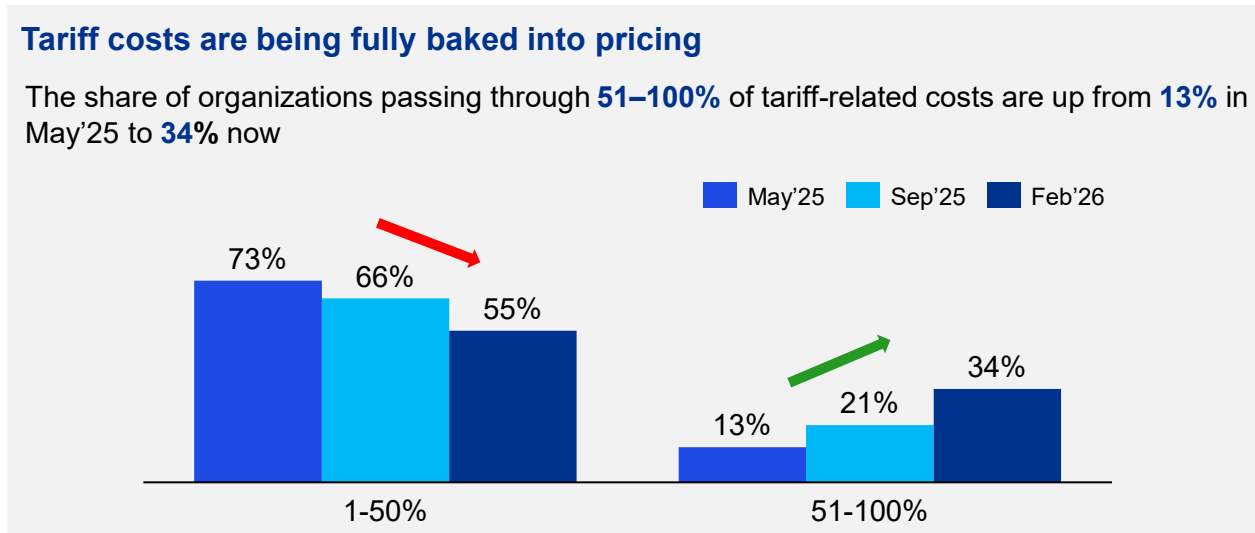
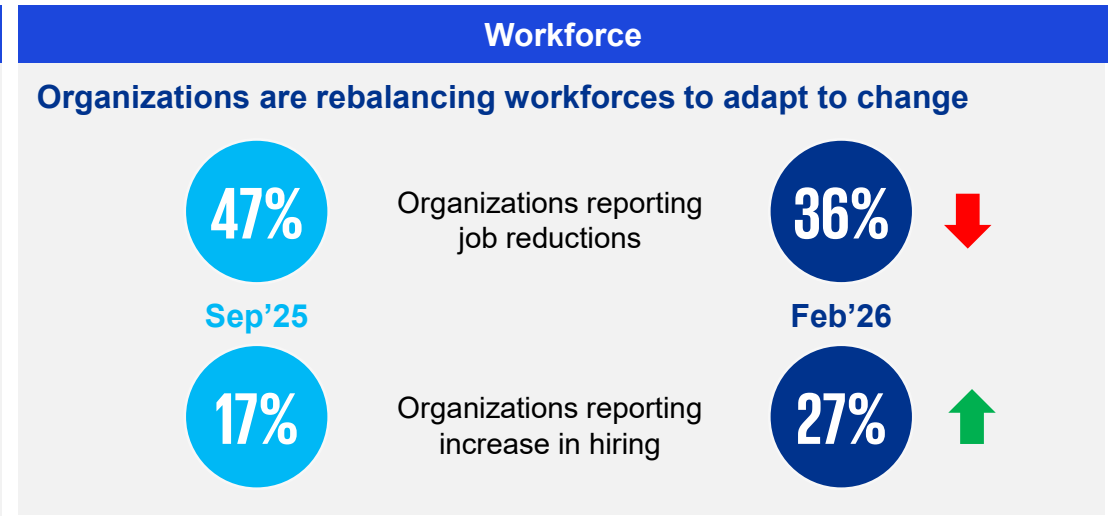
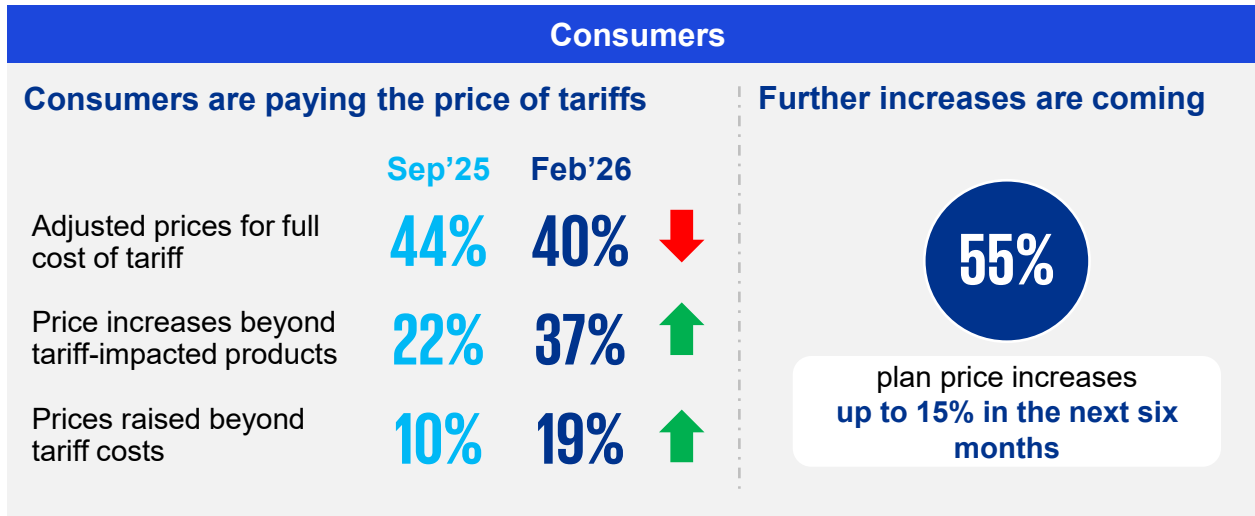
19% Early stages / informal discussions (↓ down from 33% in Sep'25)

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 Mar'26 (post-SCOTUS)

...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 Mar'26 (post-SCOTUS)



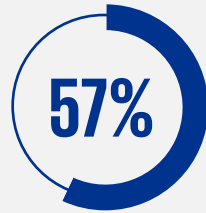
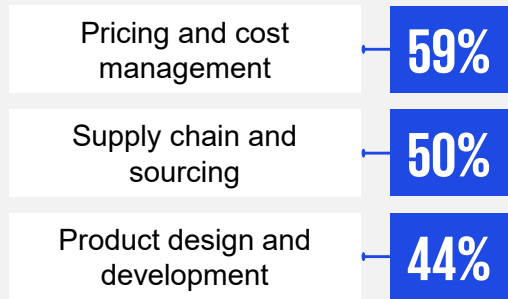
© 2026 KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Tariff responses are becoming more targeted, operational, and data-led

Innovation, technology, and data

Organizations are investing in technology to mitigate tariff impact

Technology investments target near-term needs



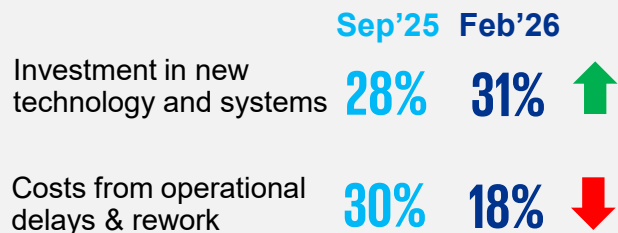
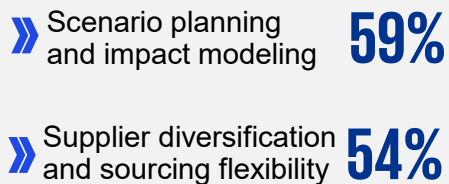
Predictive analytics remains the leading AI capability in response to tariff

Risk and compliance

Tariffs are reshaping risk management and compliance priorities

Risk management efforts are focused on strategic outcomes

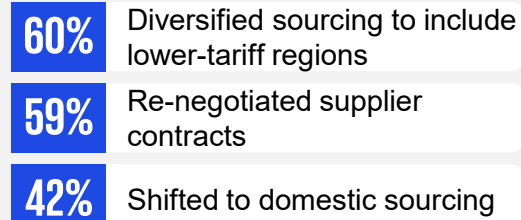
Respondents are investing more in compliance systems than on other operational improvements



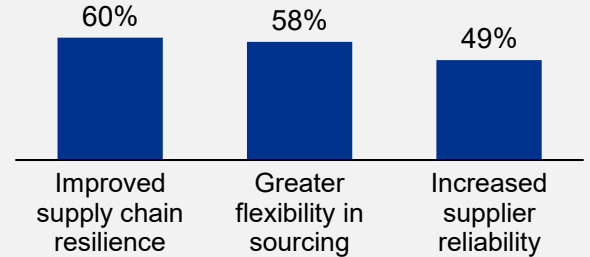
Supply chain

Supply chains are being rebalanced to reduce tariff exposure

Actions taken



Improvements seen



Tax and corporate structure

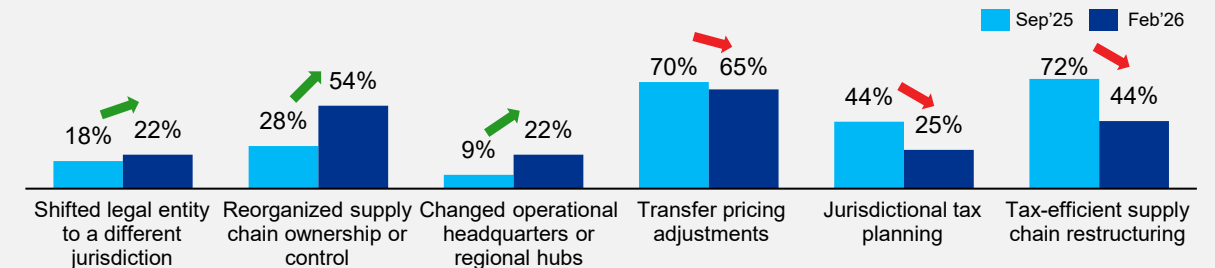
Organizations are implementing corporate and tax changes

60%
Implemented changes to corporate structure and tax strategy

24%
Evaluating changes but haven't implemented

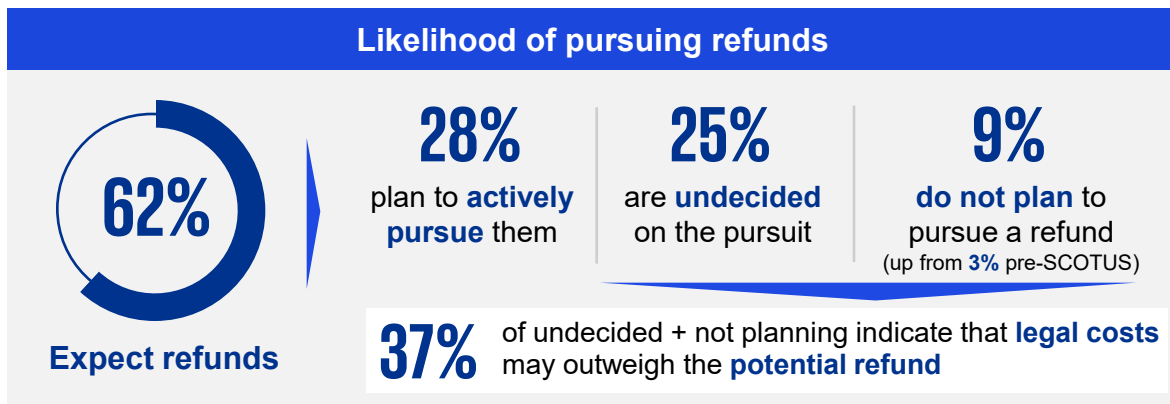
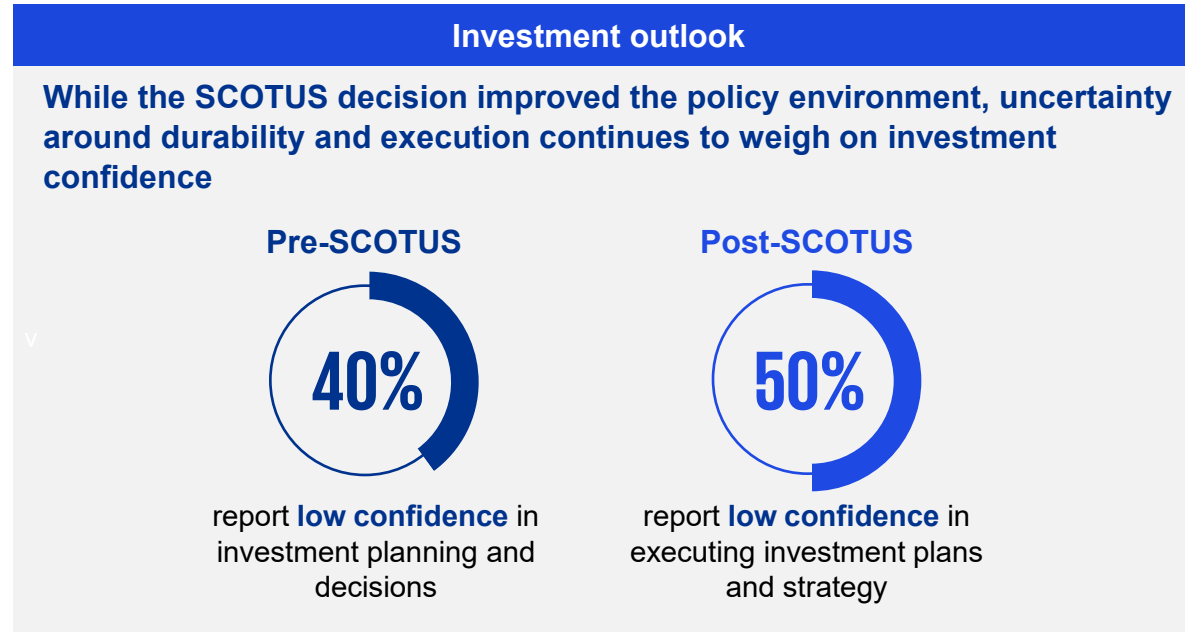
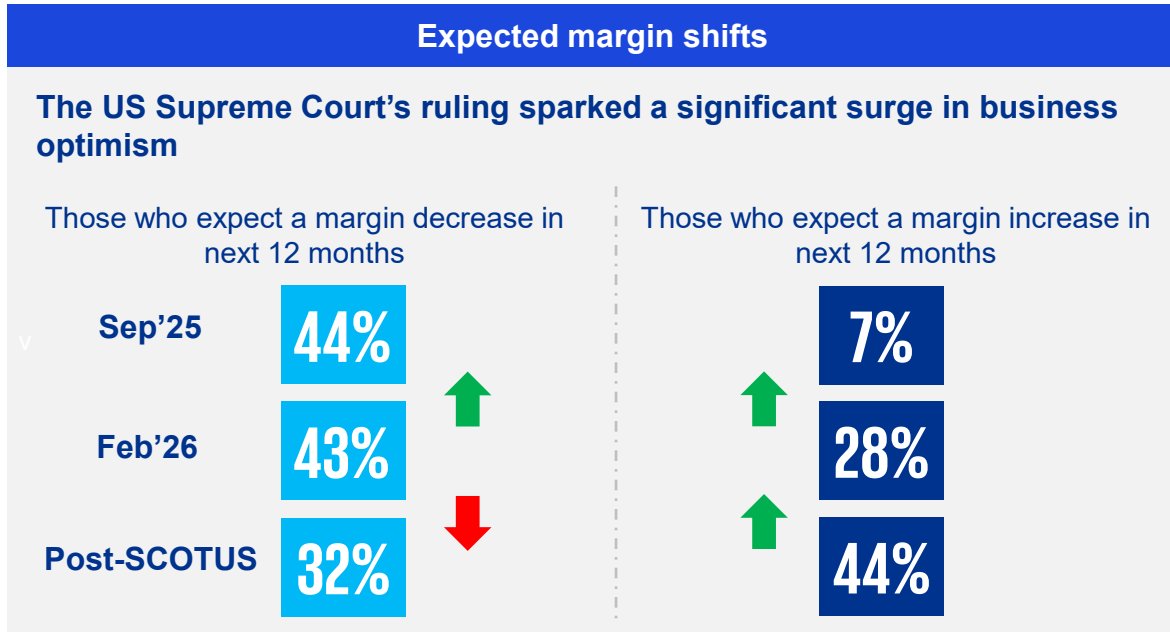
15%
No changes evaluated or implemented

Balancing structural tax adjustments and operational supply chain initiatives



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

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



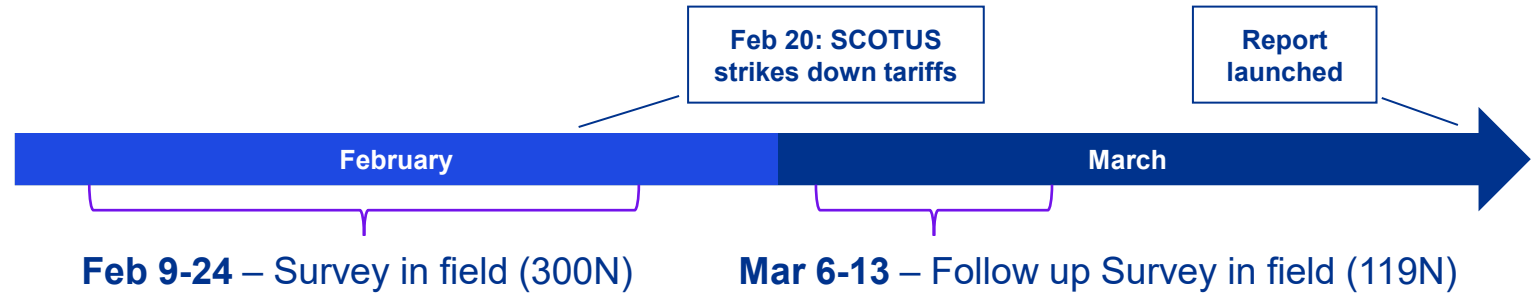
Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25; KPMG Tariff Survey Mar'26 (post-SCOTUS)

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

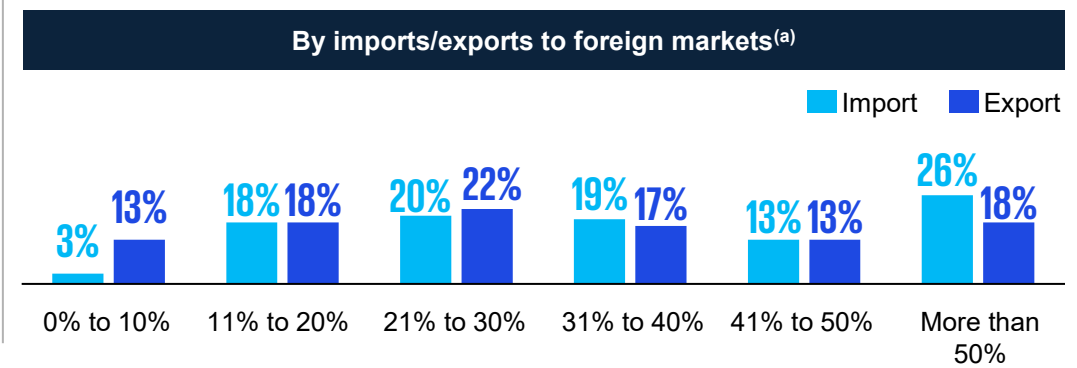
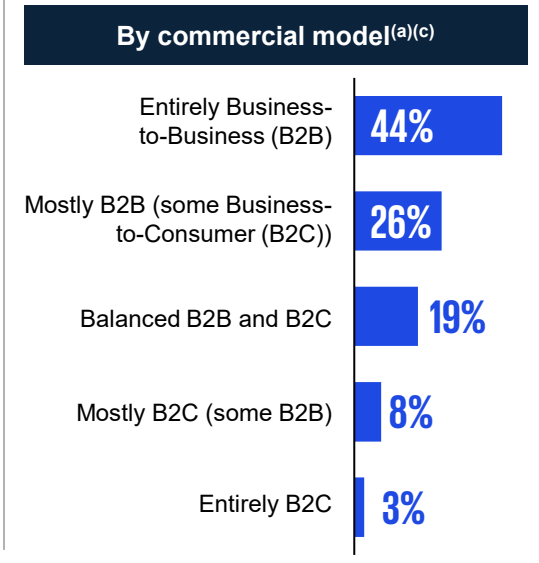
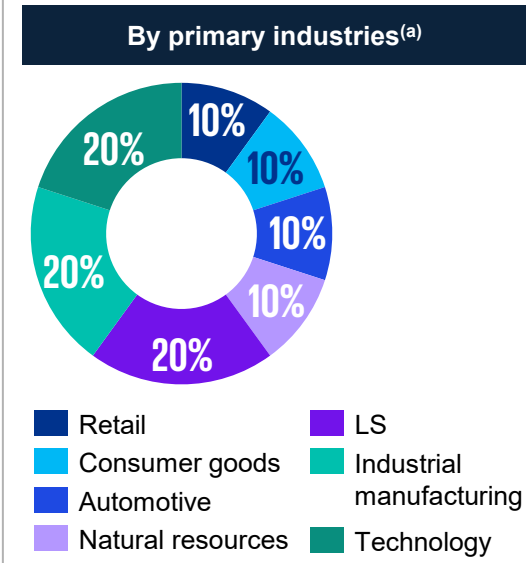
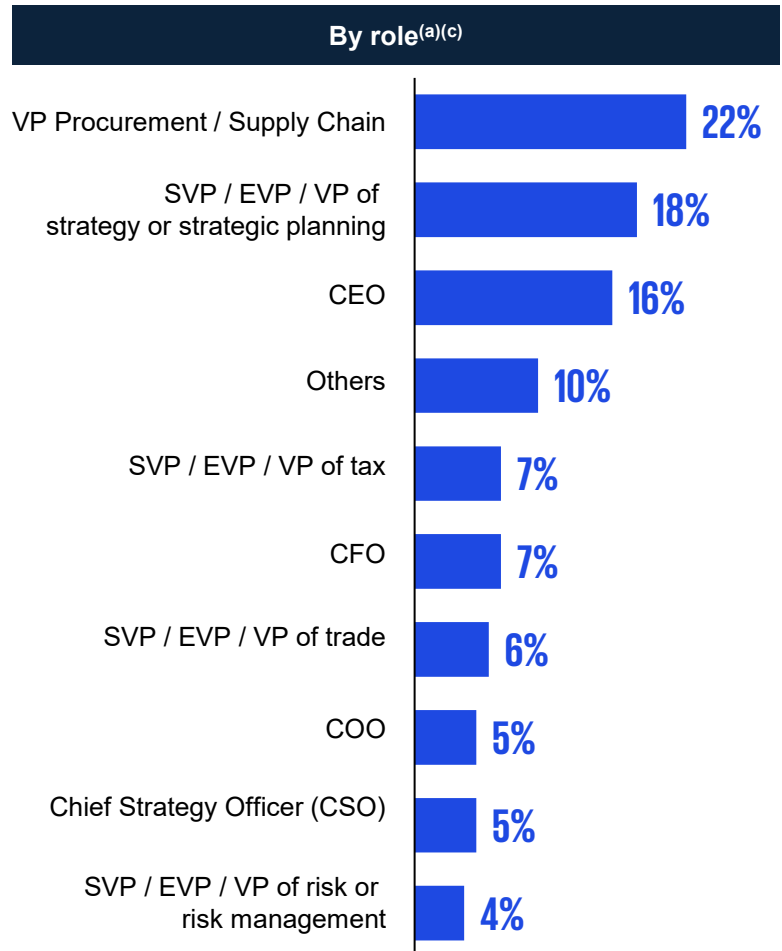
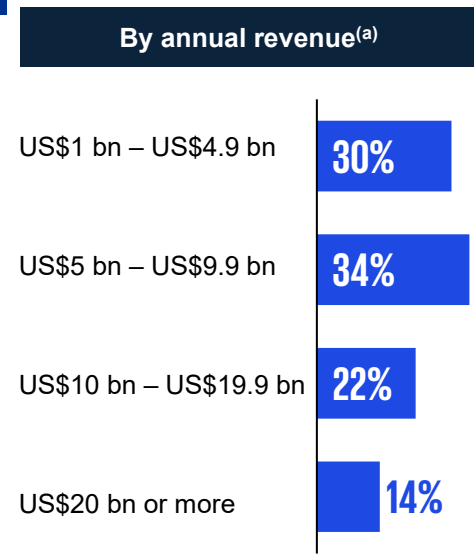
N=300



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

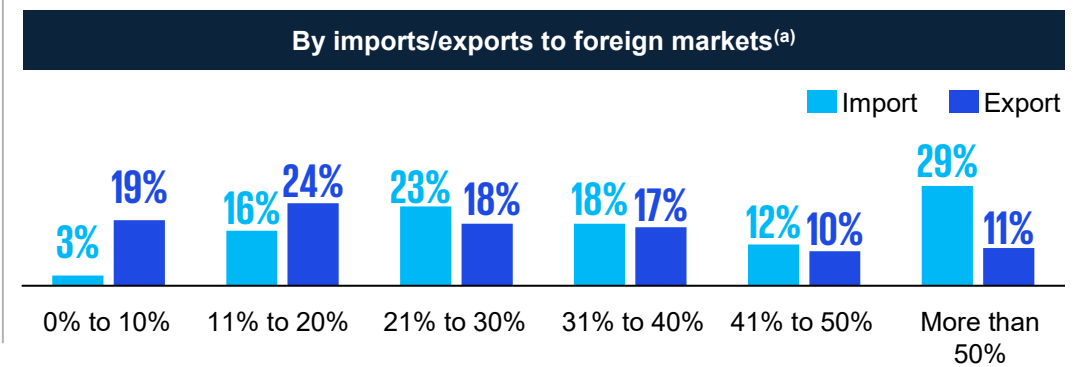
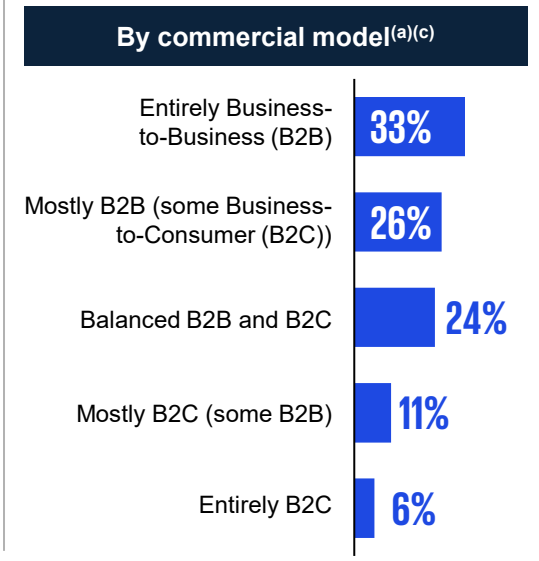
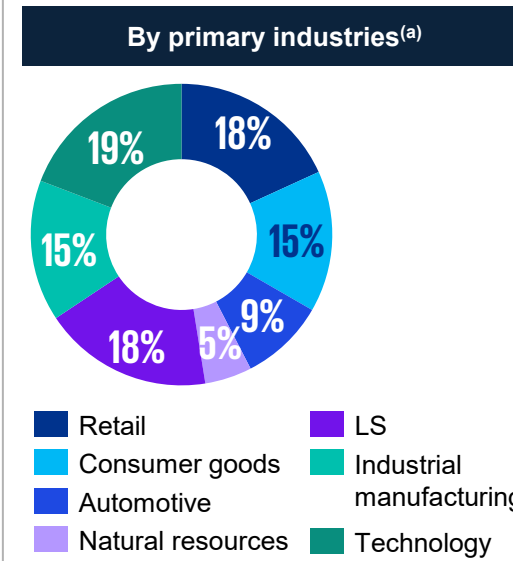
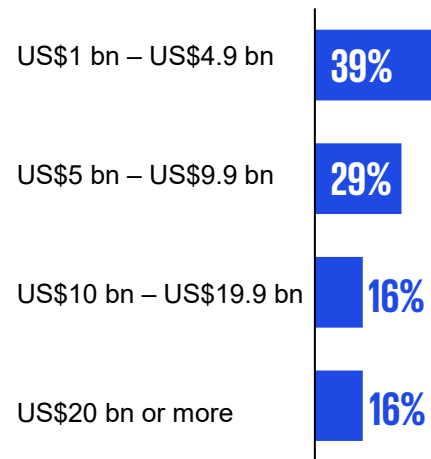


Geography
United States



Respondent's role based
United States

By annual revenue^(a)



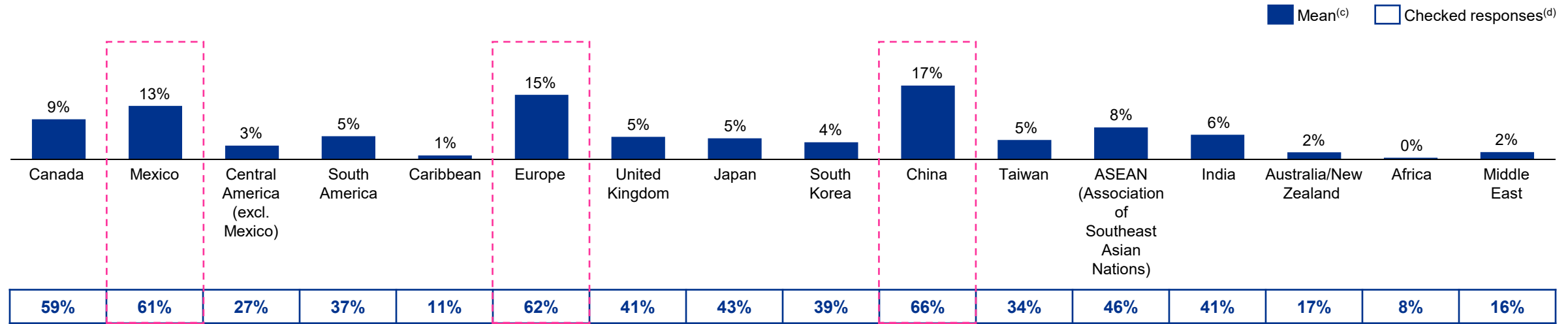
Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) For cleaner representation, we have combined the responses of the roles 'Chief Risk Officer (CRO)', 'Chief Legal Officer, Chief Compliance Officer (CCO)', 'Chief Tax Officer / Head of Tax', 'Chief Commercial Officer / Chief Revenue 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%

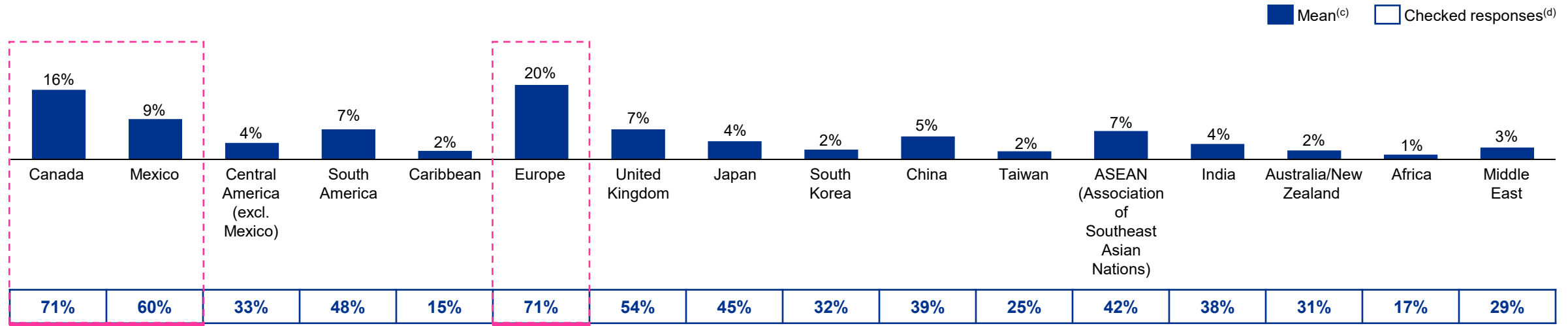
Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) N value has not been represented since it is different for each region; (c) The options 'Other (please specify)' and 'Don't know/prefer not to say' is not considered in the graphical representation due to limited response

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%

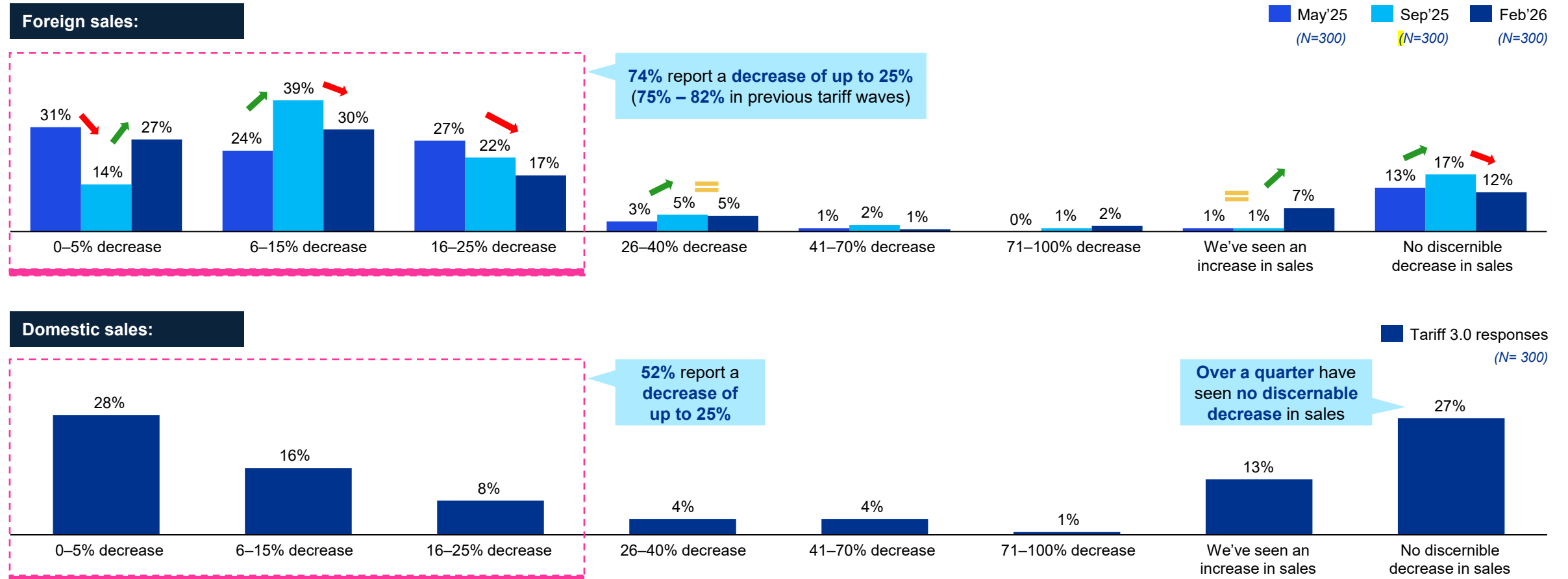
Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) N value has not been represented since it is different for each region; (c) The options 'Other (please specify)' and 'Don't know/prefer not to say' is not considered in the graphical representation due to limited response

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

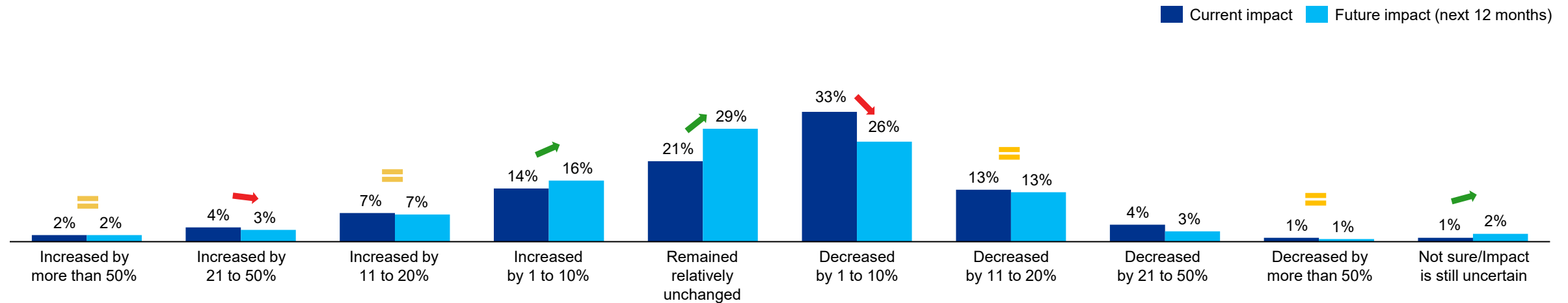
Which of the following best describes the impact of the current tariff environment on your domestic and foreign sales?^{(a)(b)} *Single select*



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) N=300, Single select



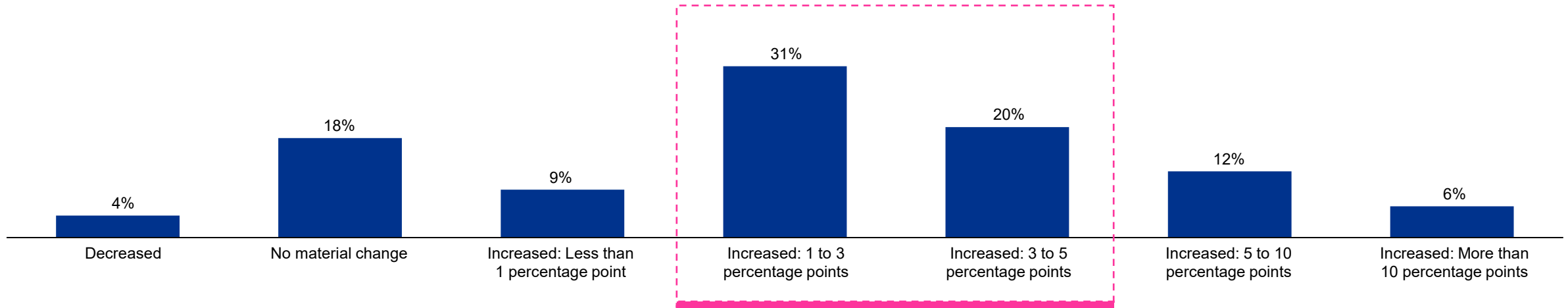
Key Observations

- 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



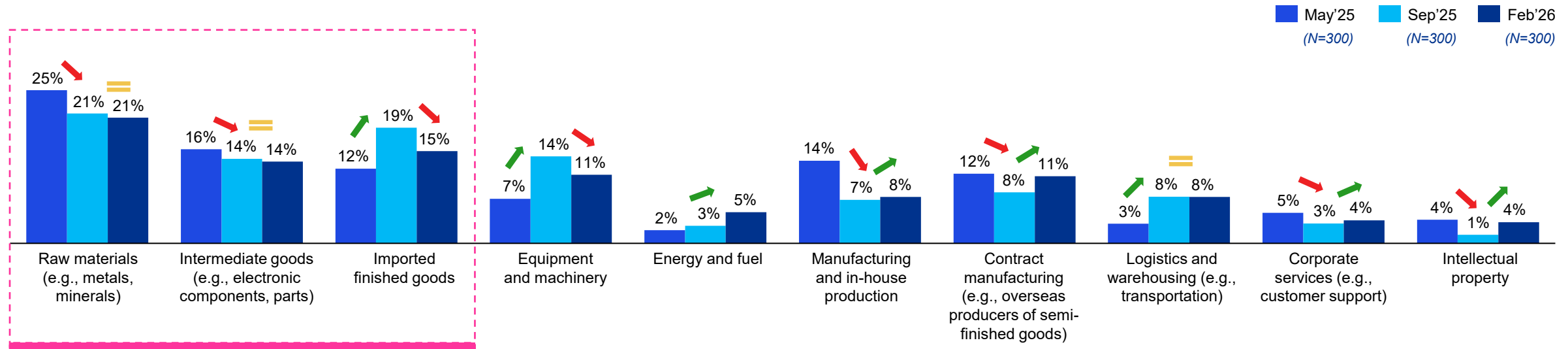
Key Observations

- 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

Raw materials and imported finished goods remain most exposed by tariffs

Which of your company's imports or foreign operations are most affected by current or potential tariffs?^{(a)(b)(c)} Rank top 3



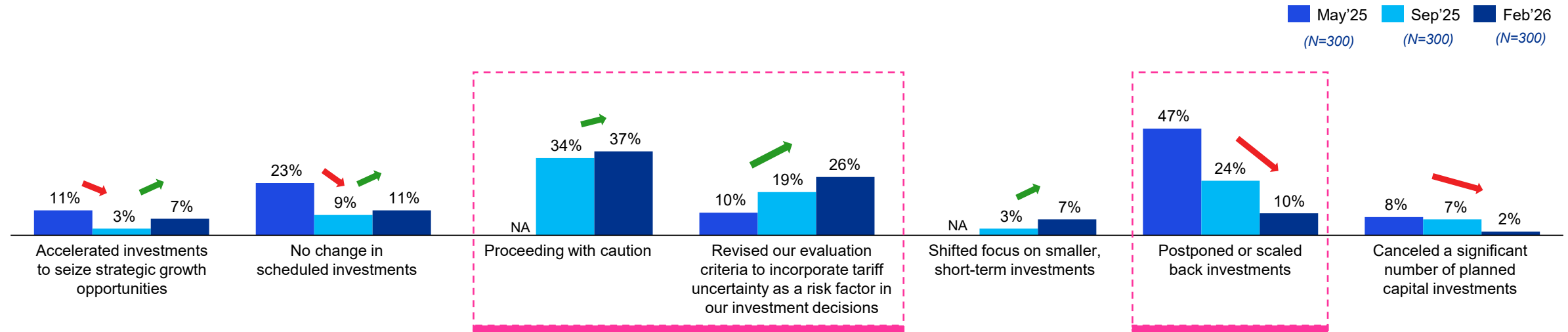
Key Observations

- **Raw materials** and **imported finished goods** continue to be the most impacted areas due to tariffs – with a weighted average of **21%** and **15%** of organizations ranking these as their top concerns, respectively
 - However, the decline in weighted average of **imported finished goods**, from **19%** (Sep'25) to **15%** (Feb'26), suggests a relative easing of downstream exposure
- **Intermediate goods** with a weighted average of **14%** have emerged as a tariff exposure hotspot under Feb'26
 - According to The New Indian Express article published in Oct'25, tariffs may sharply raise **input costs** for US industries dependent on Chinese **intermediate goods** such as electronics, renewable energy equipment, and consumer hardware. Its sectoral effects will be uneven, with technology, manufacturing, and consumer goods expected to bear the most immediate and severe consequences (>>)

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) Weighted average has been represented in the graphs; (c) 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

Investment responses increasingly favor caution and re-evaluation over outright cancellations

How have tariffs, or uncertainties around tariffs, impacted how your company is approaching current/ongoing capital investments?^{(a)(b)} *Single select*



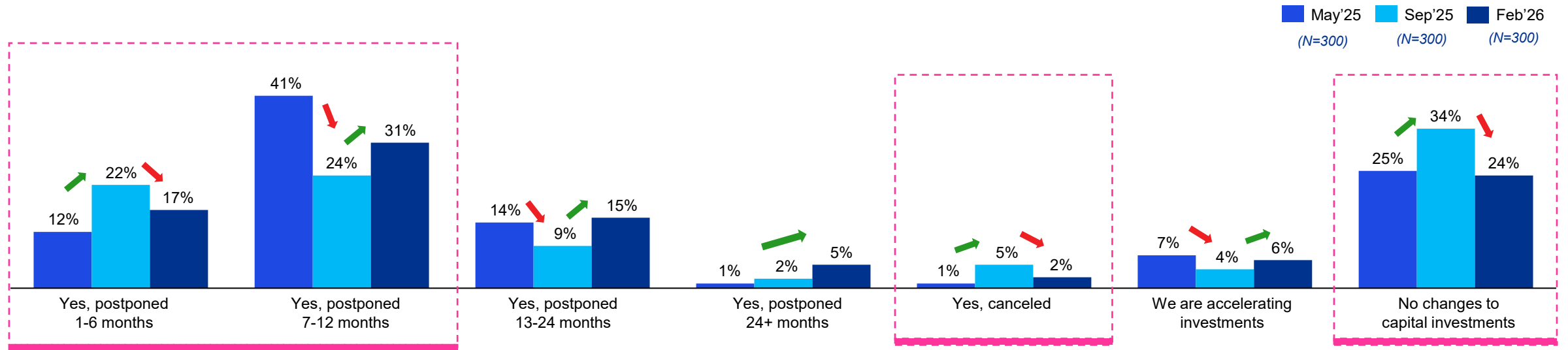
Key Observations

- In May'25, **47%** of respondents **postponed or scaled back investments** but this dropped sharply in Sep'25 (**24%**) and Feb'26 (only **10%**). Instead, the current survey reflects a clearer tilt towards **revision of evaluation criteria** (a jump of ~3x)
- Additionally, organizations are increasingly **proceeding with caution** to factor tariff uncertainty (**34% to 37%**)

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The options 'Other (please specify)' and 'Not applicable/We have no significant capital investment plans' are 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

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*



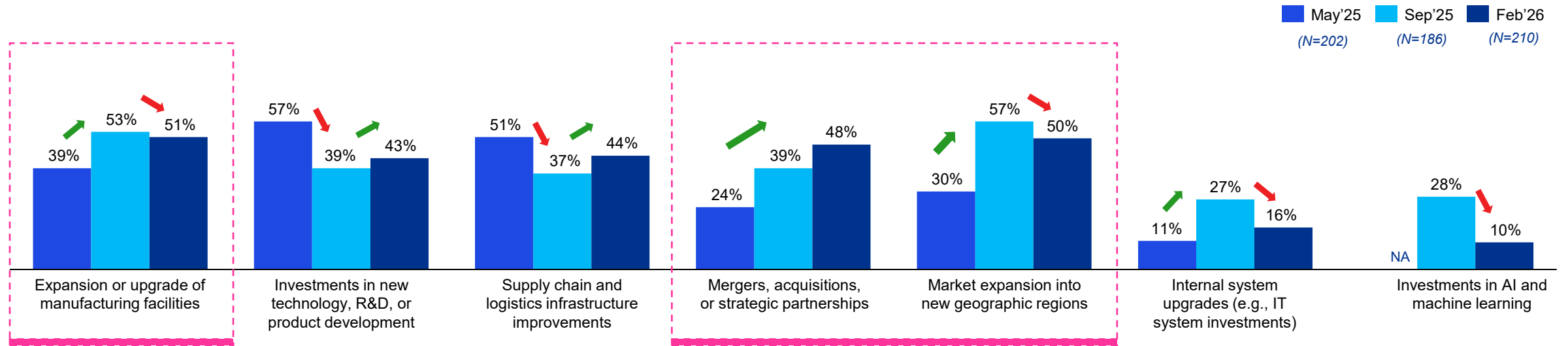
Key Observations

- 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



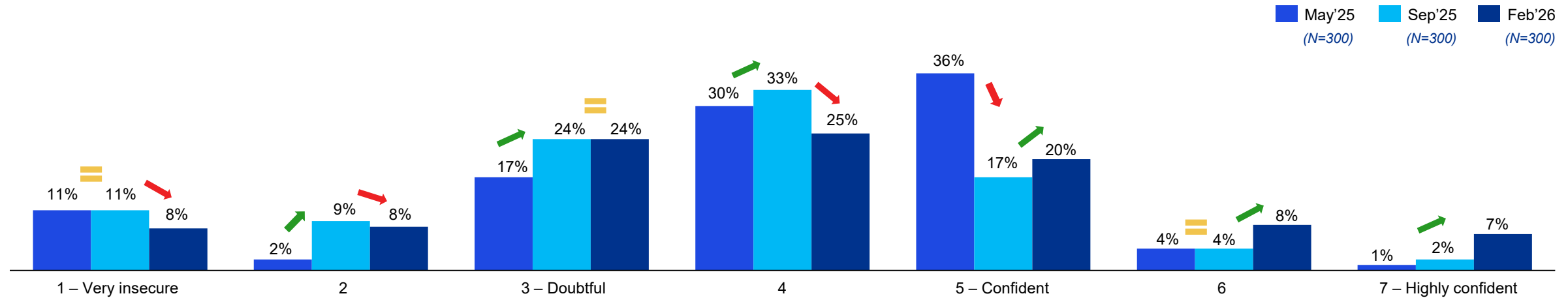
Key Observations

- **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

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*



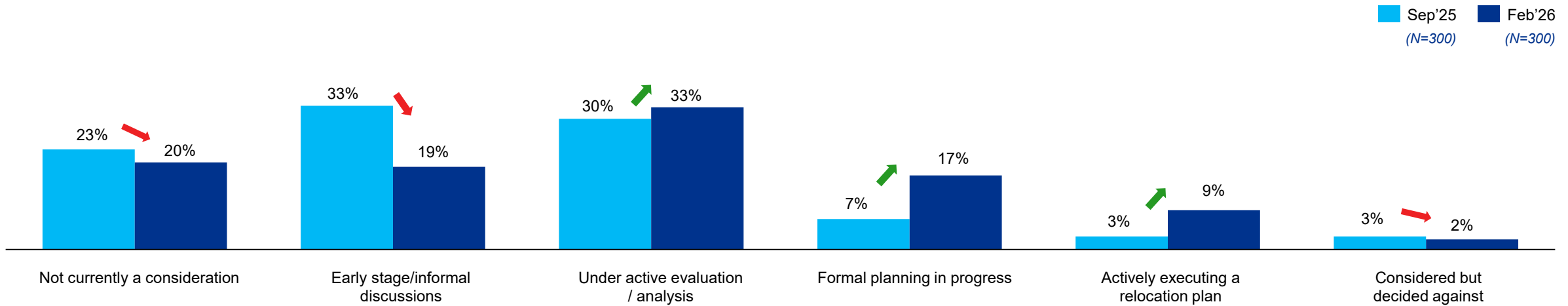
Key Observations

- 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

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*



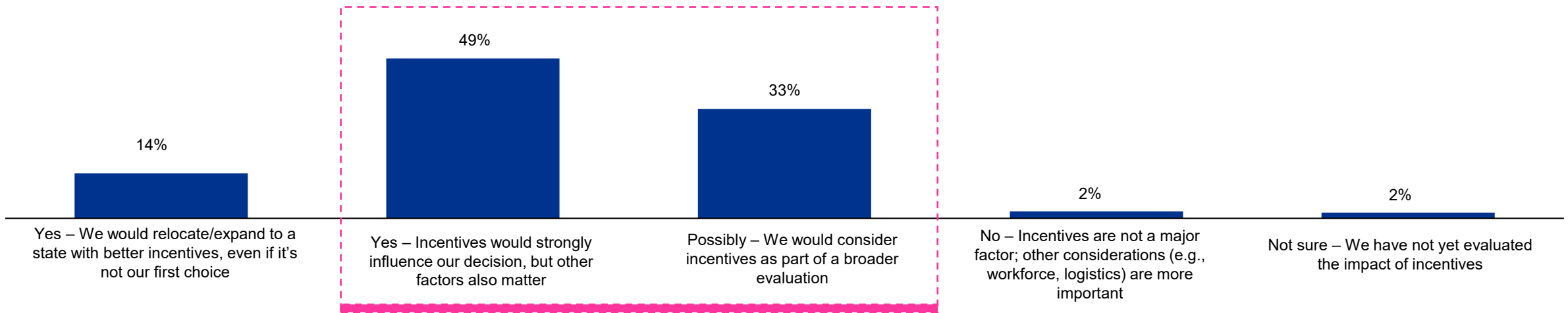
Key Observations

- 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

State and local government incentives are actively steering reshoring plans...

Would state and local government incentives influence your company's current reshoring plans?^(a) N=233; Single select



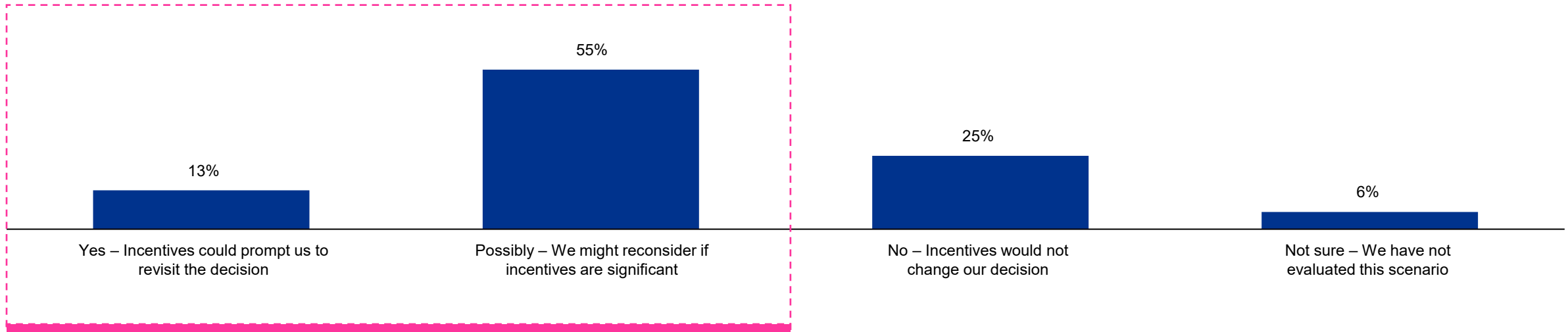
Key Observations

- Government incentives are a meaningful influence for most organizations, with **nearly half (49%)** indicating **incentives would strongly influence their reshoring decision, alongside other critical factors**
- Another **33% would consider incentives as part of a broader evaluation**, suggesting incentives often act as an enabler rather than the sole driver of reshoring decisions
- The Global Finance article notes that organizations such as Samsung Electronics and LG Electronics have established and expanded manufacturing operations in the US, including facilities in Austin, Texas, while also noting that reshoring decisions are being reassessed amid tariff uncertainty and cost considerations, with some organizations proceeding with US investments and others remaining cautious(>>)

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

...with 68% open to revisit/reconsider reshoring plans if incentives are significant

If your company is not currently planning to reshore operations, would state and local incentives make you reconsider?^(a) N=67; Single select



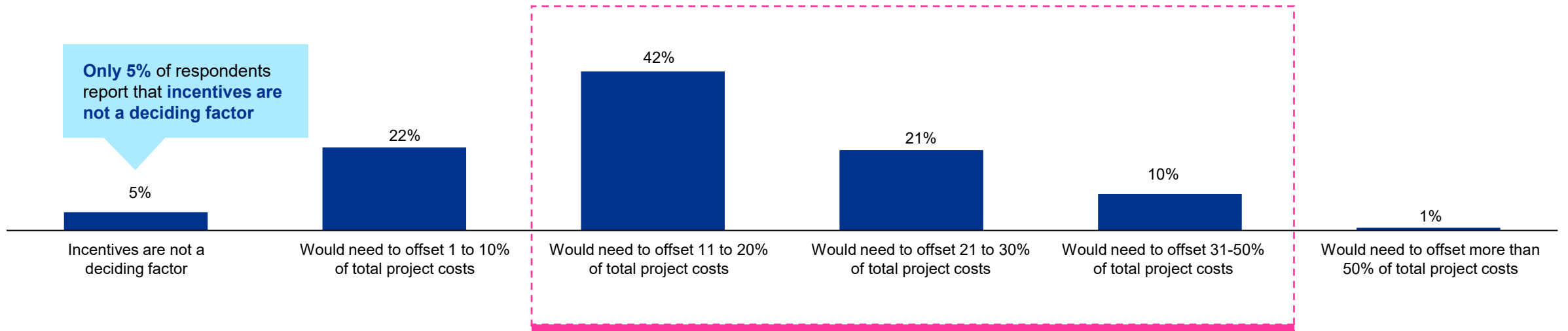
Key Observations

- State and local incentives hold significant potential to influence organizational decisions, with **68%** indicating they would either **revisit or reconsider if incentives are significant**
- Meanwhile, **25%** of organizations indicate that **incentives would not change their decision**, and **6%** have not evaluated this scenario

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

Incentives shape reshoring decisions only when they materially offset project costs, typically by 11-20%

At what level would incentives become a factor in your company's reshoring or relocation decision?^(a) N=270; Single select



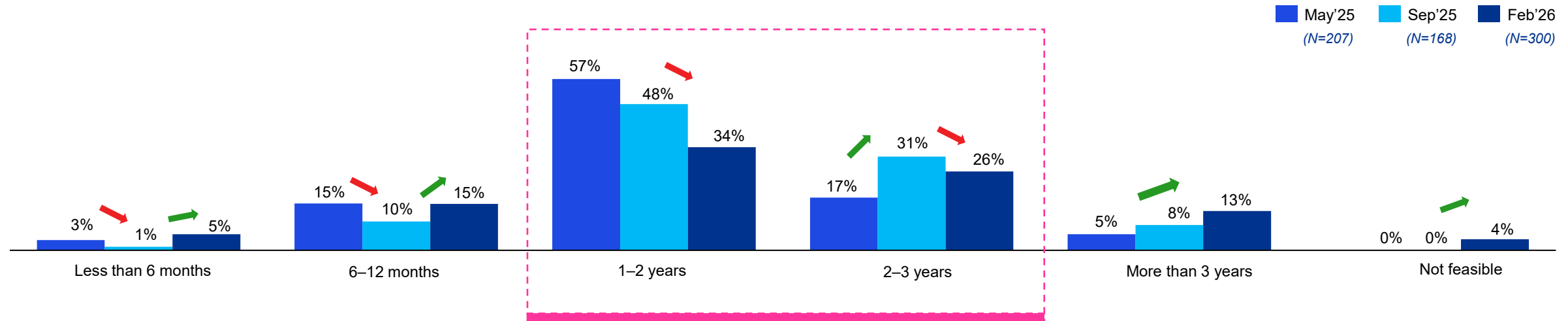
Key Observations

- A combined **73%** require **incentives covering at least 11 to 50% of project costs**, underscoring that incentives are viewed as a financial risk-sharing mechanism, not a bonus, particularly given high upfront capital and transition costs
 - **42%** of respondents indicate that incentives **would need to offset 11 to 20% of total project costs** to influence reshoring or relocation decisions

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

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*



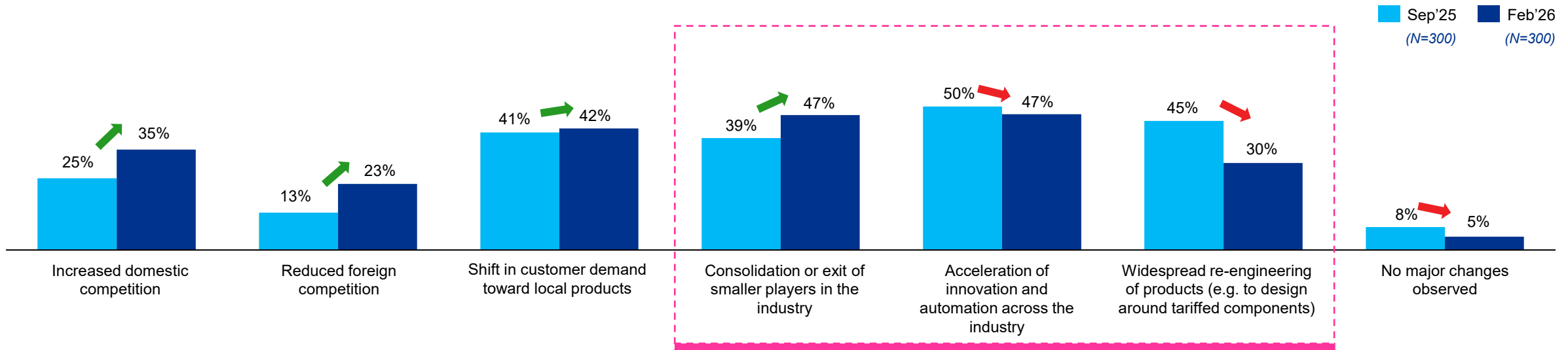
Key Observations

- 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

Tariff impacts are shifting away from widespread re-engineering toward consolidation or exit of small players

Which of the following industry-wide changes have you observed because of tariffs?^{(a)(b)} Multi select



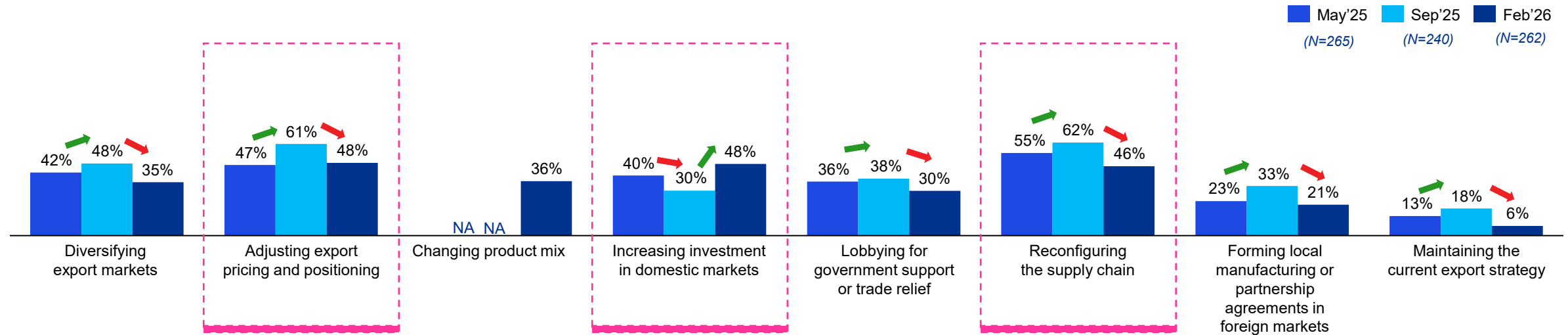
Key Observations

- **Consolidation or exit of smaller players** has surged to **47%** from **39%** in Sep'25, suggesting tariffs are increasingly viewed as a pressure test that smaller organizations struggle to absorb
- **Widespread re-engineering of products** has dipped significantly, from **45%** in Sep'25 to **30%** currently, implying many organizations may have already completed major redesign efforts in earlier phases (or are deprioritizing redesign now relative to other levers)
- **Acceleration of innovation and automation** has modestly declined to **47%** compared to **50%** in the previous survey

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

Organizations are redirecting their efforts to strengthen domestic markets

How is your organization addressing the shift in demand for US exports caused by recent tariff changes?^{(a)(b)} Multi select



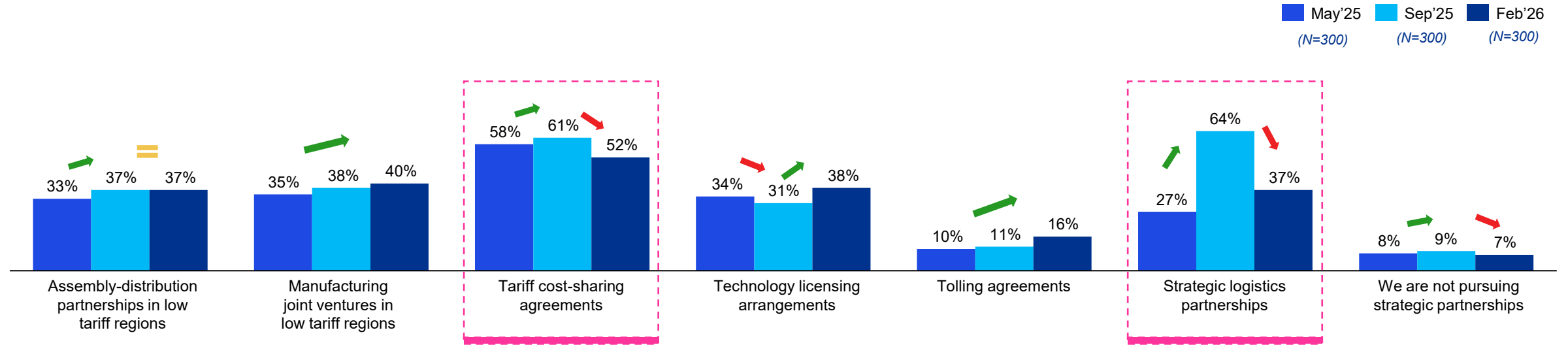
Key Observations

- Organizations are primarily addressing tariff-driven export shifts by **increasing investment in domestic markets** and **export pricing adjustments (48% each)**
 - However, there is a reduction in the respondents who are **adjusting export pricing**, (61% in Sep'25 to 48% now)
- Supply-chain reconfiguration** was the predominant action undertaken in Sep'25 (62%); however, in Feb'26, its share declined to 46%, making it the third-most selected response
- Maintaining the current export strategy** has further declined, with only 6% of organizations making no changes, down from 18% in Sep'25, 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; (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

Cost-sharing remains the most common approach but shows a downward trend; partnerships retreat after peaking in Sep'25

Which types of strategic partnerships or alliances, if any, are you pursuing to mitigate tariff impacts?^{(a)(b)} Multi select



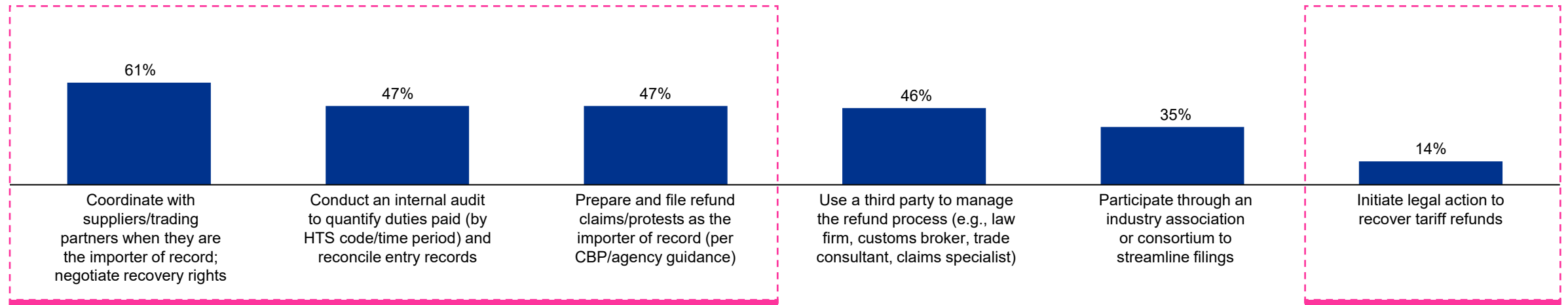
Key Observations

- **Strategic logistics partnerships** saw a sharp spike in Sep'25 and have subsequently declined. While **64%** reported pursuing such partnerships in Sep'25 – up from **27%** in May'25 – the figure has now fallen to **37%**
- **Tariff cost-sharing agreements** continues to be the most widely used partnership model; however, their prevalence has declined to **52%** in the current cycle, down from **61%** in Sep'25 and **58%** in May'25, indicating a gradual shift away from reliance on formal cost-sharing mechanisms compared with earlier tariff periods

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

Organizations prefer collaborating with trading partners and conducting internal audits to secure tariff refunds, while litigation remains the last resort

Should your company become eligible for certain tariff refunds (e.g., due to trade policy changes, duty drawback programs, or successful litigation), what steps would you take to secure them?^{(a)(b)} N=300; Multi select



Key Observations

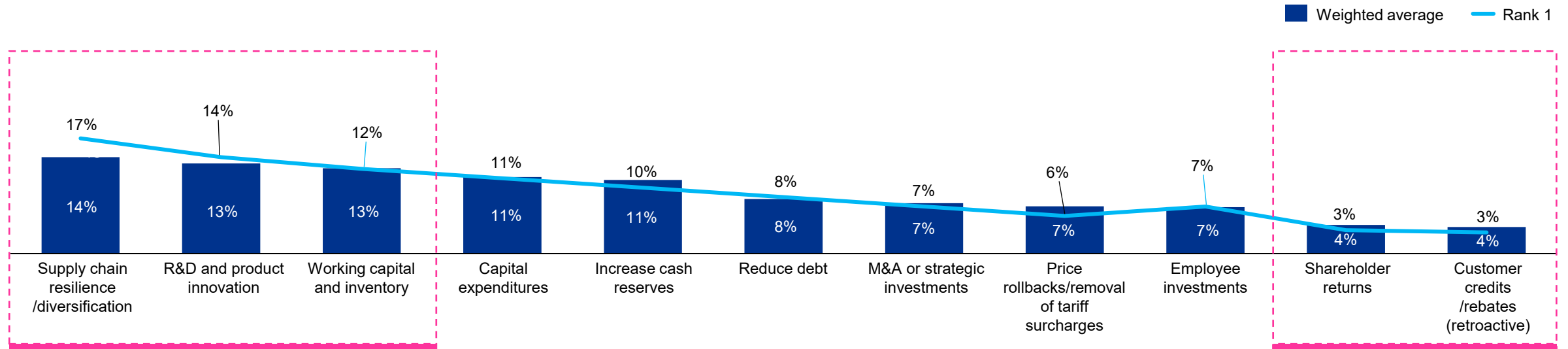
- **Coordination with suppliers/trading partners (61%), conducting an internal audit to quantify duties paid (47%), and preparing and filing refund claims (47%)** are the most prominent steps organizations plan to undertake to secure tariff refunds
- More complex or adversarial actions, such as **initiating legal action to recover tariff refunds**, remain limited (**14%**), suggesting organizations prefer operational and administrative remedies over litigation
 - However, according to Business Insider’s article published in Feb’26, eligible companies must pursue tariff refunds through **customs or litigation**, facing a complex, court-led process that could take years (>>)
 - Also, according to a Times article, US Supreme Court Justice Brett Kavanaugh noted that the **refund process is likely to be a ‘mess’** (>>)

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The options ‘Other (please specify)’ and ‘Not planning to pursue refunds/Not applicable’ are not considered in the graphical representation due to limited response; (c) IEEPA refers to International Emergency Economic Powers Act

Source(s): KPMG Tariff Survey Feb’26

Organizations plan to reinvest tariff refunds into strengthening resilience, liquidity, and innovation

What will be the top three uses of the refund?^{(a)(b)} N=290; Rank top 3



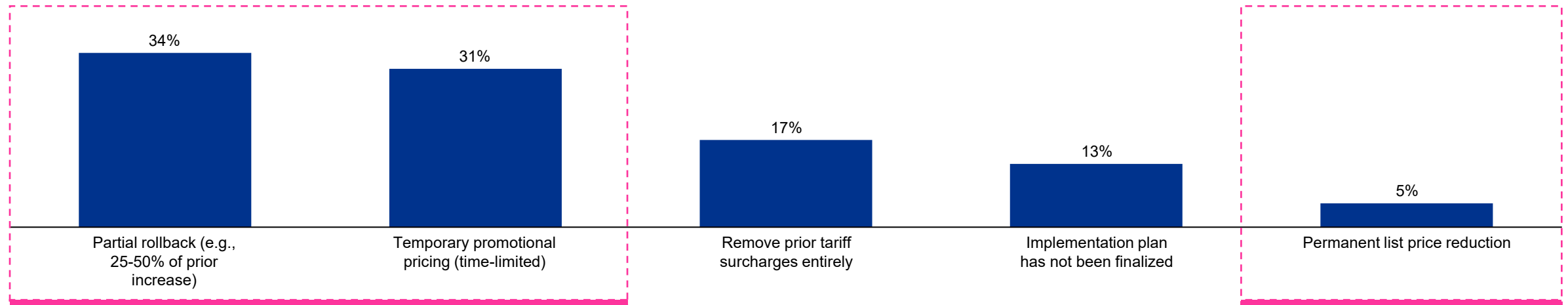
Key Observations

- With **supply-chain diversification**, **R&D/product innovation**, and **working capital & inventory** being the top 3 uses, organizations view tariff refunds as a strategic reinvestment pool to future-proof operations rather than a one-time financial windfall
- **Shareholder returns** and **customer credits** are ranked lowest, indicating organizations prefer to retain value internally to rebuild capabilities and buffer against future trade volatility

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The options 'Other (please specify)' and 'Use of funds has not yet been determined' are not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Feb'26

Organizations are primarily planning to implement a partial rollback or temporary promotional pricing to manage price rollback on affected products

How will you implement price rollbacks on affected products?^{(a)(b)} N=64; Single select



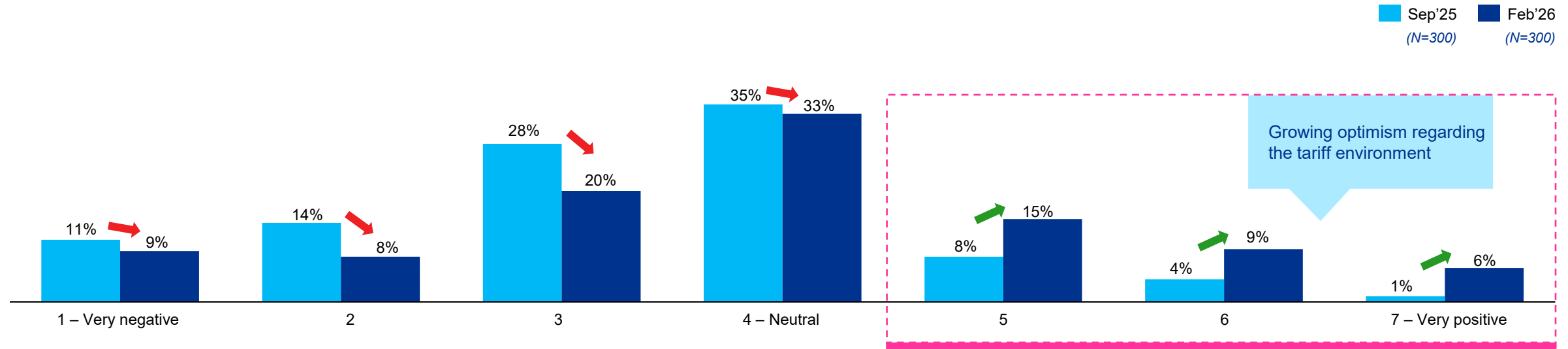
Key Observations

- Over a third (**34%**) of respondents plan a **partial rollback**, indicating organizations prefer sharing relief selectively rather than fully reversing prior increases
- Time-bound tactics have emerged as the second most common strategy, with **temporary promotional pricing** accounting for **31%**
 - This indicates that many organizations are opting to manage rollbacks through short-term promotions rather than implementing permanent price changes
- **17%** expect to **remove prior tariff surcharges entirely**, while only **5%** plan a **permanent list price reduction**

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

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 ([>>](#))

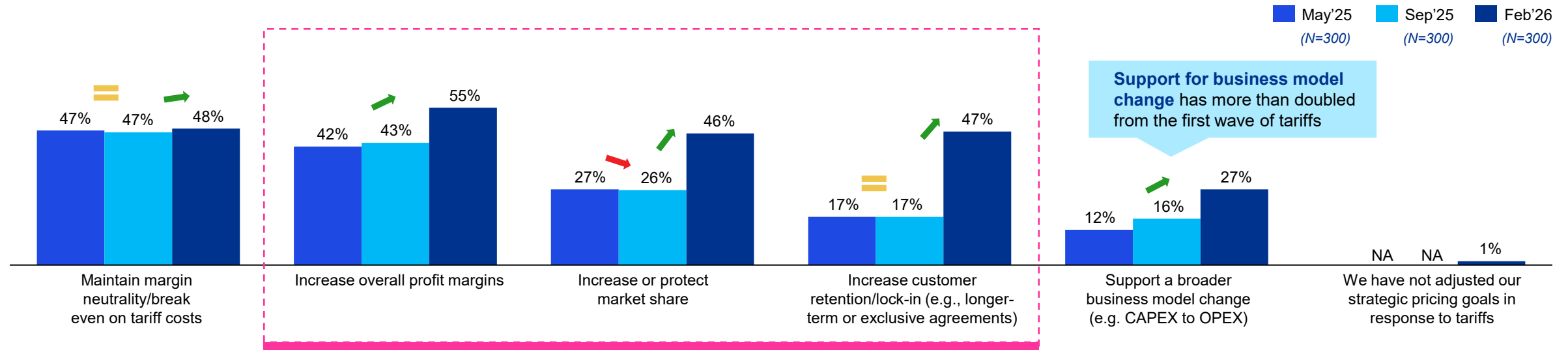
Note(s): (a) Sum of percentages may not add up to 100 due to rounding
 Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25

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



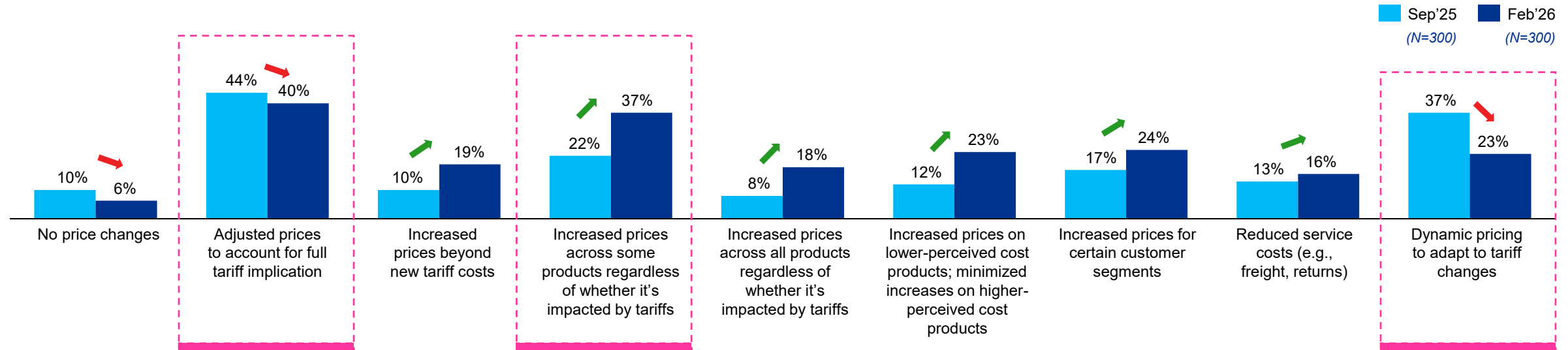
Key Observations

- **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



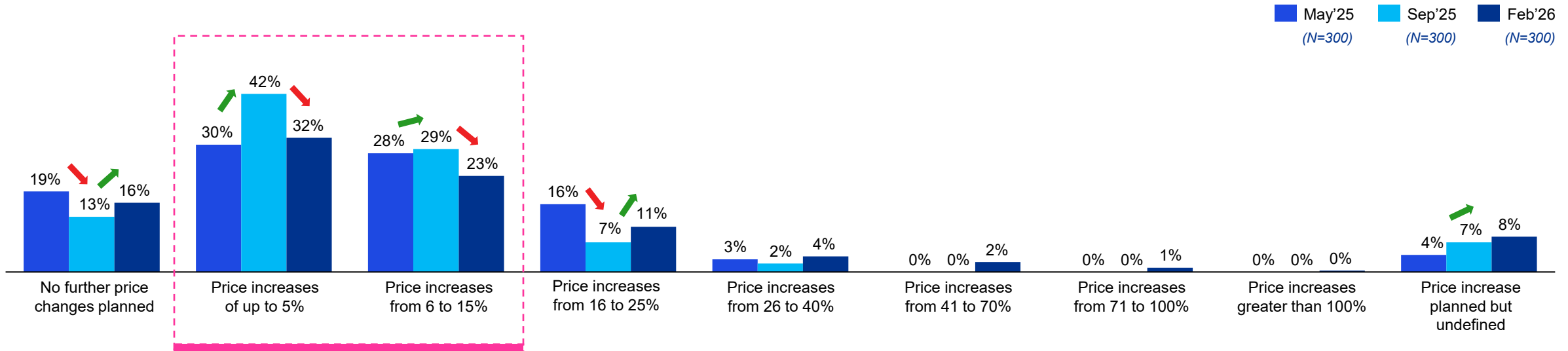
Key Observations

- 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*



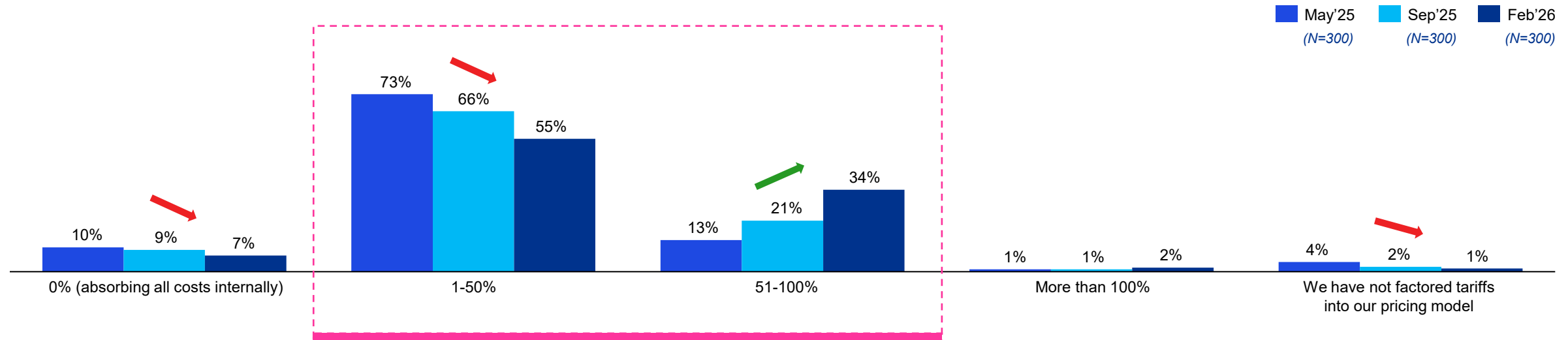
Key Observations

- 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 (>>)

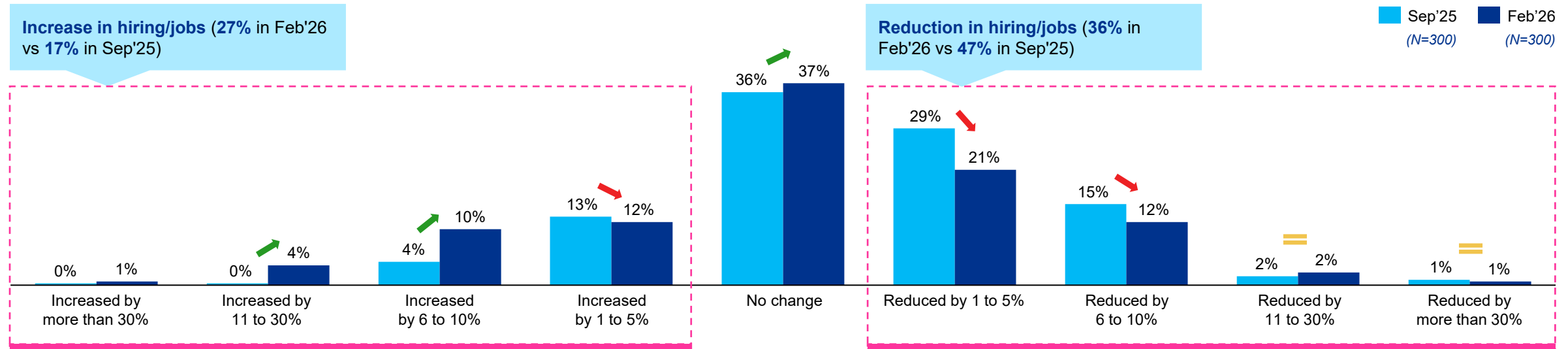
Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Don't know/not able to calculate' is not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25

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*



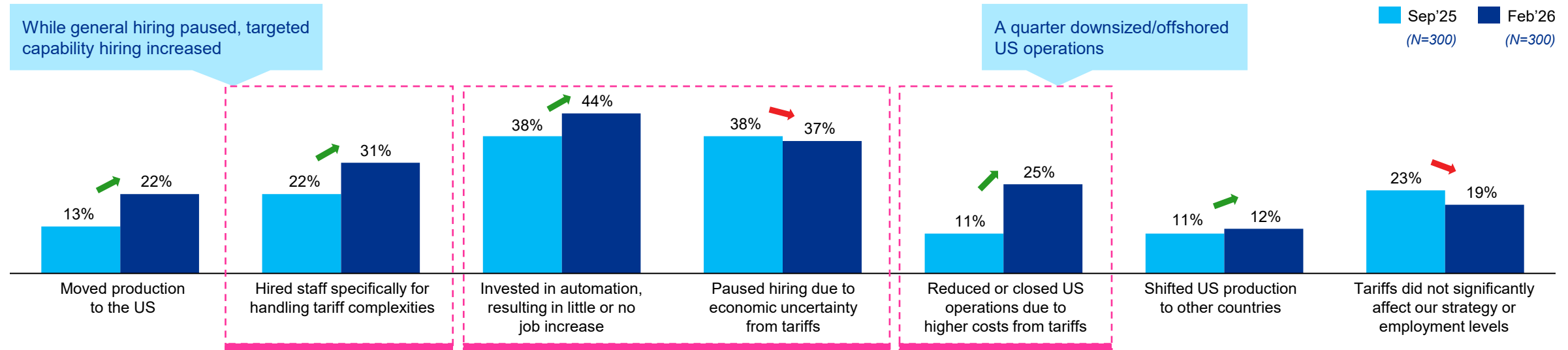
Key Observations

- 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



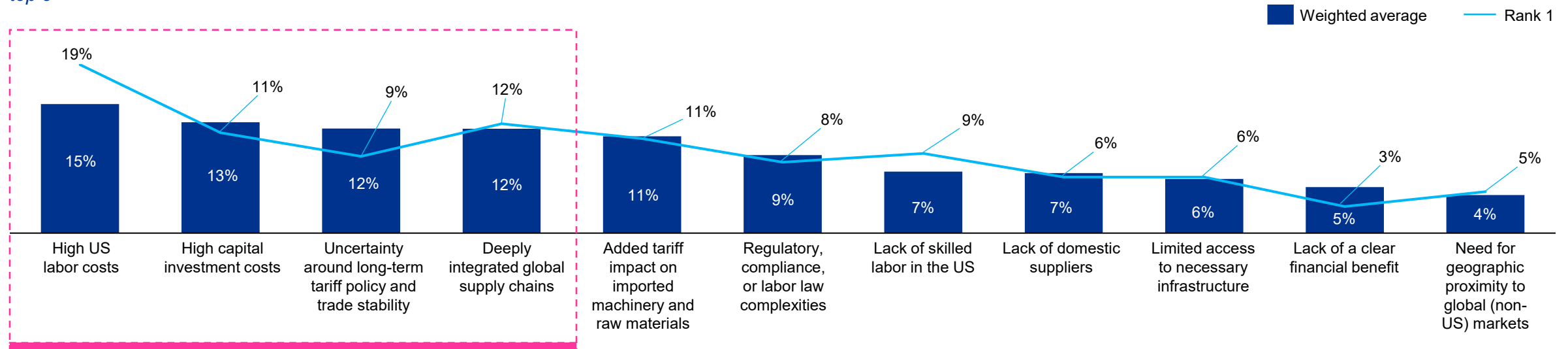
Key Observations

- 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



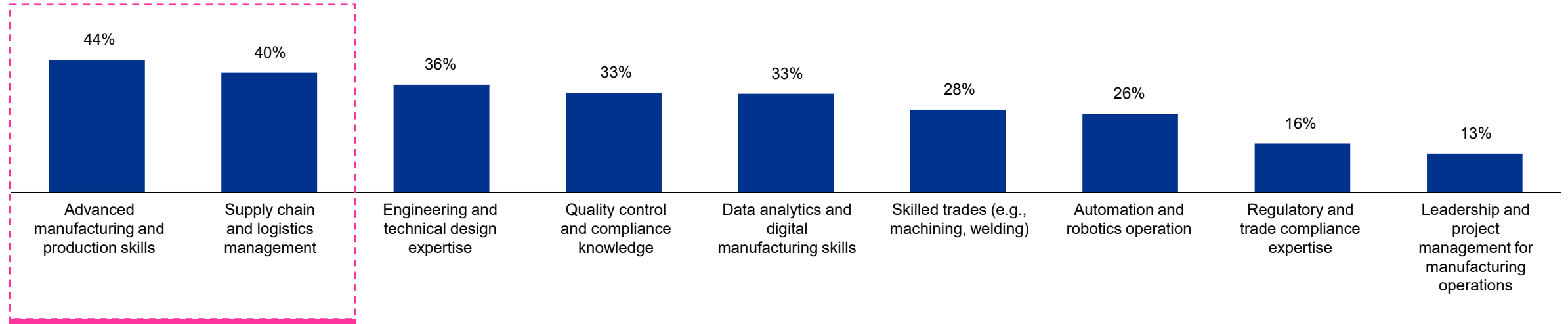
Key Observations

- **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

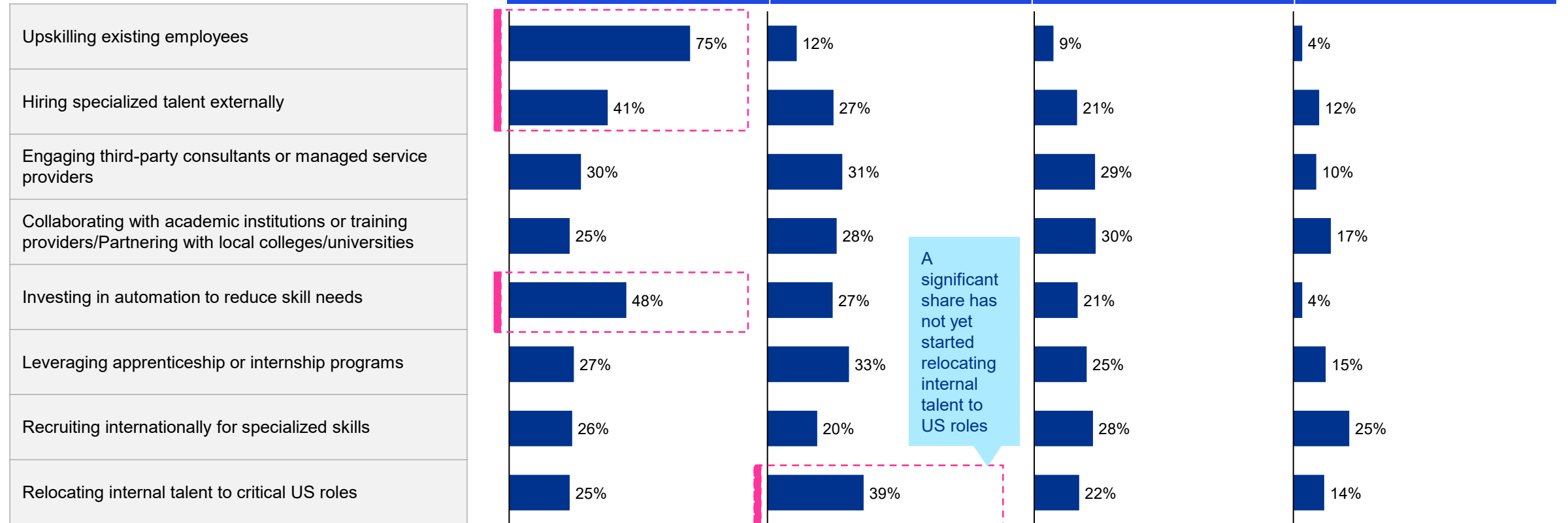
- **Advanced manufacturing and production skills (44%), supply chain and logistics management (40%), and engineering and technical design (36%)** are the most difficult to find domestically – indicating the biggest shortages sit in core production + technical + supply chain capabilities
- According to 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

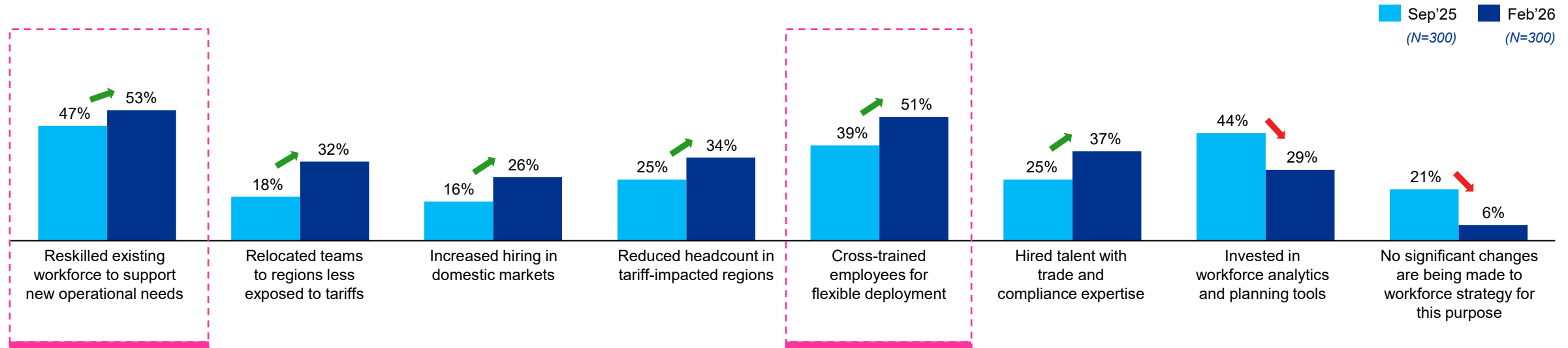
Options



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



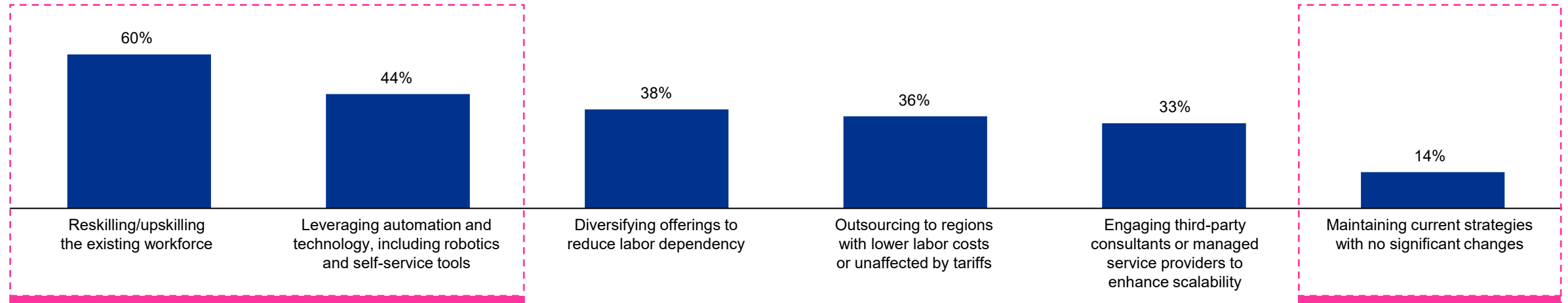
Key Observations

- 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

To reduce reliance on labor-intensive operations, organizations plan to build in-house capabilities through upskilling and automation

What strategies are you considering to reduce reliance on labor-intensive service models in your domestic operations?^{(a)(b)} N=300; Multi select



Key Observations

- The top two strategies are **reskilling/upskilling the existing workforce (60%)** and **leveraging automation/technology, including robotics and self-service tools (44%)**
- **14%** report that they will **maintain current strategies with no significant changes**

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The options 'Do not know/unsure' and 'Not applicable' are not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Feb'26

06

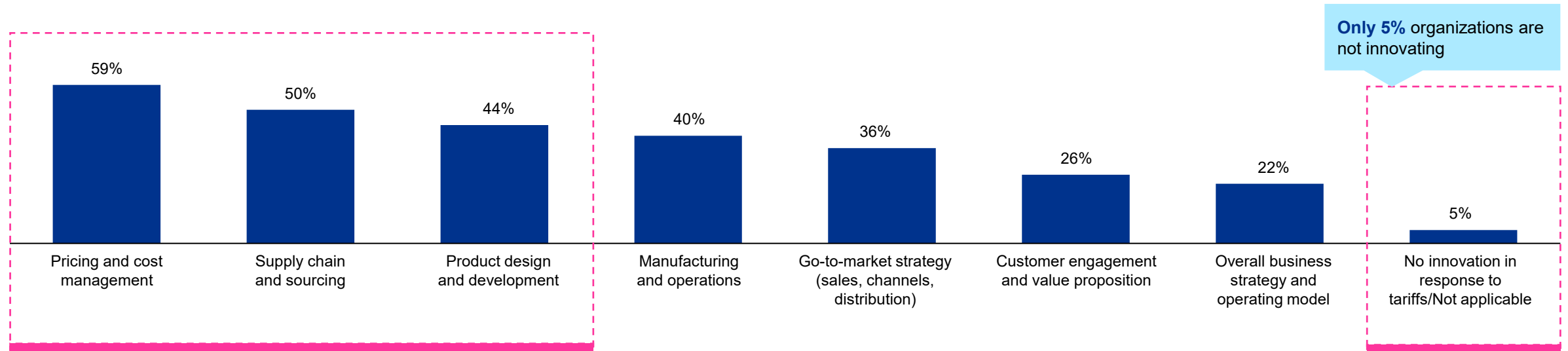
Functional responses

6.1

**Innovation,
Technology and data**

Tariffs are pushing organizations to optimize costs/sourcing rather than rethinking the overall business model

Where has your organization introduced or accelerated innovation in response to tariffs?^{(a)(b)} N=300; Multi select



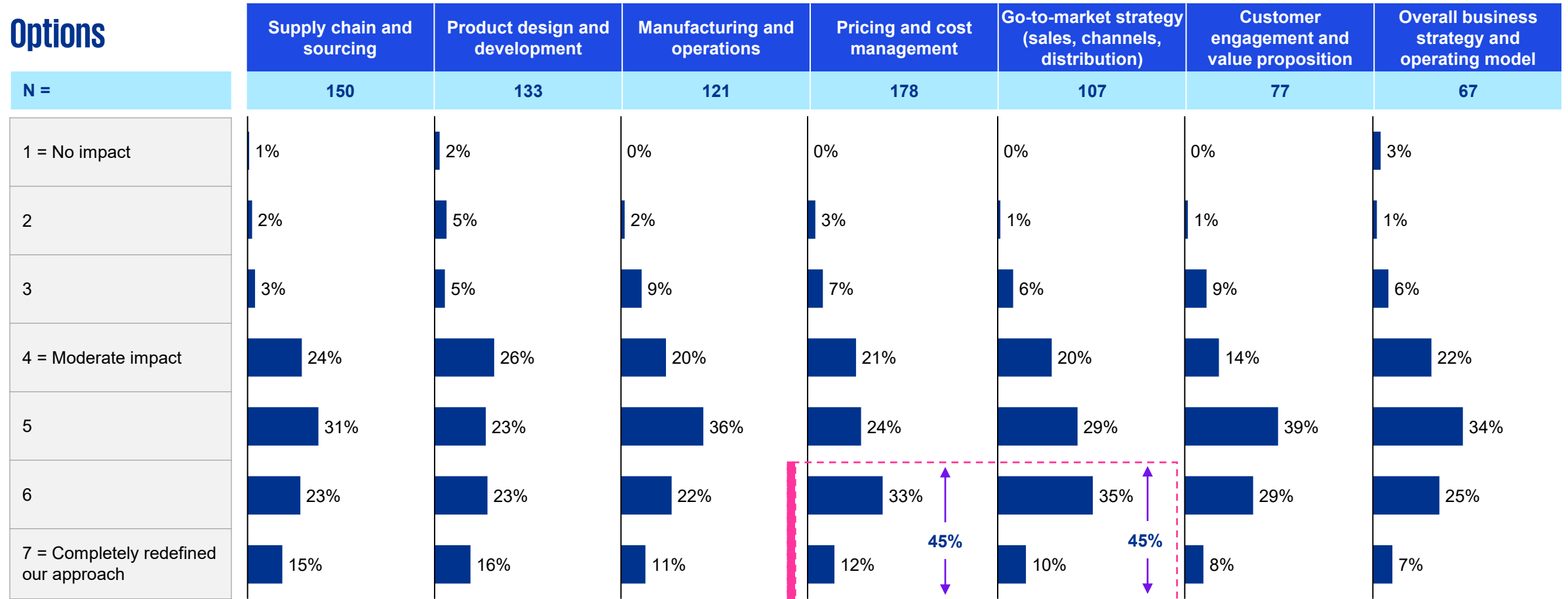
Key Observations

- Pricing and cost management (59%)** is the top area of innovation, followed by **supply chain and sourcing (50%)**, and **product design and development (44%)**, pointing that organizations are prioritizing operational resilience to offset tariff impacts rather than making broader strategic shifts
 - An article from Kinaxis states that organizations are being compelled to adjust their operations by **shifting sourcing strategies**, **diversifying their supplier bases**, and exploring options like nearshoring or reshoring [\(>>\)](#)
- Roughly a **quarter** report innovation in **overall business strategy/operating model**, and **customer engagement and value proposition**, indicating tariffs are being treated largely as an operational cost shock, not as a catalyst for deeper transformation in how organizations engage customers or rethink their 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
 Source(s): KPMG Tariff Survey Feb'26

Tariffs are driving innovation across multiple functions, particularly in pricing and go-to-market strategy

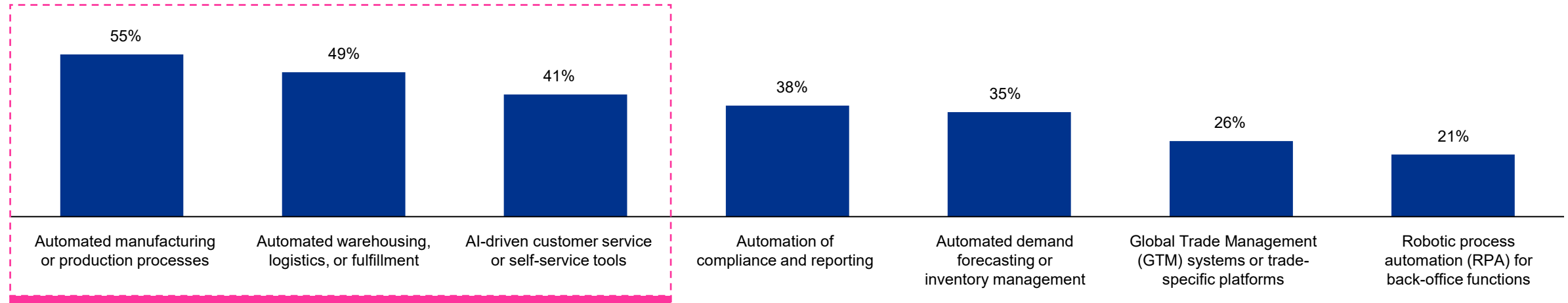
To what extent have tariffs influenced innovation within your organization across the following areas?^(a) Matrix, Single select



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

Organizations are primarily automating manufacturing and warehousing operations

What types of automation are you currently implementing or considering in response to tariffs?^{(a)(b)} N=133; Multi select



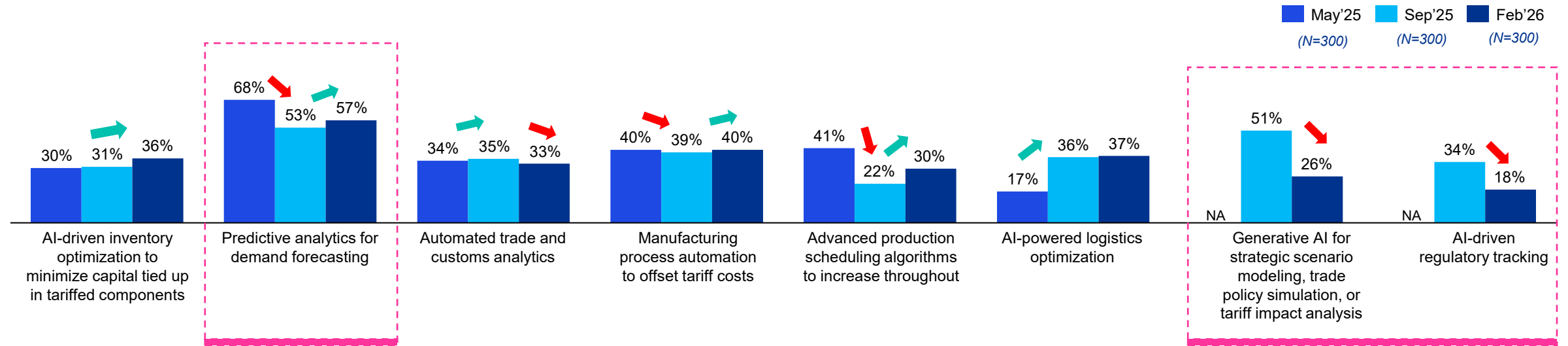
Key Observations

- **Automated manufacturing or production processes (55%), automated warehousing, logistics, or fulfillment (49%), and AI-driven customer service (41%)** are the top 3 areas of automation that organizations are currently implementing or considering in response to tariffs
 - This signals that organizations are using automation primarily to offset tariff-driven cost pressures in physical operations

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The options 'Other (please specify)', 'We are not implementing automation' and 'Not sure/Prefer not to say' are not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Feb'26

Predictive analytics for demand forecasting remains the top AI capability

What advanced analytics or AI-driven capabilities are you implementing or planning?^{(a)(b)} Multi select



Key Observations

- With **generative AI for strategic scenario modeling** declining to **26%** from **51%** in Sep'25, and **AI-driven regulatory tracking** falling to **18%** from **34%**, advanced AI use cases witness pullback in the current survey, indicating slower adoption of more experimental capabilities
 - According to Forbes, the food and beverage industry is increasingly **embracing AI and data analytics to manage tariff risks**, optimize logistics costs, and ensure pricing compliance within complex regulatory environments (>>)
- Despite a decline from earlier waves, **predictive analytics for demand forecasting (57%)** continues to be the most widely adopted advanced capability supporting tariff response

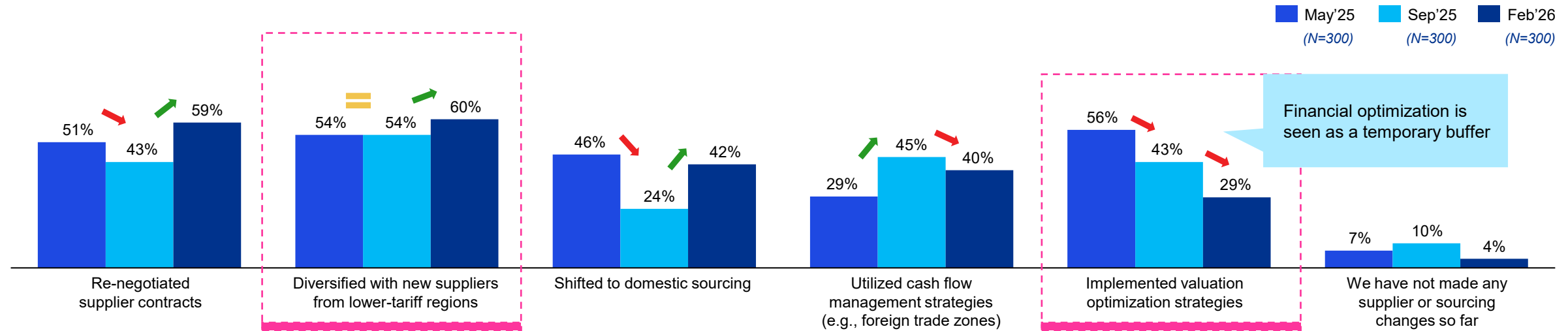
Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The options 'Other (please specify)' and 'None of the above' are not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25

6.2

Supply chain

Supplier diversification is the dominant long-term tariff mitigation strategy...

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



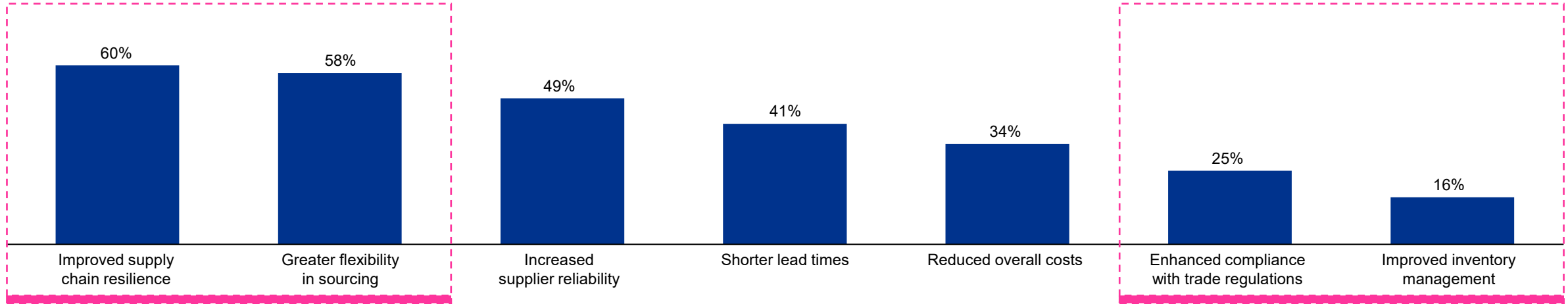
Key Observations

- Consistent with the previous surveys, **diversification of new suppliers from lower-tariff regions (60%)** continues to be the predominant approach to mitigate tariff exposure, up from **54%** in both Sep'25 and May'25
 - According to the 2026 Global Trade Report of Thomson Reuters Institute, **65%** of respondents mitigate tariffs by **changing sourcing patterns**. This involves **diversifying suppliers** across regions to reduce reliance on any single source, considering total costs like tariffs, logistics, quality, and reliability (>>)
- Financial and valuation optimization is declining as a preferred lever over time as **only 29% implemented valuation optimization strategies** currently, down from **43%** in Sep'25 and **56%** in May'25

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

...boosting resilience and sourcing flexibility

What improvements have you observed as a result of these supply chain adjustments?^{(a)(b)} N=234



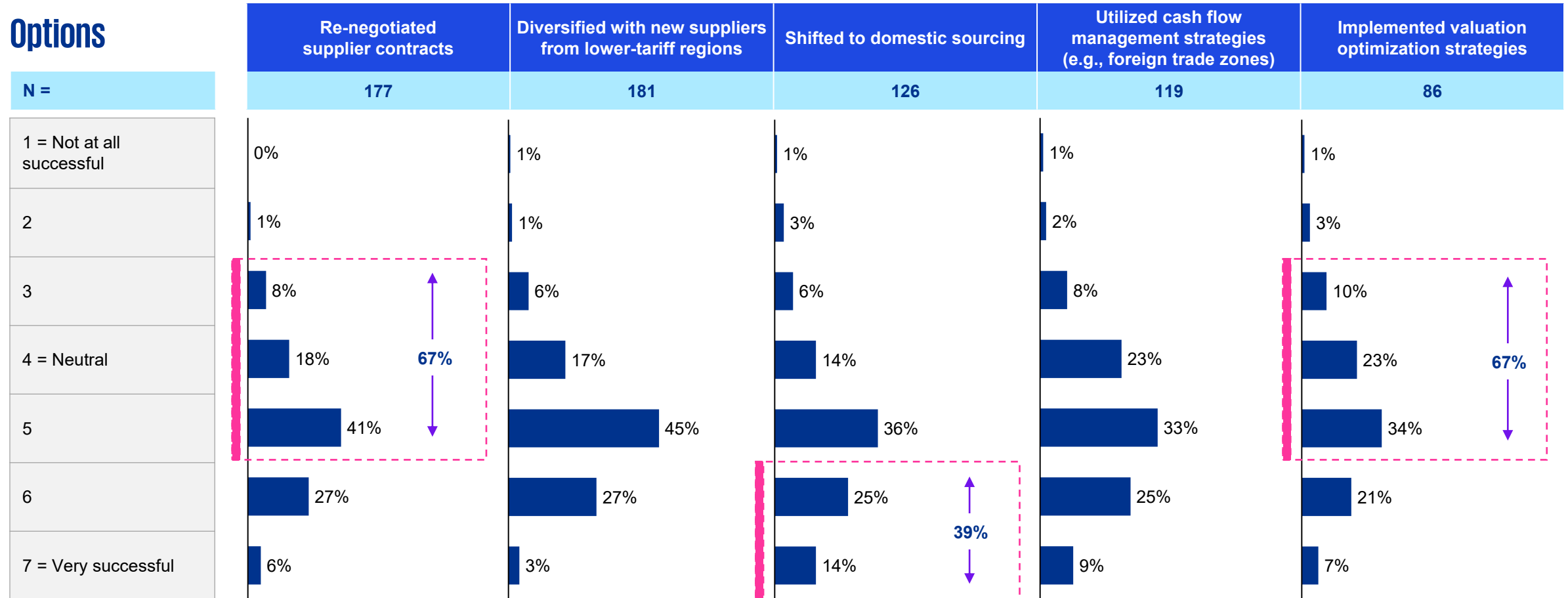
Key Observations

- **Improved supply chain resilience (60%)** and **greater flexibility in sourcing (58%)** are the key improvement areas observed resulting from supply chain adjustments, showing that supply chain adjustments are delivering strategic robustness, not just financial benefits
- **25%** report **enhanced compliance with trade regulations**, and **16%** cite **improved inventory management**

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

Most supply chain adjustments have been moderately successful, with domestic sourcing delivering relatively high impact

How successful have these supply chain adjustments been in responding to tariff impacts?^{(a)(b)} Matrix, 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 Feb'26

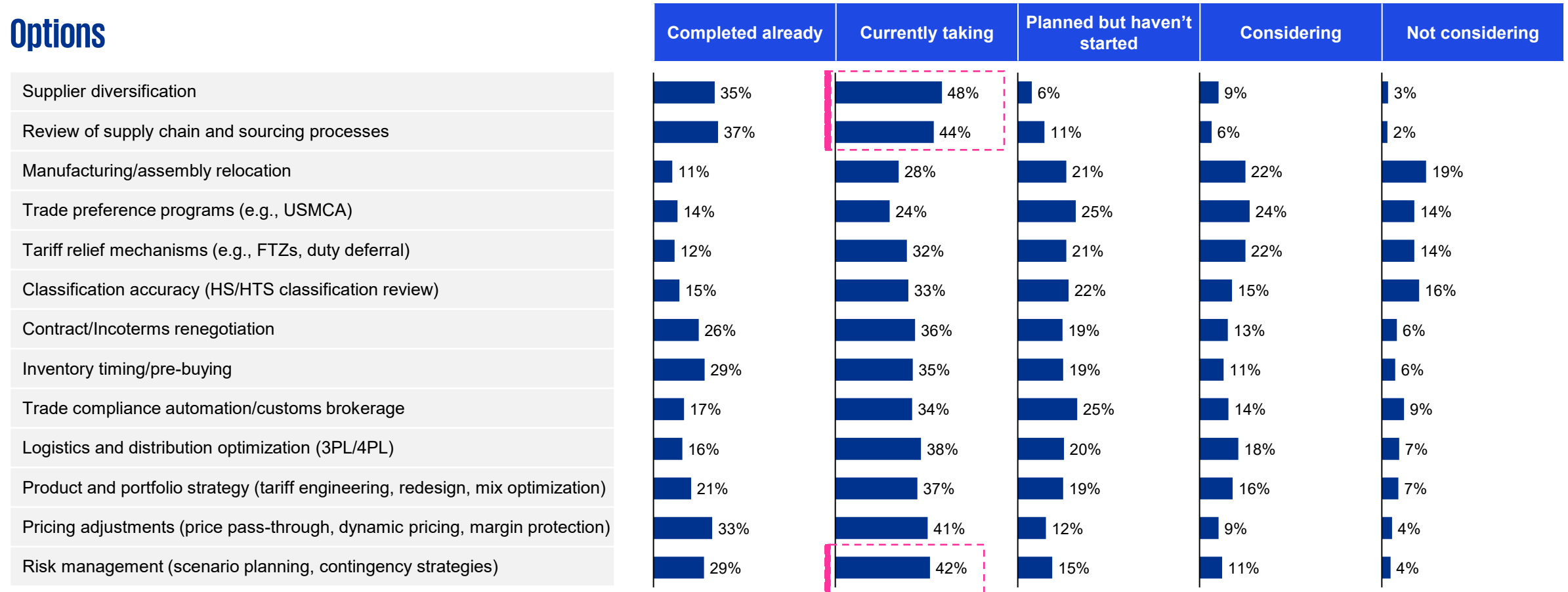
6.3

Risk and compliance

Organizations are prioritizing supplier diversification, review of sourcing processes, and risk-management

Which of the following key strategic actions is your company currently taking or considering to mitigate and plan for tariff-related risks?^{(a)(b)} N=300; Matrix, single select

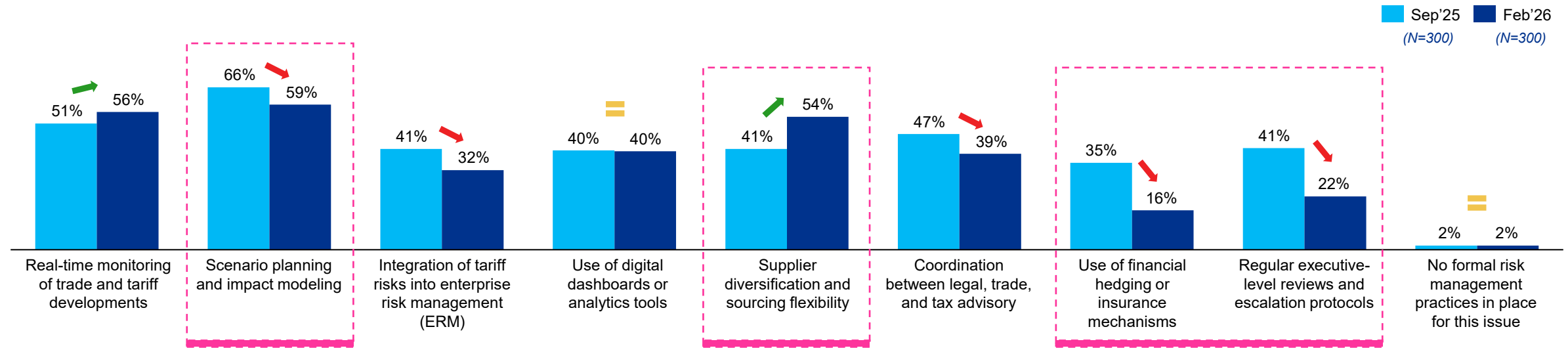
Options



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

The majority continues to rely on scenario planning and supplier diversification

What risk management practices are in place to monitor and respond to tariff volatility?^{(a)(b)} Multi select



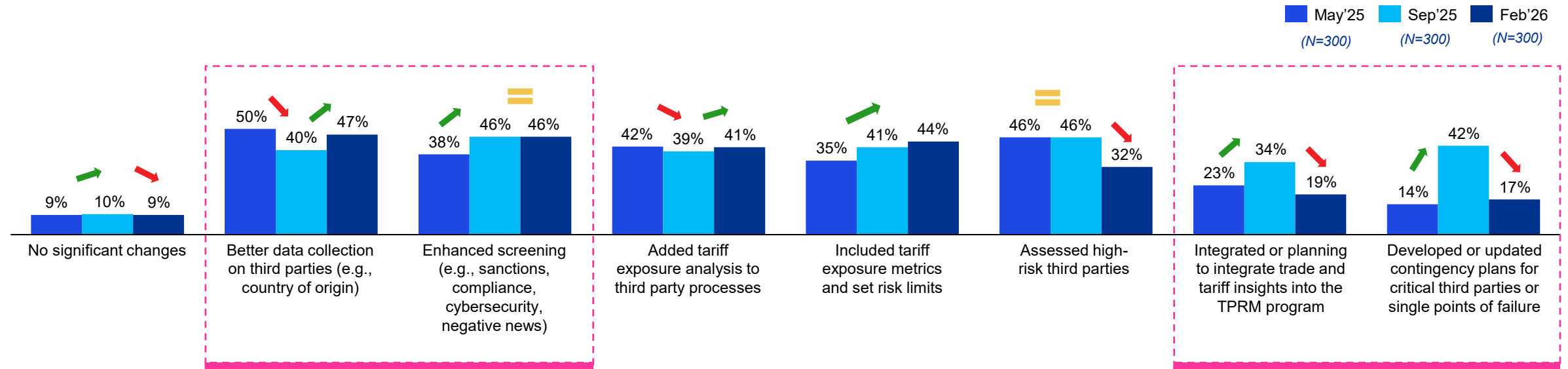
Key Observations

- **Scenario planning and impact modeling** remains the dominant risk management practice, despite a decline from Sep'25 (66%) to Feb'26 (59%), indicating it is still the primary lens through which organizations manage tariff volatility
- Risk management has shifted towards operational levers, with **supplier diversification and sourcing flexibility** rising to 54% in the current survey from 41% in Sep'25
- Formal governance and financial tools are used less frequently, as **regular executive-level reviews** dropped sharply (41% to 22%), and **financial hedging** also declined (35% to 16%)

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

Organizations have optimized their supplier risk programs through enhanced screening and better data collection

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



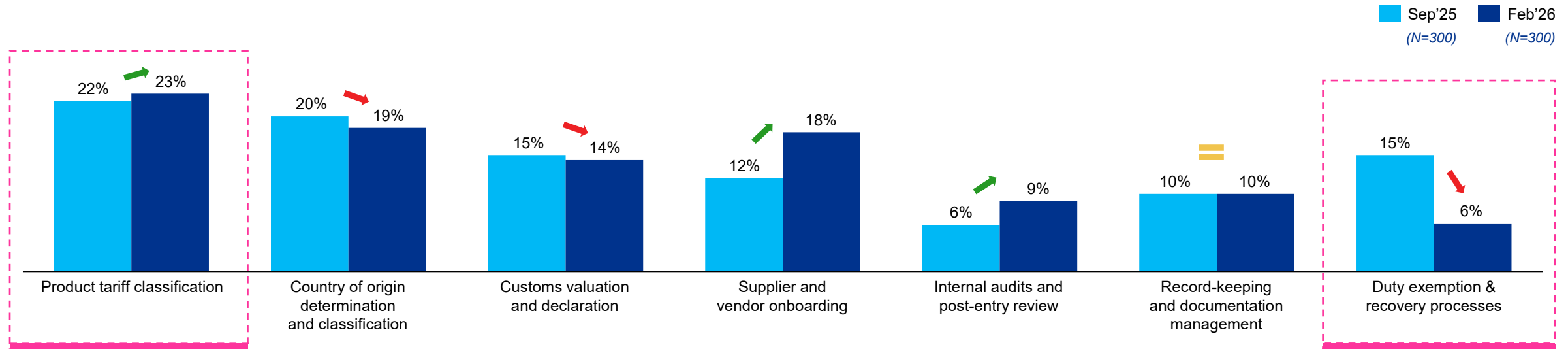
Key Observations

- The most common responses across tariff phases are **better data collection on third parties (40–50%)** and **enhanced screening (38–46%)**, showing organizations initially focus on improving transparency and basic risk controls
- The **integration of tariff insights into TPRM programs** has decreased significantly from **34%** in Sep'25 to **19%** in Feb'26
 - Similarly, **contingency plans for critical third parties** has dipped from **42% to 17%** and organizations **assessing high-risk third parties** fell sharply to **32%** from **46%**

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 Feb'26; KPMG Tariff Survey Sep'25; KPMG Tariff Survey May'25

Tariffs are driving most compliance changes in product classification

What compliance processes or activities have required the most significant modification due to recent tariff policies?^{(a)(b)(c)} Rank top 3



Key Observations

- **Product tariff classification (23%)** continues to be the most impacted compliance activity, with modification levels staying high and broadly stable compared to the previous survey, indicating continued classification complexity under evolving tariff rules
- According to an Oct'25 Thomson Reuters Tax and accounting article, tariffs introduce significant compliance risks, particularly under UNICAP rules (IRC Sec. 263A). It also mentioned the importance of product classification and how small errors under the Harmonized Tariff Schedule (HTS) can result in compliance issues, penalties, and incorrect payment of duties (>>)
- On one hand, **duty exemption and recovery processes** have seen a sharp decline in modification needs (**6% vs 15%**); on the other hand, **supplier and vendor onboarding** has surged significantly (**18% vs 12%**)

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) Weighted average has been represented in the graphs; (c) The options 'Other (please specify)' and 'No significant modifications were required in these areas' are not considered in the graphical representation due to limited response

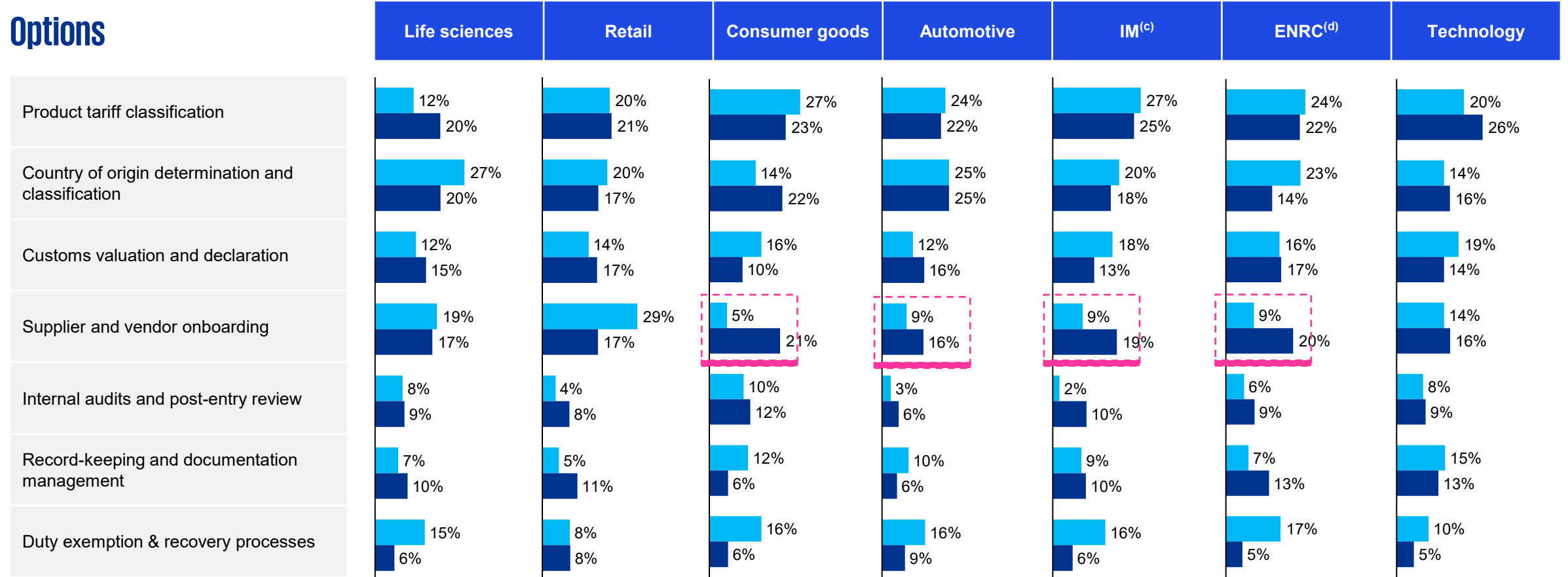
Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25

While product tariff classification continues to demand significant changes, supplier and vendor onboarding has seen a sharp uptick, particularly within Consumer goods

What compliance processes or activities have required the most significant modification due to recent tariff policies?^{(a)(b)(e)(f)} Rank top 3

■ Sep'25
(N=300) ■ Feb'26
(N=300)

Options

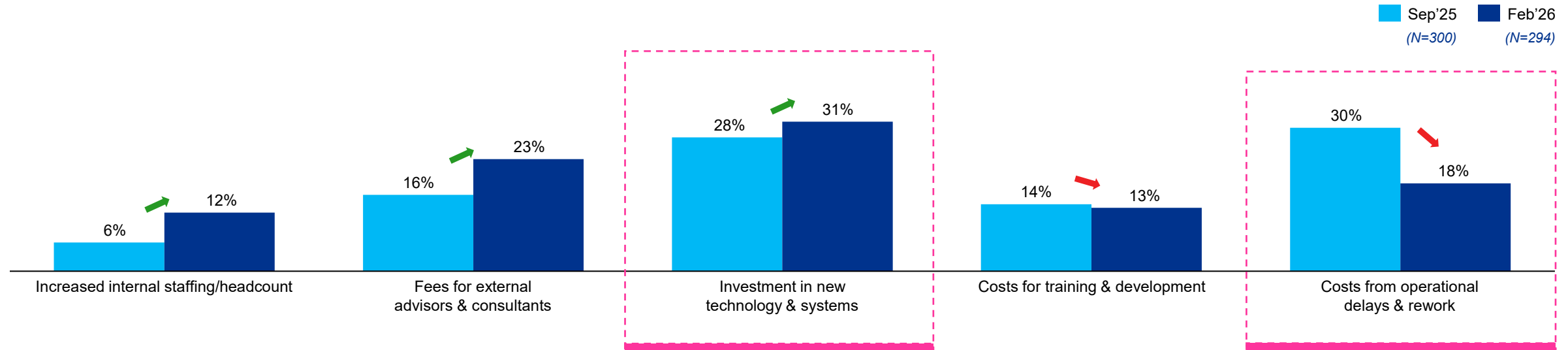


Note(s): (a) Sum of percentages may not add up to 100 due to rounding off; (b) The options 'Other (please specify)' and 'No significant modifications were required in these areas' are not considered in the graphical representation due to limited response; (c) IM stands for industrial manufacturing and excluding automotive; (d) ENRC stands for energy, natural resources, and chemicals; (e) N value has not been represented since it is different for each of the options; (f) Weighted average has been represented in the graphs

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

Rising compliance costs are absorbed largely through investment in new technology

What was the main source of increased costs related to these compliance process changes?^{(a)(b)} Single select



Key Observations

- **Investment in new technology and systems** continues to increase (**31% vs 28%**), suggesting organizations are prioritizing system upgrades to manage new compliance requirements
- In contrast, operational disruptions seem to be less prioritized now, as **costs from operational delays and rework** have significantly decreased from **30% to 18%**. This reduction suggests improved process maturity and fewer execution bottlenecks compared to the previous tariff wave
- The **increase in internal staffing/headcount** for compliance roles has doubled, increasing from **6% to 12%**, suggesting that organizations are bringing compliance capabilities in-house to effectively meet and sustain their ongoing regulatory requirements

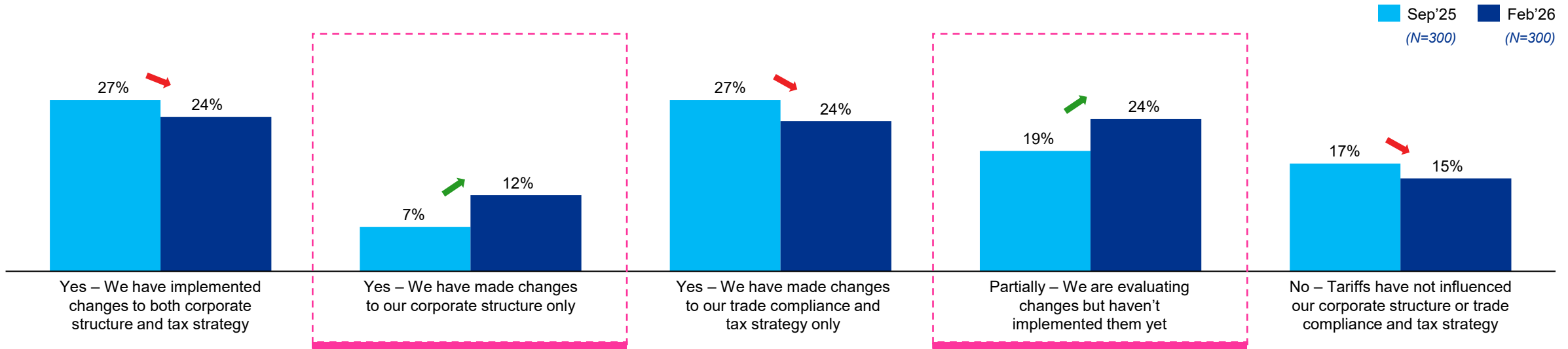
Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The options 'Other (please specify)' and 'Do not know/unsure' are not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Feb'26; KPMG Tariff Survey Sep'25

6.4

Tax and corporate structure

In line with the Sep'25 survey, organizations adjusted their corporate and tax frameworks, with many still evaluating next steps...

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



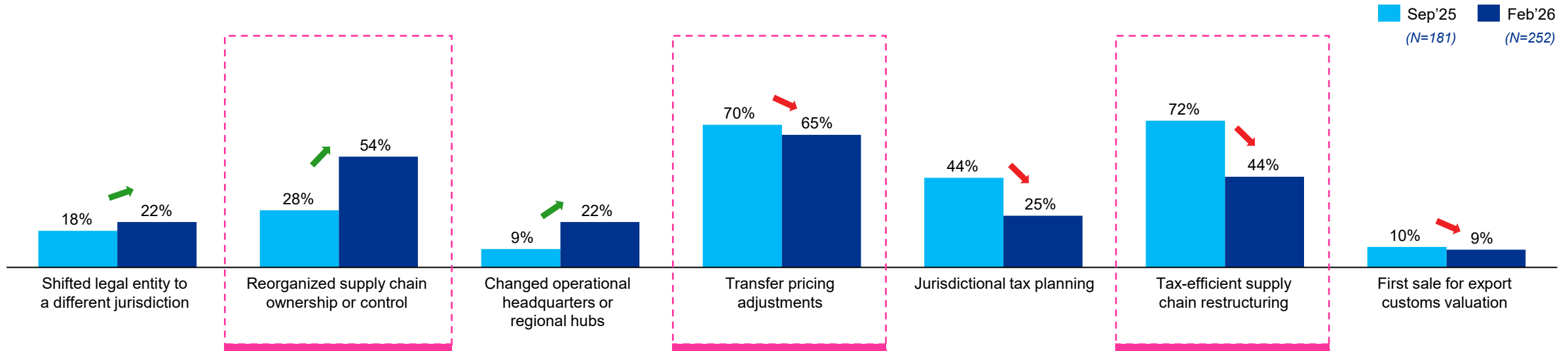
Key Observations

- In line with the previous survey, **24%** of respondents **have implemented changes to both corporate and tax strategy**, while a similar share are **still evaluating changes (24% vs 19%)**, indicating cautious, staged decision-making rather than aggressive restructuring
- Compared to the previous survey, fewer organizations are focusing on **trade compliance and tax changes (24% vs 27%)**, while more are shifting towards **corporate structure changes only (12% vs 7%)**

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

...balancing tax-led restructurings with efficient supply chain initiatives

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



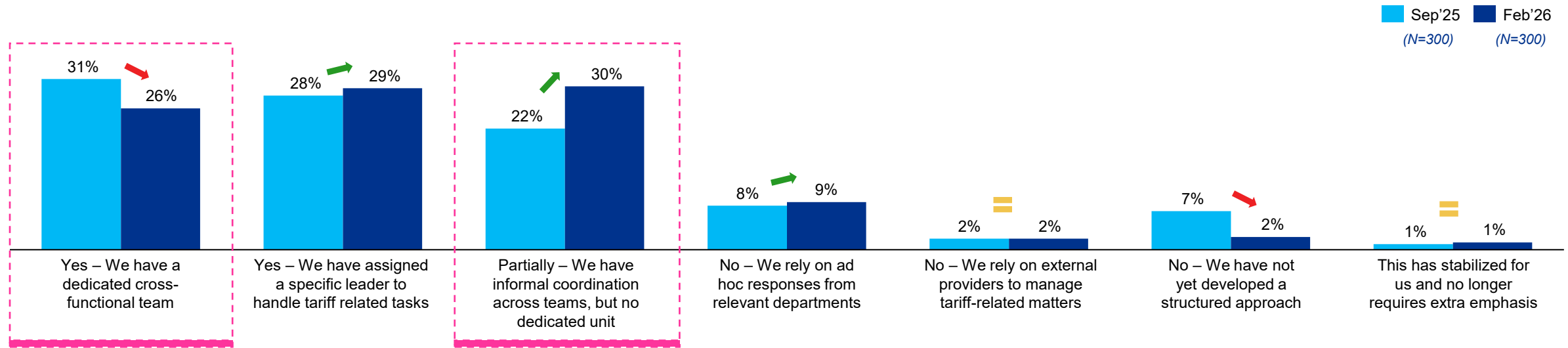
Key Observations

- While **transfer pricing adjustments (65%)** continue to be the most common action, the share has slightly declined from previous survey
- A substantial increase in **reorganization of supply chain ownership/control (54% vs 28%)** and **change in operational headquarters (22% vs 9%)** indicates a shift towards structural and operational realignment, rather than relying solely on technical tax mechanisms
- **Tax-efficient supply chain restructured** has notably dipped from previous survey (**44% vs 72%**)

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

Organizations are shifting from a dedicated team towards partial/informal model...

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



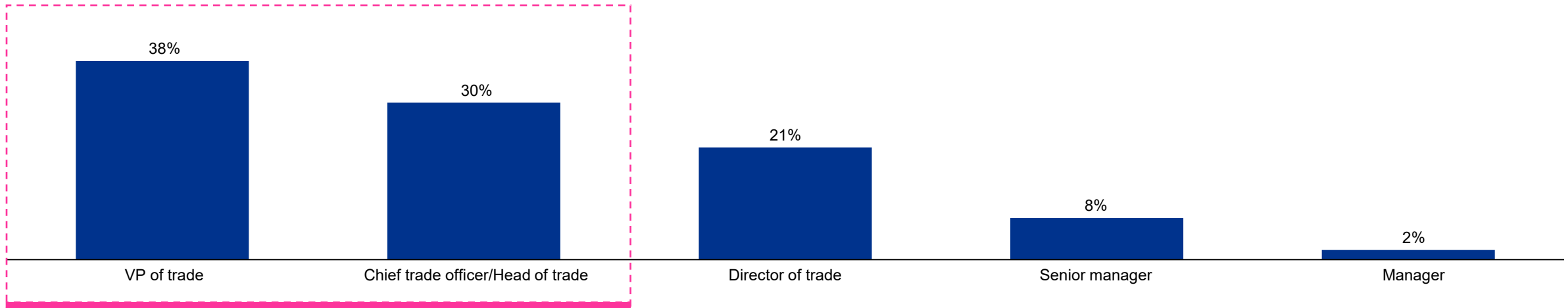
Key Observations

- Fully dedicated tariff teams have declined, with fewer organizations reporting a **dedicated cross-functional team (26% vs 31%)**
 - However, in an article, Genpact emphasizes that businesses should form **dedicated teams** to tackle tariff-related risks. A specialized task force from finance, supply chain, risk etc. can evaluate these challenges effectively (>>)
- Partial or informal coordination across teams** has risen meaningfully (**30% vs 22%**), suggesting more organizations are managing tariffs through cross-team collaboration
- Compared to the previous survey, fewer organizations (**2% vs 7%**) now report **having no structured approach** to managing tariff decisions

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

...primarily led by senior executives, underscoring the strategic importance of tariff management

What is the title of the individual who leads your company's trade or tariff-related function?^{(a)(b)} N=165; Single select



Key Observations

- Trade and tariff leadership sits predominantly at senior levels, with ~67% of organizations led by a **Chief trade officer/Head of trade or VP of trade**

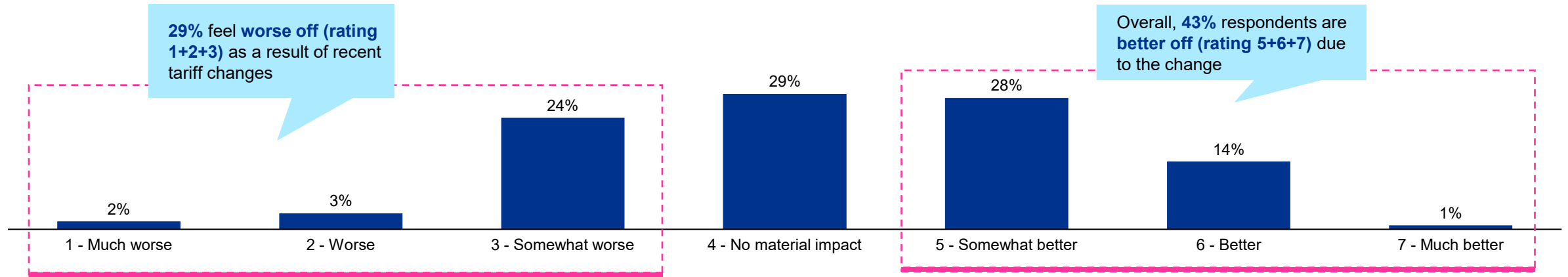
Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Do not know/unsure' and 'Other (please specify)' are not considered in the graphical representation due to limited response
Source(s): KPMG Tariff Survey Feb'26

07

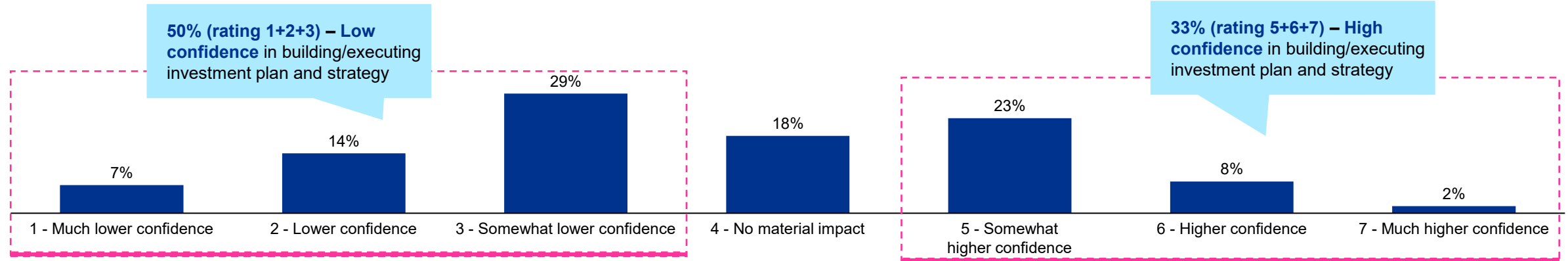
Tariff impact post- SCOTUS ruling

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



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

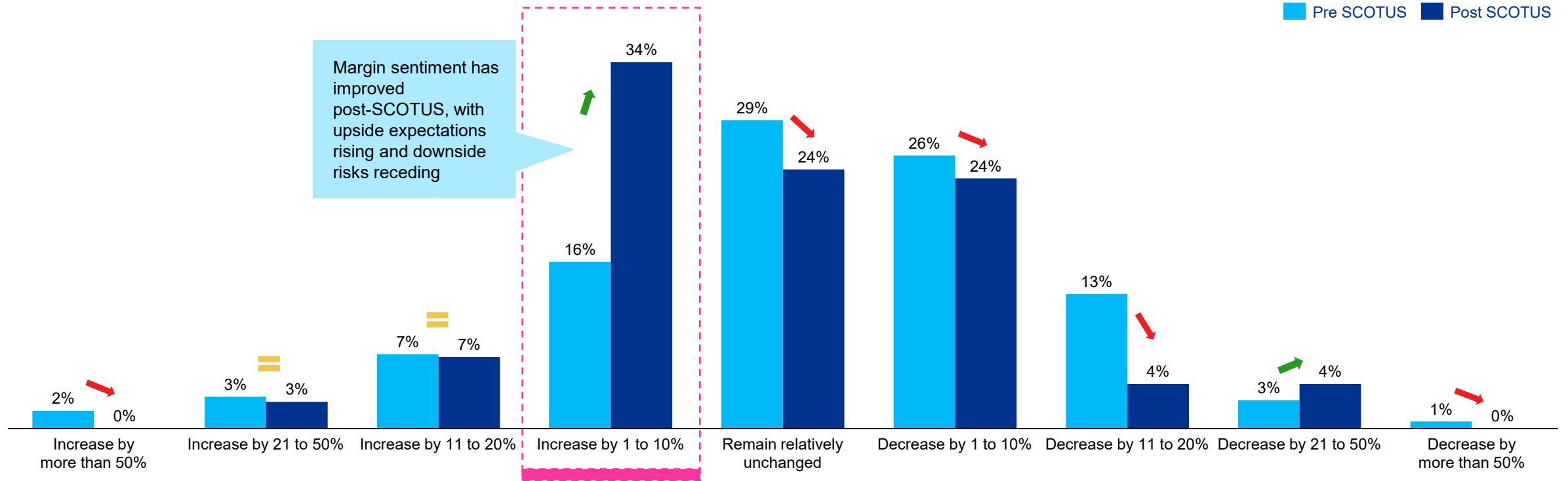


Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The survey question references a potential flat 15% tariff based on policy indications at the time of fielding; while a 10% tariff was enacted, respondents were asked to assess sentiment in the context of anticipated tariff changes.

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

The ruling has shifted expectations towards modest margin upside

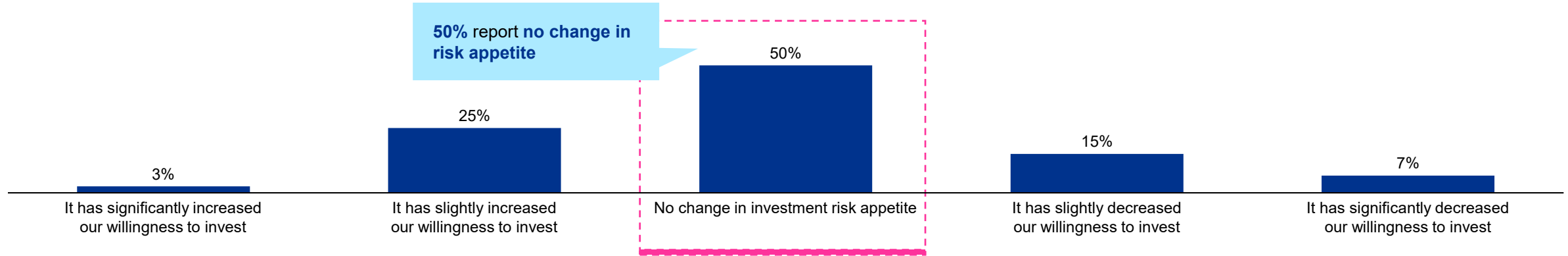
Based on recent tariff changes, including the Supreme Court ruling, how do you expect the impact on your company's margins to be over the next 12 months?^{(a)(b)} *Single select*



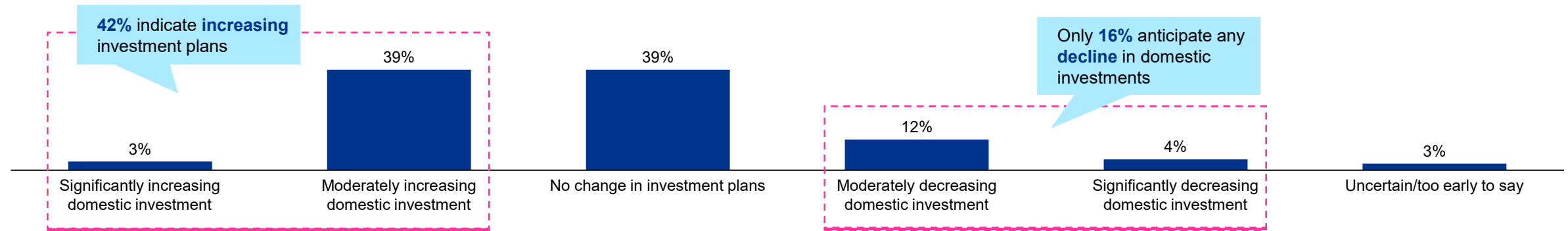
Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Not sure/Impact is still uncertain' is not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS); KPMG Tariff Survey Feb'26

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



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

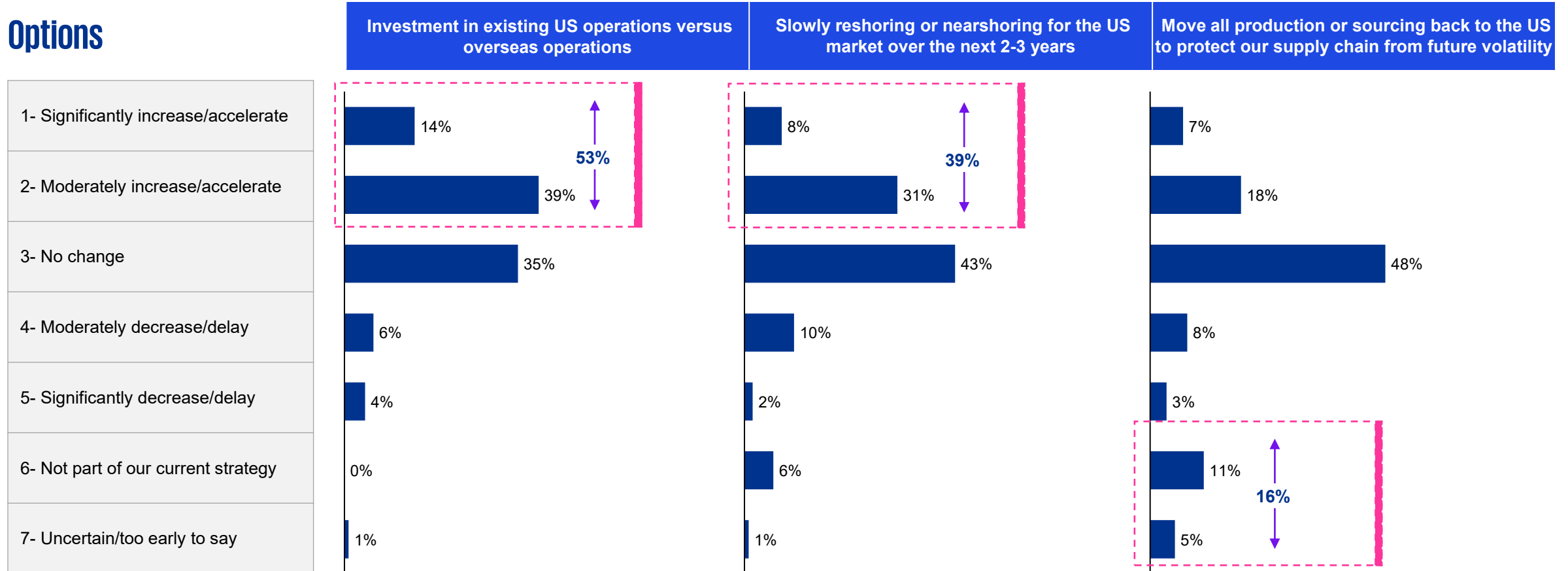


Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)

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

Options

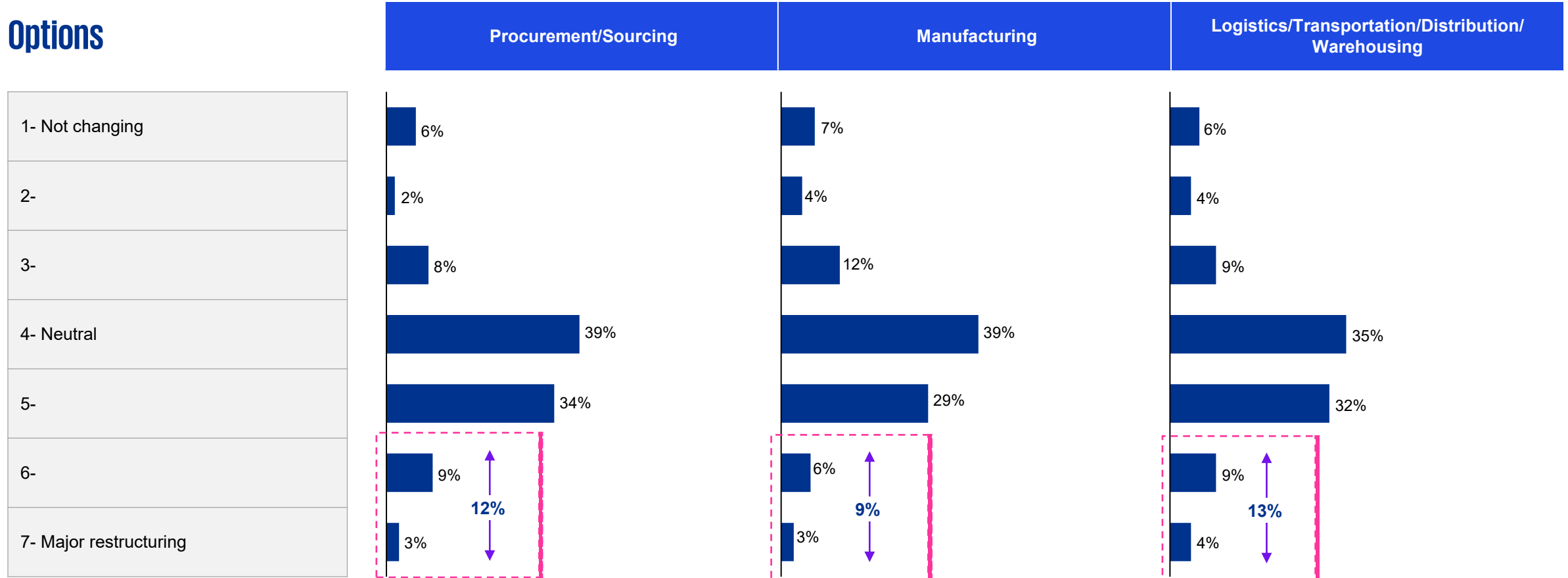


Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The option 'Other (please specify)' is not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)

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

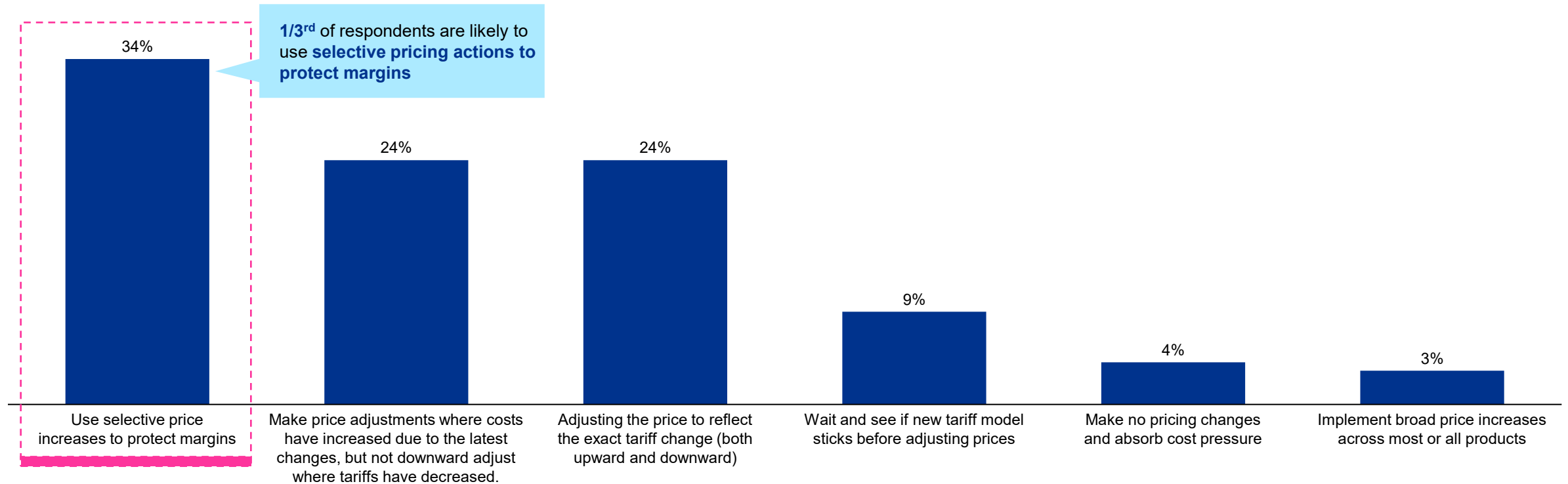
Options



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

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

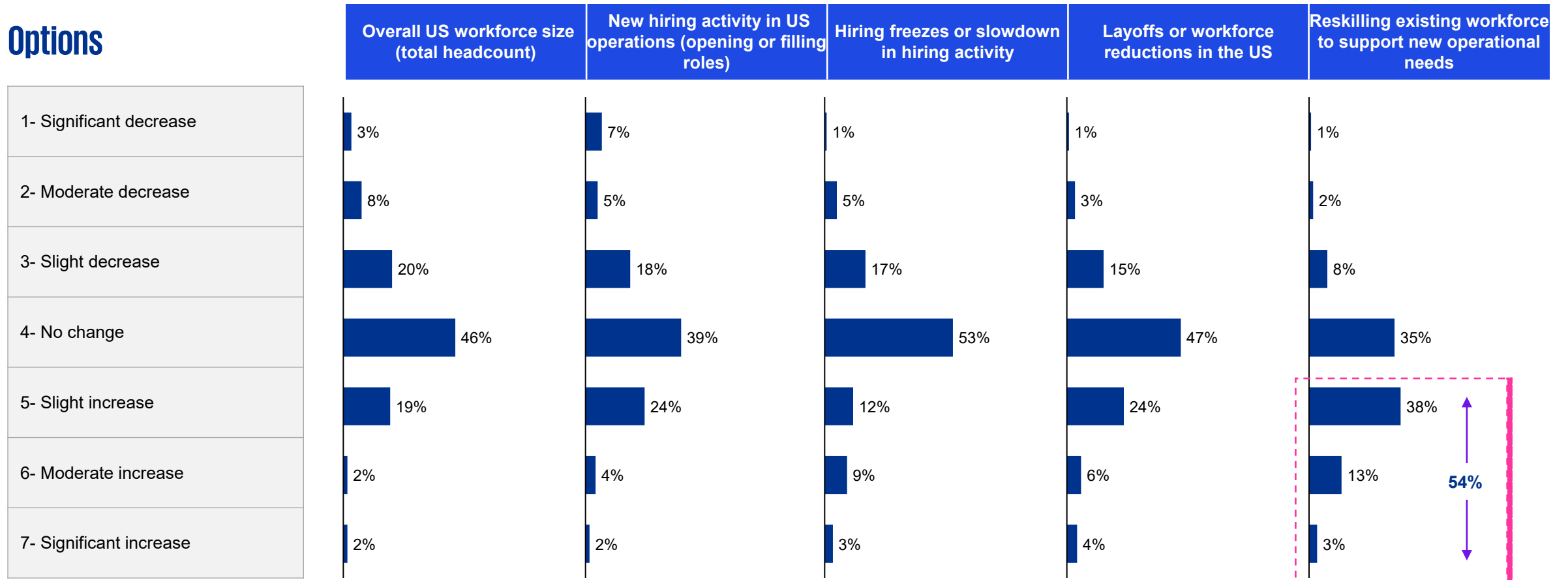
In light of recent tariff developments and the court ruling, how likely is your company to take the following new pricing actions?^(a) N=119, Single select



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

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

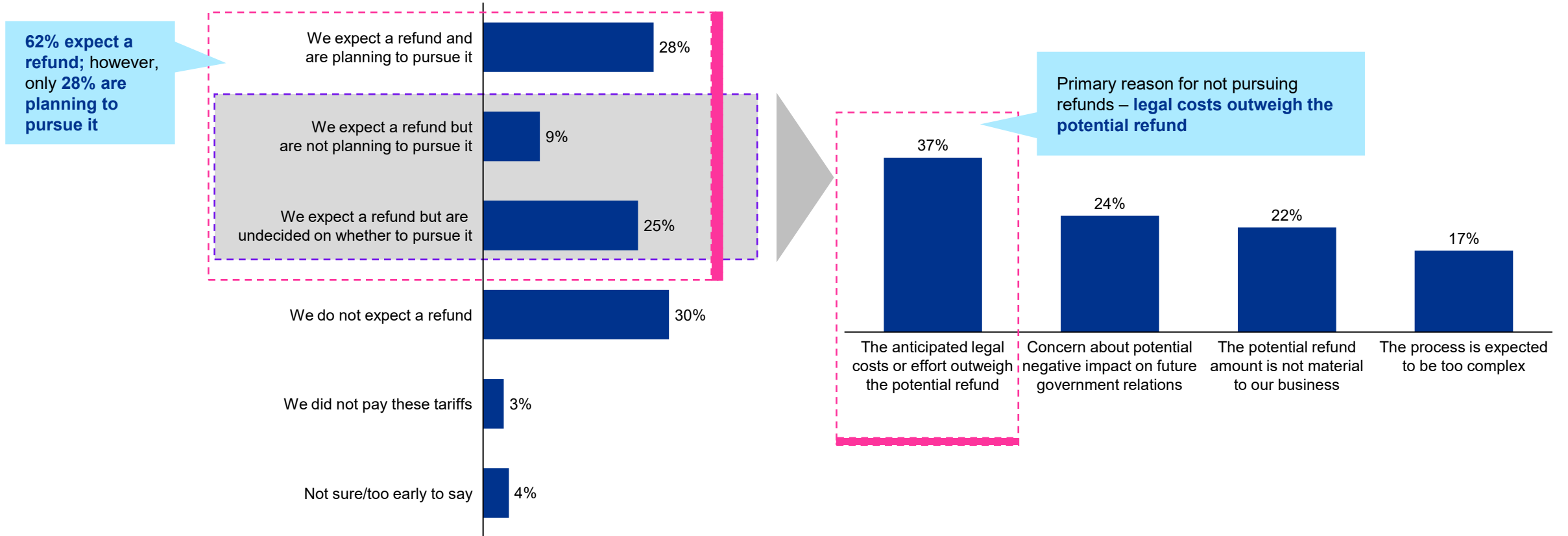


Note(s): (a) Sum of percentages may not add up to 100 due to rounding
 Source(s): KPMG Tariff Survey Mar'26 (post-SCOTUS)

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

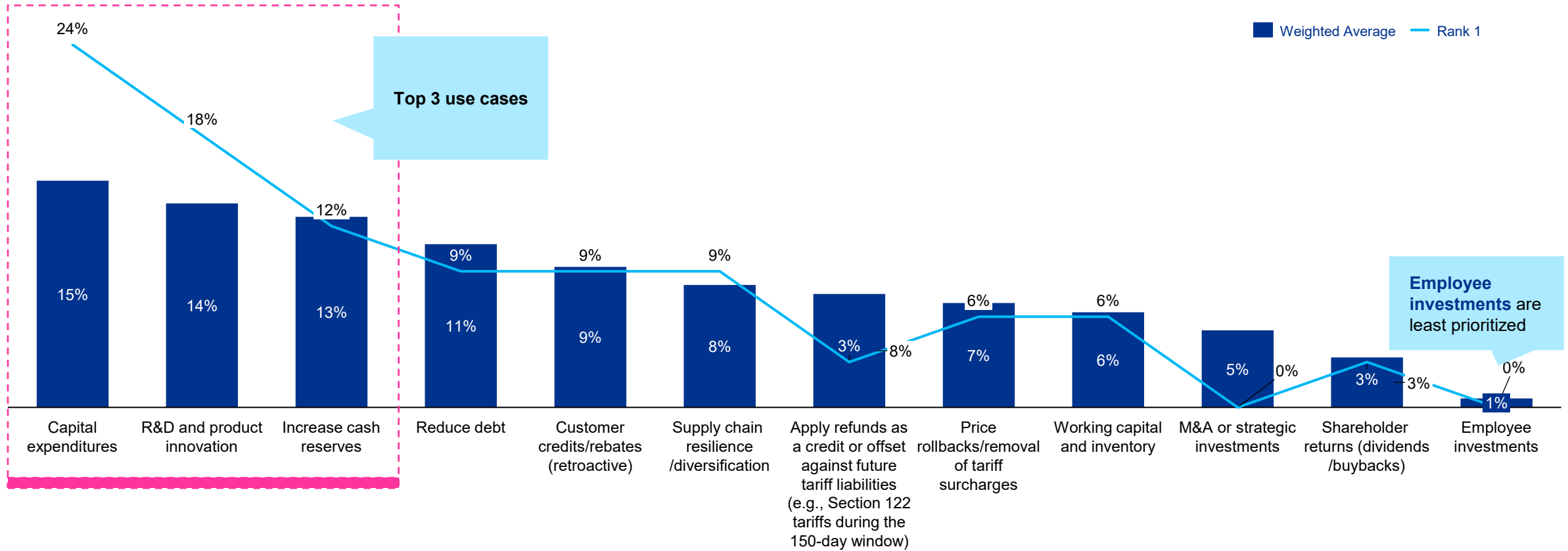
What is the primary reason your company is not planning or undecided about pursuing a refund at this time?^{(a)(b)} N=41, Single select



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)

Proceeds will mainly be directed towards capital expenditures, R&D, and cash reserves

What will be the top three uses of the refund?^{(a)(b)} N=33; Rank top 3



Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The options 'Other (please specify)' and 'Use of funds has not yet been determined' are not considered in the graphical representation due to limited response
 Source(s): KPMG Tariff Survey Mar'26 (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%

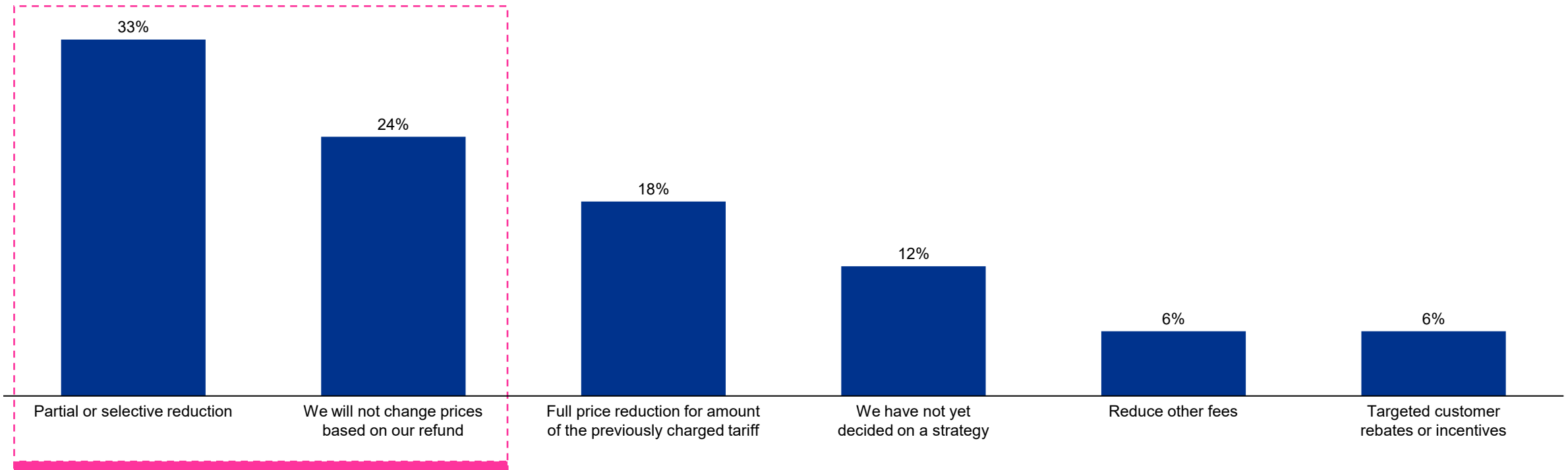
Respondents expecting small refunds up to \$5M reflect lower pursuit; low ROI below this threshold

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)

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)

Contact us



Scott Rankin

Advisory Principal,
Advisory Products LOB Leader
KPMG U.S.

scottrankin@KPMG.com



Brian Higgins

Advisory Principal,
Industrial Manufacturing US Sector Leader
KPMG U.S.

bhiggins@kpmg.com



Joe Lackner

Advisory Principal,
Industrial Manufacturing
KPMG U.S.

jlackner@KPMG.com



Andrew Siciliano

Tax Partner,
Trade and Customs Practice Leader
KPMG U.S.

asiciliano@kpmg.com



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.

© 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.

DAS-2026-19864