TRAFFIX

IMPACT OF TARIFFS ON SUPPLY CHAINS

TRAFFIX surveyed over 300 customers to understand the impact of the new import/export tariffs on their supply chains. This report highlights the key findings.

TARIFFS IN EFFECT

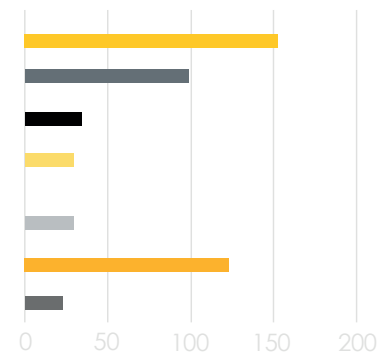## The extent to which the tariffs impacted our client's supply chains:

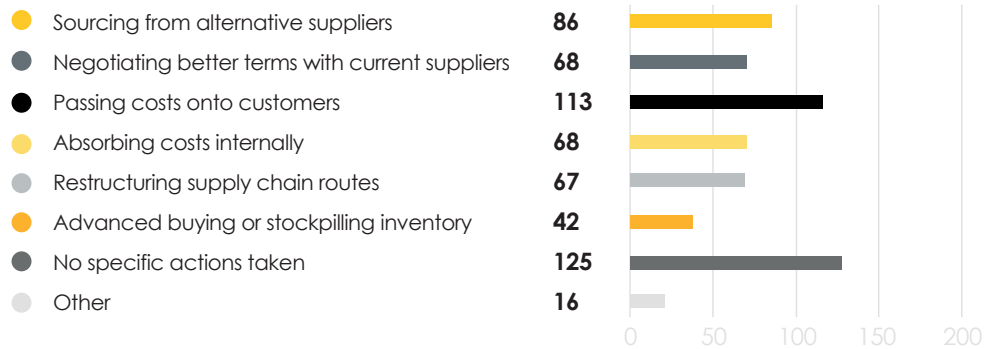|		
🟡	Significantly disrupted	**72**
⚫	Somewhat disrupted	**129**
⚫	No impact	**113**
🟡	Benefitial impact	**8**
⚪	Not sure	**19**

6%
21%
33%
38%
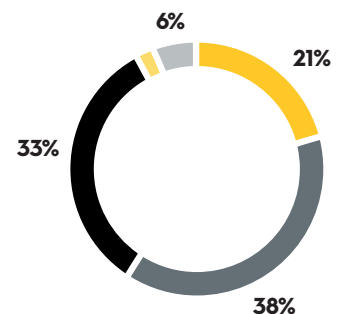
The recent tariffs have had varied effects on companies' supply chain operations. Some businesses are seeing increased costs, particularly for raw materials like steel, aluminum, and LED components, leading to price increases. Others are proactively shifting production, stockpiling inventory, or seeking alternative suppliers outside of affected regions. Cross-border trade has been disrupted for some, with delayed shipments, halted operations, or increased domestic focus. While some companies report minimal impact, many are adopting a "wait and see" approach as they assess potential long-term consequences.

The challenges our clients are facing due to the tariffs:

🟡	Increased costs or imported goods	**151**
⚫	Shipping delays or rerouting challenges	**99**
⚫	Supplier disruptions or shortages	**39**
🟡	Increased customs paperwork and compliance hurdles	**37**
⚪	Higher inventory holding costs	**37**
🟠	No significant challenges	**123**
⚫	Other	**22**

0 50 100 150 200

How our clients are adjusting their supply chains to react to the impacts of the tariffs:

Category	Value
● Sourcing from alternative suppliers	86
● Negotiating better terms with current suppliers	68
● Passing costs onto customers	113
● Absorbing costs internally	68
● Restructuring supply chain routes	67
● Advanced buying or stockpiling inventory	42
● No specific actions taken	125
● Other	16

(Axis: 0, 50, 100, 150, 200)

Potential strategies our clients are considering mitigate the potential long term impact of tariffs:

Category	Value
● Increasing consumer prices	134
● Negotiating cost-sharing with suppliers	84
● Implementing a "+1" strategy	25
● Shifting sourcing to alternate countries	70
● Increasing domestic manufacturing or production	65
● Absorbing the cost internally without passing it on	45
● All of the above	20
● None of the above	85
● Other	32

(Axis: 0, 50, 100, 150, 200)
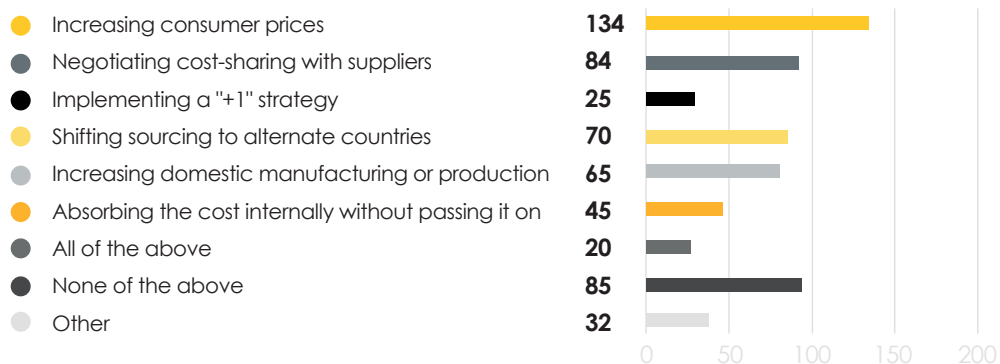
Companies navigating the impact of tariffs are primarily seeking **clarity, market insights, and strategic guidance.** Many are requesting **real-time updates** on tariff policies, supply chain shifts, and capacity changes. Others want **benchmarking data** on how similar businesses are adapting. Some are exploring **alternative sourcing options,** including shifting suppliers from the U.S. to Canada, Mexico, or overseas, while a few are considering **moving production facilities** to avoid long-term risks. **Capacity and competitive pricing** remain top concerns, with companies looking for **stable transportation rates** and reliable cross-border solutions. Overall, businesses are adopting a **wait-and-see approach,** adjusting strategies as more information becomes available.

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