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# Trump’s Tariff Strategy Brings Clarity, But Little Comfort, to Businesses

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President Donald Trump’s latest round of tariff announcements offered corporate America a clearer view of his trade policy, but business leaders say that clarity doesn’t bring much comfort. The Thursday rollout of new tariff rates, ranging from 10% to over 50%, surprised many executives, who are now bracing for higher costs and increasing uncertainty in global supply chains.

In interviews with executives from financial firms, multinational corporations, and trade associations, many expressed concern that Trump's piecemeal approach to imposing tariffs on a country-by-country basis is creating operational confusion. The new duties apply broadly, impacting major trade partners such as Brazil and China, and they include a roughly 20% tariff on products from rapidly growing Asian economies, rates nearly ten times higher than before.

While some business leaders acknowledge that the announcement may provide a slight increase in predictability, the steep rates themselves raise serious financial concerns. "Some of the rates are higher than expected," said Tori Smith, senior vice president at the public affairs firm Forbes Tate. "That doesn't help them financially."

Even with new executive orders formalizing duties on over 100 countries, companies are still waiting on critical details. One major area of confusion is the administration's plan to combat "transshipment," where goods are routed through a third country to avoid tariffs. The policy's enforcement mechanism remains unclear. Similarly, while exemptions for key products were initially introduced, those carve-outs may soon be irrelevant. The White House is expected to implement sector-specific tariffs targeting industries like pharmaceuticals and semiconductors.

Meanwhile, trade talks with some of the U.S.'s most significant partners, Canada, Mexico, and China, are still ongoing, adding to the uncertainty. Mohamed El-Erian, chief economic adviser at Allianz and chairman of Under Armour, stressed the significance of this uncertainty for firms with global supply chains. "It really matters that some countries are still in negotiations and certain countries are not in negotiations," he said, pointing to a lack of formal documentation in recent trade agreements, including those with Vietnam.

Stephen Lamar, president of the American Apparel and Footwear Association, said that while the new tariff rates might be here to stay, businesses are left without the necessary information to make both short-term and long-term pricing and sourcing decisions. "We don't yet have enough information to make the kinds of long-term decisions that need to be made," Lamar explained, highlighting how uncertainty is already affecting plans for upcoming product lines.

The Business Roundtable, which represents more than 200 CEOs across various industries, issued a statement Friday warning that persistently high tariffs could damage key sectors of the economy, especially manufacturing. The organization urged the administration and allied nations to collaborate on lowering tariffs and removing trade barriers.

Despite these concerns, the White House has largely brushed aside objections from the business community. President Trump has consistently encouraged companies to "eat the tariffs" or shift production back to the United States. According to White House spokesperson Kush Desai, the administration views its trade actions as a win, touting new access to markets valued at over $32 trillion and home to 1.2 billion people. Desai added that the broader pro-growth agenda, including tax cuts and deregulation, has given businesses greater long-term certainty.

However, not everyone agrees that the short-term effects are manageable. Greg Ahearn, president and CEO of the Toy Association, warned that the effects of tariffs are likely to intensify. "Production and manufacturing and the goods as they flow through the supply chain takes time," he said, suggesting that the full economic impact is yet to come. Ahearn also pointed to signs of strain already appearing in the job market and in consumer pricing.

Recent data backs up those concerns. The June inflation report indicated price increases in categories such as furniture, apparel, and toys, industries heavily reliant on imports. These increases contributed to a higher overall inflation rate, and business leaders like Lamar caution that once prices rise, they rarely fall back.

Ahearn added that layoffs have already begun in some sectors, and the approaching holiday season could be marked by reduced supply and rising consumer prices. "Inflation and price increases are coming," he warned. "These are all happening."

While the Trump administration argues its strategy is rebalancing global trade in America's favor, many in the business world remain unconvinced that the current approach is sustainable. For now, companies are left to navigate a challenging trade landscape that remains in flux.