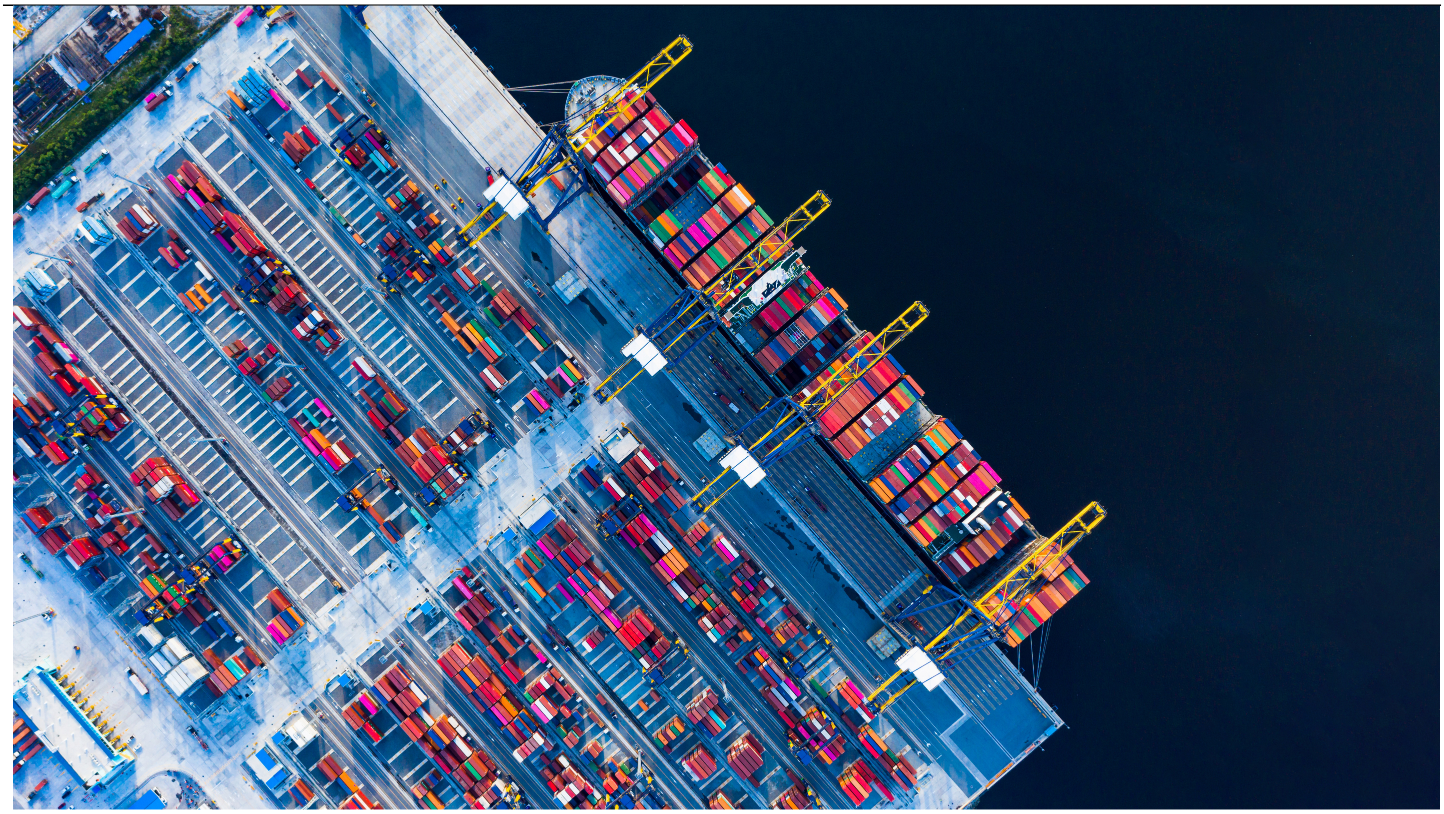
Wisdom of the Crowd: Tariffs and Economic Uncertainty

Commercial and Contracts

Government



Banner artwork by AU USAnakul / *Shutterstock.com*

With the rapidly evolving US tariffs — and retaliatory tariffs edging closer to a global trade war — in-house counsel must help their organizations adjust to growing economic uncertainty and the stresses it places on businesses worldwide.

Learn practical insights shared by high-level in-house lawyers from the global ACC community regarding the impact of the current context:

The extent — and rollout — of new US tariffs

- Many goods that are produced outside of this country — because of climate, materials, country-specific branding, etc. — can't be produced in the United States and will still need to be imported.
- Companies will not be able to absorb all the extra costs and will likely pass them on to the consumer, which may impact consumer demand.

ACC Members: Visit the **Navigating the New US Administration** Resource Collection

- The sudden imposition of tariff increases left many business leaders flat-footed. Lobbyists, trade groups, and other advisers were caught unaware.
- Some companies may have to consider negotiating price locks with their suppliers on certain commodities.

ACC Members: Register for the webinar,
Tariffs-What To Know and Do Now (April 10)

Economic unpredictability and competitiveness implications

- Some allude to lack of clarity as a hallmark of VUCA — an acronym used to describe volatile, uncertain, complex, and ambiguous situations. Foreign retaliatory tariffs are developing in real-time, and additional US reciprocal tariffs are still to be determined.
- Companies are focusing on flexibility, weighing longer-term capital investments, but regardless of country, many companies seem likely to wait to see how tariffs play out.

ACC Members: Download the trending resource, **Managing Import and Tariff Risks During a Trade War**, by Foley & Lardner LLP

- Even large companies who have put pressure on governments have been unsuccessful in negotiating better terms. Some are considering shifting operations overseas or to alternate markets, while others will continue producing goods overseas because of relative costs.
- Upstream vendors and suppliers are looking at alternative sources for parts and supplies. Companies may need to adjust their retail footprint.
- Companies may also face the challenge of having competitors with an existing supply chain advantage or operational advantage, which will be crucial for the next months or beyond.
- Companies should consider reviewing all pertinent vendor contracts involving foreign companies with tariff concerns in mind.

KEY TAKEWAY: From reviewing agreements with suppliers to helping the business explore alternative supply routes, in-house lawyers play a role in guiding organizations' efforts to navigate the current tariffs context.

Join ACC

Association of Corporate Counsel

Staff

ACC