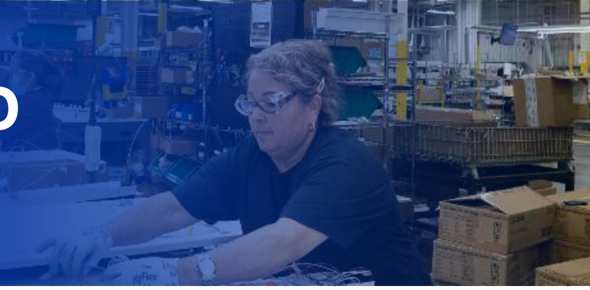

MANUFACTURERS IMPACTED BY TARIFF TURBULENCE

NAM SURVEY ON TARIFF IMPACTS

	% who use imported manufacturing inputs to make things in America	% who use imported manufacturing inputs from USMCA partners	% of those who use inputs from USMCA partners that lack comparably priced domestic sources
Among all manufacturing respondents*	91%	74%	82%
Among small and medium manufacturer respondents**	87%	63%	75%

Trade Policy as Part of a Comprehensive Manufacturing Strategy

Pro-growth policies, including tax and regulatory reforms, have driven investment and job creation. Extending these policies, enacting permitting reform, achieving energy independence and implementing commonsense trade policies will strengthen manufacturing in the U.S.

56%

of U.S. goods imports are manufacturing inputs.

Beneficial Trading Arrangements Support Supply Chains

President Trump's United States–Mexico–Canada Agreement strengthened North American supply chains and reduced reliance on China. The U.S. should build on this success via a strategic trade approach that recognizes manufacturers are central to diverse supply networks—with more than half of U.S. imports consisting of essential manufacturing inputs used to make things in America.

The U.S. imports

3X

the amount of manufacturing inputs from USMCA partners compared to China.

Certainty Drives Long-Term Investment

Manufacturing requires long-term planning. Changes in trade policy, including tariffs, must provide manufacturers stability to encourage job-creating investments. The NAM urges careful consideration of trade policy impacts, including by providing manufacturers opportunities to access critical inputs and boost manufacturing in America.

76% **of manufacturers cited trade uncertainties as their top business challenge in the NAM Q1 2025 Manufacturers' Outlook Survey.**

*Data collected from survey of NAM and association partner manufacturing company members Jan. 30 – Feb. 7, 2025.

**Annual revenue less than $500M.

National Association of Manufacturers

The Cost of Tariffs on Small and Medium Manufacturers: 87% May Need to Raise Prices. One-Third Could Slow Hiring.

"Most of the primary aluminum we use comes from outside the U.S., as domestic production is insufficient. Our operations are structured as an integrated industrial platform with facilities in multiple regions, and disruptions to this supply chain could have significant consequences."

– Maryland Small Manufacturer

"Construction margins are already thin, and these tariffs would push an industry still recovering from past economic challenges into an even more fragile state."

– Delaware Small Manufacturer

"Our manufacturing operations are affected by tariffs that penalize production in foreign trade zones. Competitors are shifting sourcing to countries that can bypass these restrictions, leaving us at a cost disadvantage. On top of that, retaliatory tariffs from key trading partners could hurt our export business."

– Delaware Small Manufacturer

"We rely on a critical material refined outside the U.S., as domestic production is extremely limited. If tariffs are imposed, we could face a cost increase in the tens of millions, which would severely impact our competitiveness. We may be forced to look for alternative suppliers in other regions, but options are limited."

– Indiana Small Manufacturer

"When the government last acted on key raw materials, domestic suppliers raised prices by up to 80%, citing supply constraints. Years later, there's been no increase in capacity, just higher costs. Tariffs will likely cause the same situation—raising domestic prices while doing little to impact global supply."

– Rhode Island Small Manufacturer

"Global instability is already a challenge. While we export finished goods, we depend on a steady flow of materials, equipment and tools from multiple sources. Tariffs make it harder to secure those inputs, drive up costs and add to existing supply chain struggles."

– Connecticut Small Manufacturer

"The immediate financial burden is enormous. The cash required to pay these up front drains resources that could otherwise be used for expansion or investment. The lag between payment and reimbursement leaves us in a permanent cash deficit."

– North Carolina Small Manufacturer

"Certain agricultural inputs and raw materials are not produced in sufficient quantities in the U.S. Tariffs on these imports will drive up costs and disrupt supply chains that we cannot easily replace."

– Wisconsin Small Manufacturer

"We source essential industrial materials from outside the U.S. due to a lack of domestic alternatives. If tariffs restrict access to these materials, production delays or shutdowns could follow, affecting industries like energy and infrastructure."

– Ohio Small Manufacturer

"We do a significant amount of business in Canada, and retaliatory tariffs could put that revenue at risk. Higher costs due to tariffs may also force us to raise prices, potentially leading to major sales losses."

– Ohio Small Manufacturer

NATIONAL ASSOCIATION OF Manufacturers