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Sino-US and EU-US trade wars continue to cause hardship for manufacturers

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The year-long trade conflict between the U.S. and China has caused a number of economic casualties.[1] North American farmers have struggled, as they watched their primary market for soy and pork disappear,[2] but manufacturers across all sectors have suffered.[3]

Although large retailers, such as Target Corporation, have vowed to pass on new costs to their suppliers,[4] as opposed to consumers, other companies have reacted in different ways. Electronics companies have sought to diversify and shift supply chains away from China[5] ; while U.S. manufacturers that predicted heavy sales — such as the automotive, electronics[6] and raw material sectors — are finding ways to curb excess supply and not get stuck with a glut of inventory, now that China is not as viable a market. Thousands of companies have applied for exemptions from tariffs.[7]

Chinese companies are also struggling in the new environment, seeking ways around tariffs[8] and duties, as well as trying to modernize while maintaining growth.[9] Southeast Asian nations Thailand and Vietnam have benefited from the war: Thai authorities recently offered companies fleeing the trade conflict a 50% tax cut as an incentive to invest in their country.[10]

Most recently, the World Trade Organization ruled[11] on Oct. 2 that the U.S. is authorized to impose "countermeasures" in response to EU subsidies to Airbus SE. The ruling will likely result in the imposition of at least USD 7.5 billion in tariffs on aircraft, food products and other goods from the European Union.

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