Deloitte.

5x5 series: Insights and actions

Tariffs, trade, and supply chain planning

Businesses face unprecedented trade and supply chain challenges resulting from the April 2 "Liberation Day" US tariffs announcement and subsequent changes and retaliatory measures from the affected countries. Success may require both immediate action and long-term strategy—from tactical tax planning to broad-based supply chain transformation. Leading companies are developing scenario-based planning tools to accommodate rapid shifts in tariff policies and potential effects on supplier networks.

5 insights you should know

1. The Trump administration has implemented sweeping "reciprocal" tariffs, including a baseline 10% on imports *(with some exceptions)* and significantly higher rates on specific *countries (34% on China, 20% on the EU, 46% on Vietnam, etc.),* alongside existing supplemental tariffs on steel, aluminum, autos, and auto parts.
2. Some impacted nations, such as China, Canada, Mexico, and the European Union, have begun implementing and planning retaliatory tariffs and countermeasures, with others announcing reciprocal actions.
3. The impact of the reciprocal tariffs is substantial, affecting approximately $3.3 trillion[1] in US imports. These measures may have more far-reaching impacts on industries previously enjoying low-duty status.
4. Tariffs have become an urgent catalyst for businesses' operating model reconsiderations, with companies reassessing supply chains to mitigate an estimated $660 billion[2] in annual tax impact and financial effect.
5. Considerations are not limited to global trade management or compliance and also affect the broader tax department, supply chains, and overall business strategies.

5 actions to take now

1. **Calculate the reciprocal tariff impacts across the end-to-end supply chain:** Evaluate the import and export impact of the new reciprocal tariffs using established metrics *(effects by origin, product, supplier, etc.).* Update supply chain and global trade visualization tools to illuminate global trade restrictions, including tariffs and export controls.
2. **Operationalize immediate opportunities:** Model desirable supply chain outcomes and evaluate how global trade planning can help achieve goals. Consider valuation strategies, such as bundling and unbundling, first sale for export, revision of transfer pricing methodologies, duty drawback availability, and free trade zones/bonded warehouses.
3. **Engage internal stakeholders and third parties:** Communicate to internal stakeholders *(Finance, Commercial, Procurement, etc.)* and third parties *(suppliers, brokers, forwarders, etc.)* their roles and responsibilities in executing immediate opportunities.
4. **Plan and execute resource model:** Identify resources *(personnel, systems, technology, etc.)* required to implement immediate opportunities and manage the evolving tariff landscape. Execute an agile internal/external resource model that supports operational and risk management objectives.
5. **Evaluate longer-term relocation and supply chain transformation:** Review supply chain network design with cross-functional partners, including Tax, focusing on sourcing and distribution strategies to identify changes that could reduce tariffs and/or create opportunities for tax credits and incentives.

Connect with us

Kristine Dozier
Principal, Deloitte Tax LLP
+1 469 417 2884
kdozier@deloitte.com

Jivan Datta
Tax Principal, Deloitte Tax LLP
+1 704 887 1695
jivandatta@deloitte.com

Firas Zebian
Tax Principal, Deloitte Tax LLP
+1 704 887 1695
fzebian@deloitte.com

[1] Kari Crane, "What Are the top U.S. imports?," Shipping Solutions, April 2, 2025.

[2] Giann Liguid, "Trade war redux: US and China dig in as tariff tensions spiral to new heights," *Investing News Network*, April 11, 2025.