23 October 2025

Survey results: The impact of trade policy shifts on companies operating in the U.S. market

EXECUTIVE SUMMARY

This report presents the results of a survey conducted by BusinessEurope in September 2025, examining the current challenges in the trade relationship between the European Union and the United States. The survey was distributed to a wide network of national and sectoral federations and companies, resulting in 342 direct responses (Annex 1).

The findings underscore the **vital importance of the U.S. as an export destination and investment market for European companies**, with 68.5% of respondents identifying the U.S. as their primary or one of their primary markets.

However, the findings reveal that **European exporters and investors are facing increasing challenges in the U.S. market.** The current trade environment is described as unpredictable, costly, and administratively complex, which undermines competitiveness and weakens market confidence. While opportunities remain, the combination of unstable tariffs, regulatory divergence, and bureaucratic barriers is steadily eroding European firms' ability to operate effectively in the U.S. market.

The main challenges in EU-U.S. trade identified through the survey include:

1. **Tariff volatility** – increased tariffs, especially under Section 232 on steel, aluminium, and copper, have severely reduced competitiveness, led to lost contracts, and in some cases forced complete market withdrawal.
2. **Uncertainty and instability in U.S. trade policy**, making it difficult to plan investments or long-term strategies, with companies postponing or cancelling U.S. projects due to the lack of predictability.
3. **Administrative and customs burdens**, including excessive documentation, delays, and misclassification of goods, which increase operational costs and disrupt supply chains.

4 **Loss of competitiveness, contracts and customers**, as tariffs impact price levels. European suppliers lose customers to local or third-country competitors, while investment is diverted to alternative markets such as Mexico or postponed entirely.

The report concludes that **restoring stability, predictability, and regulatory cooperation** in the transatlantic trade relationship is essential to ensure European companies' competitiveness on the U.S. market.

Additionally, a key priority identified is the **urgent need to resolve the Section 232 tariffs on steel, aluminium, and copper**, which have severely undermined European competitiveness in the U.S. market. Addressing this issue must be at the **top of the EU-U.S. agenda, in order** to restore market access and ensure European competitiveness.

Looking ahead, companies identify **three priority areas for future action**:

1 **Tariff stability** – Removing or stabilising tariffs on EU goods and ensuring clarity, especially in regard to existing and forthcoming Section 232 tariffs. This is particularly urgent for 232 tariffs on steel, aluminium, copper and their derivatives.

2 **Customs simplification and harmonisation** - Streamline procedures and reduce the documentation burdens associated with complex value chains and rules of origin to facilitate smoother trade flows. Ensure that changes to tariffs are implemented uniformly, and that customs and economic operators are sufficiently informed.

3 **Regulatory cooperation** – There has been a long-standing demand from businesses for regulatory cooperation and reducing differences in standards between the EU and the U.S. Both sides must work towards simplifiying and streamlining regulations to lower compliance costs and risks.

To conclude: The EU should pursue **immediate measures**, focused on tariff and customs stabilisation and in this context **the priority must be to implement the existing Joint Framework Agreement** including finding an urgent solution for Section 232 on steel and aluminium. And **longer-term initiatives** to embed regulatory alignment and predictability **through regulatory cooperation and simplification.** This is a long-standing ask from the business community on both sides intended to reduce costs and further support Transatlantic investment. Only through coordinated efforts can transatlantic trade and investment continue to underpin stability and growth on both sides of the Atlantic.

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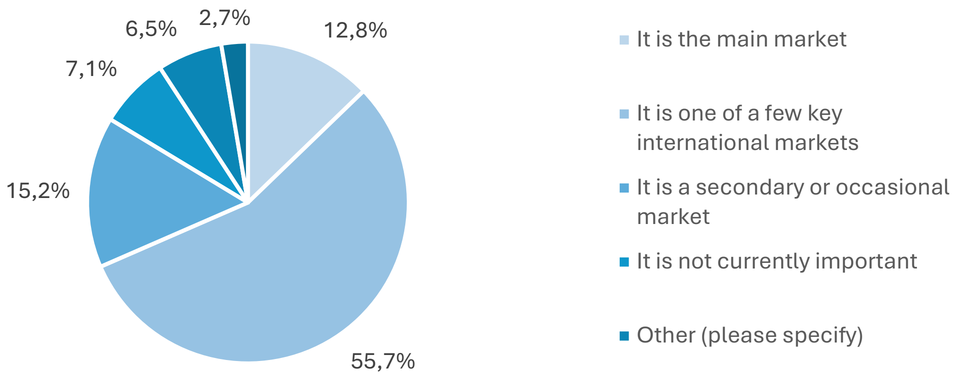
EU companies' engagement with the U.S. market

This survey finds that **the U.S. remains an essential market for European businesses.** 68.5% of respondents identify the U.S. as either their main market or one of their key international markets (Figure 1). Only a small minority describe it as unimportant.

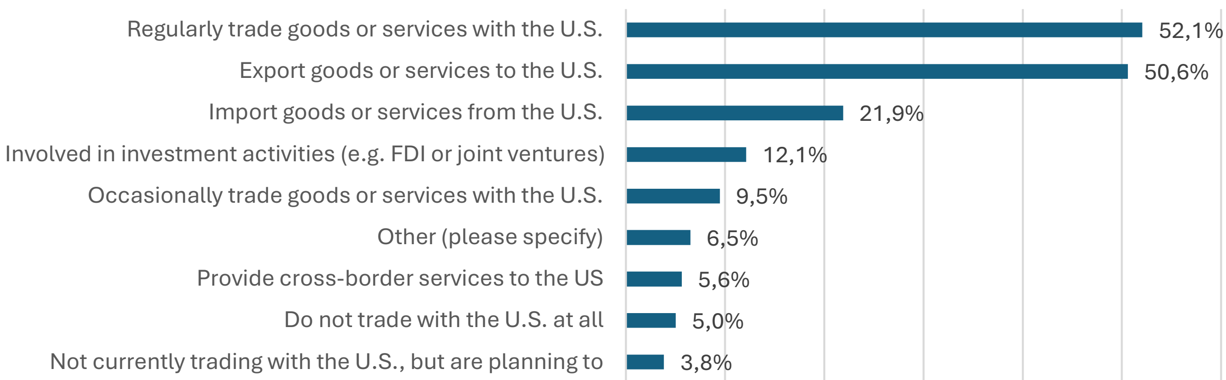
Figure 1: How important is the U.S. market to your company?



Among the respondents, 52.7% regularly trade goods or services with the U.S.; 51.0% export to the U.S.; 22.2% import regularly from the U.S.; and 11.4% are directly involved in US investments (Figure 2). Individual comments additionally reflect a wide range of engagement with the U.S. market. While some companies describe the U.S. as a substantial part of their business or a key focus for future investment, others note a reduced or project-based presence. Several respondents also highlight the importance of the U.S. as a supplier market or mention ongoing exploratory efforts to expand there.

For many respondents, the U.S. represents a major portion of turnover - sometimes up to one-third of their global business. In several cases, companies note that the U.S. is their largest single export market outside the EU. **Despite the challenges, the U.S. continues to be seen as a growth market with long-term strategic value**.

Figure 2: How is your company currently engaged with the US market?

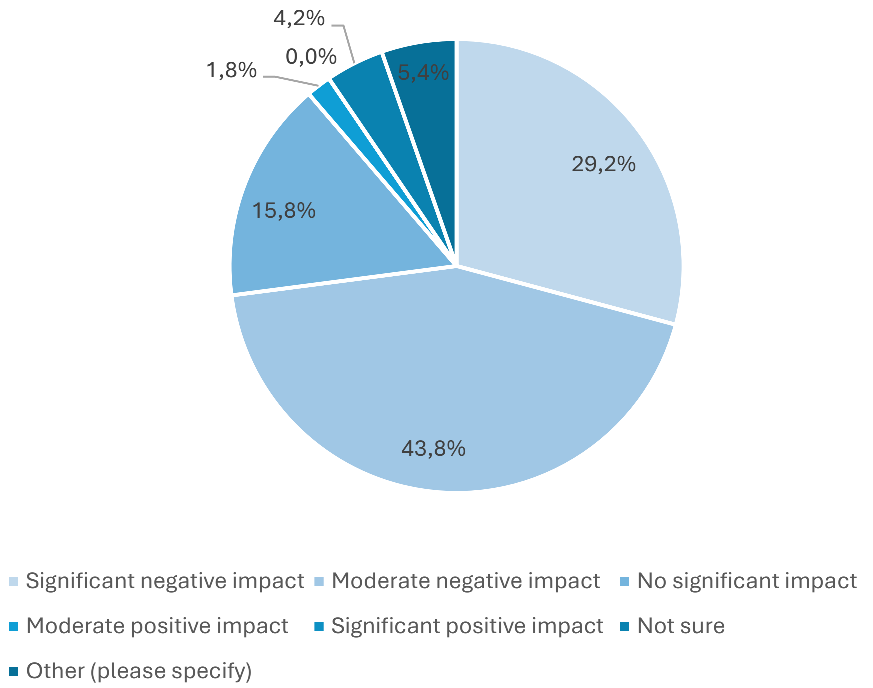


In addition to the importance of the U.S. market, **the individual responses highlight a growing sense of fragility in the EU-U.S. relationship.** Companies recognise that while the U.S. market is indispensable, access to it has become significantly more challenging recently. This dual reality of importance and instability runs through nearly all responses and sets the backdrop for the urgency to resolve the key issues identified.

The impact of tariffs on EU-U.S. trade

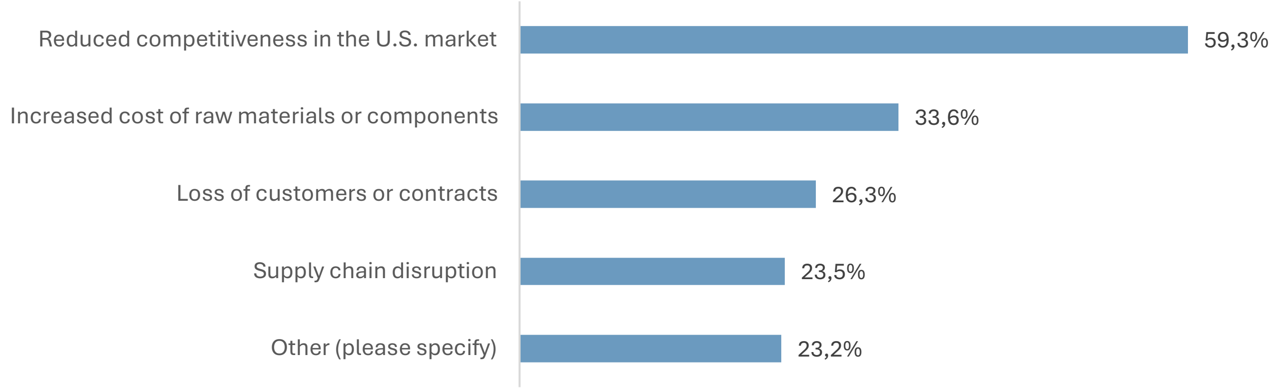
Tariffs emerge as the most immediate and damaging challenge for European businesses engaged with the U.S. market. **73% of respondents report moderate to significant negative impacts on their business from the tariffs which have been imposed,** while only a negligible fraction cites a moderate positive impact (Figure 3). This is further substantiated by the fact that **59% of respondents report that they have experienced reduced competitiveness on the U.S. market due to the impact of tariffs** (Figure 4).

Figure 3: How have recent U.S. tariff changes impacted your business?



Tariffs are consistently described by respondents as eroding competitiveness, raising costs, and driving customers away. The most frequently mentioned example is the 50% duty on steel, aluminium and copper products and their derivatives. Across the board, 26.3% of companies report having lost customers or contracts due to the increases in tariffs (Figure 4).

Figure 4: What specific issues have you experienced due to increased tariffs?



The tariffs not only increase the price of the final good exported, but also complicate companies' ability to supply spare parts and components to customers in the U.S. Several companies report that spare parts for machinery or equipment are held up at customs due to tariff classification, causing delays and damaging customer trust.

Additionally, 23.5% of the respondents also experience disruptions in their supply chains due to increased tariffs (Figure 4), not only making production of finished goods more difficult but also **raising costs, delaying delivery times and creating uncertainty for downstream customers and contracts**. Furthermore, 33.6% of companies state that the introduced tariffs have increased the cost of raw materials or components somewhere in their value chain, raising costs of the final product further.

European exporters report that U.S. buyers are increasingly unwilling to pay surcharges linked to tariffs. Some companies note that even where no domestic alternative exists in the U.S., customers are opting for other international suppliers with preferential access. For example, some Canadian and Mexican suppliers benefit from tariff exemptions under U.S. trade agreements, leaving European companies at a disadvantage. Tariff uncertainty has also impacted customer commitment, with U.S. clients now preferring short-term contracts rather than the multi-year agreements which were previously the norm.

A number of additional specific issues were raised throughout the individual responses:

- Companies exporting goods through their U.S. subsidiaries face significant financial and operational challenges due to tariffs, as they report reduced profit margins, given they often absorb U.S. tariffs themselves.
- The tariffs have a negative impact on companies' cash flow, as tariffs must be paid shortly after import, whereas customers are granted longer payment terms.
- Early exhaustion of import quotas can lead to unexpected costs and delays, including blockages in customs warehouses, further straining operations and financial planning.

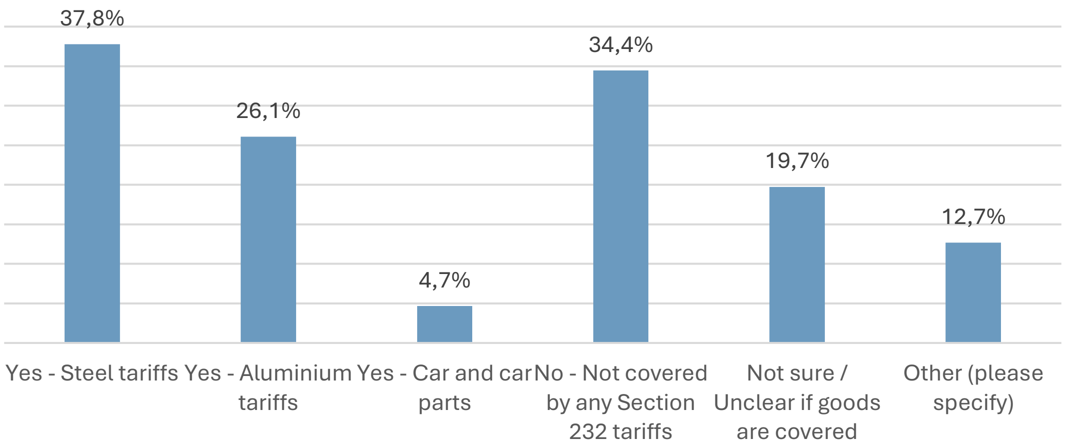
The outcome is that contracts are lost, sales volumes decline, and reputational damage occurs when companies are unable to deliver competitively. **In some cases, companies have concluded that the U.S. market is no longer viable under the current conditions, leading to the withdrawal of products and a loss of hard-won market positions**.

Section 232 tariffs and regulatory uncertainty

Across the entirety of the survey's findings, **the imposed section 232 tariffs[1] and their impact on European businesses are highlighted repeatedly**. Section 232 tariffs are seen as particularly damaging due to their scope and unpredictability, where **47.5% of respondents describe being impacted by the uncertainty of the future of 232 tariffs** and 35.2% of respondents have faced increased costs due to the 232 tariffs (Figure 6).

In particular, the 232 tariffs on steel, aluminium and copper are repeatedly mentioned. 37.8% of respondents indicate being subject to 232 tariffs on steel and 26,1% of respondents indicate being subject to 232 tariffs on aluminium. Additionally, several respondents clarified that they are subject to 232 tariffs on copper in the individual responses (Figure 5).

Figure 5: Is your company currently affected by U.S. Section 232 tariffs?



Thus, the impact of the 232 tariffs on steel, aluminium and copper cannot be overstated.

The qualitative data of the survey reveals a number of challenges arising from the 232 tariffs on steel, aluminium and copper, alongside the fact that **several respondents**

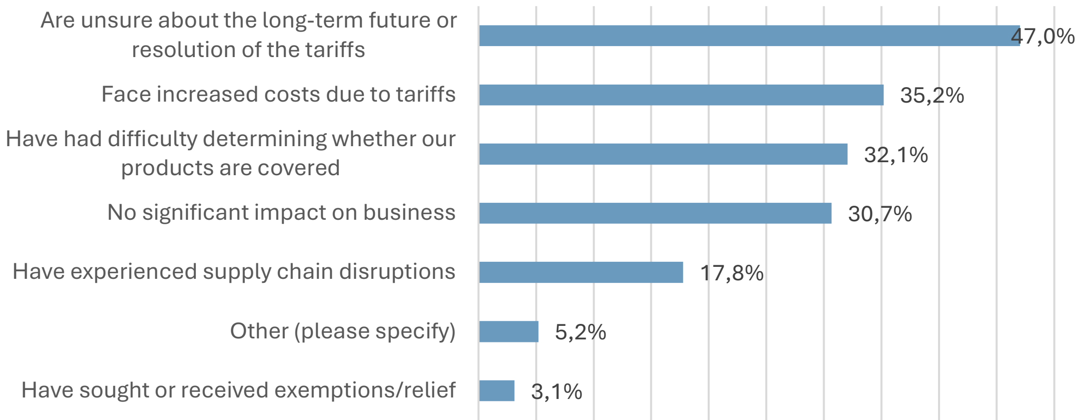
[1] A Section 232 tariff is a trade measure the U.S. can impose on imports that are deemed to threaten national security. It allows the government to restrict or add tariffs on products to protect domestic industries considered vital to national defense. Unlike reciprocal tariffs, which are based on trade imbalances, or Section 301 tariffs, which respond to unfair trade practices, 232 tariffs are specifically justified on national security grounds.

report that the 50% tariffs have made it nearly impossible to remain competitive in the U.S. market. Some companies report losing their most profitable clients, while others are completely withdrawing from the market. U.S. customers frequently refrain from ordering goods from international suppliers subject to these tariffs, even when no domestic alternatives are available. In addition, products affected by Section 232 tariffs on steel, aluminium, and copper are often delayed in U.S. customs due to unclear and inconsistent methods for calculating duties on derivative goods, which require detailed content breakdowns. **Beyond the financial burden of 50% tariffs, companies face extensive administrative challenges in determining and documenting the steel and aluminium content of exported goods**. In some cases, customers have refused deliveries or spare parts because European suppliers were unable to provide complete information on material content or final costs, due to the tariff implementation.

Respondents also highlight broader regulatory instability in U.S. trade policy with regard to Section 232 tariffs. Sudden shifts in political priorities, coupled with weak consultation processes, create a climate of uncertainty.

Respondents also report challenges with calculating tariff bases and overall uncertainty regarding the scope of the tariffs, with 32.1% having had difficulty determining whether their products were covered by 232 tariffs (Figure 6). Furthermore, it is highlighted that because new product categories can be added without warning, companies are exposed to added uncertainty.

Figure 6: How would you describe your company's experience with Section 232 tariffs?



Companies face significant challenges when subject to Section 232 tariffs, as their goods are frequently reclassified as derivative products, triggering extensive documentation requirements. Suppliers must provide detailed technical data, including weight, smelting origin and value for every steel component, even when suppliers are not directly handling exports. Customers continue to demand comprehensive metal content documentation, sometimes for products delivered years earlier. Producers of specialised machinery report lost competitiveness as U.S. clients are unable to absorb the 50% surcharge. Moreover, the tariff regime is widely regarded as chaotic and inconsistent, leaving even customs brokers struggling to interpret the rules. These export difficulties affect European production, both directly and indirectly.

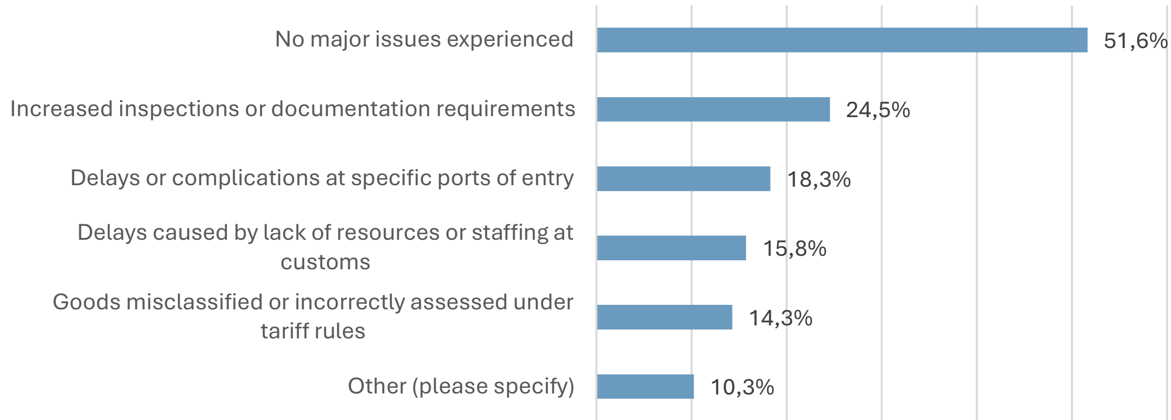
Overall**, impacts range from an inability to compete on the U.S. market, increased costs and supply chain disruptions to indirect exposure through customer limitations,** with the severity depending on the sector and market positioning.

Administrative burdens and customs issues

In addition to tariffs, respondents emphasise the administrative and procedural barriers, especially with customs procedures, which weigh heavily on transatlantic trade at the moment. While 51.6% report that there have been no major issues with the U.S. Customs authorities (Figure 7), **customs processes in the U.S. are described as unpredictable and excessively burdensome** in the individual responses.

Companies report how goods that should be exempt from tariffs are sometimes misclassified under categories subject to duties, also reflected in figure 6, wherein 14.3% states that goods have been misclassified or incorrectly assessed by the U.S. customs authorities. In practice, this can mean entire shipments being delayed, held for inspection, or reclassified at significant cost.

Figure 7: Has your company experienced any challenges with U.S. Customs authorities related to tariff implementation at the border?



Delays at ports are additionally reported, with 18.3% stating that this has been an issue related to the tariff implementation (Figure 7). **24.5% of respondents additionally point to the requirement to provide extensive documentation as a major issue** (Figure 7). While larger companies may have compliance departments capable of navigating these administrative burdens, smaller companies lack the resources to keep pace. For SMEs

(Small and Medium Enterprises), the burden of proving product composition and origin on a case-by-case basis can represent a prohibitive barrier to trade, with clearance delays and high costs disproportionately reducing competitiveness.

The individual responses reflects that navigating U.S. customs has become increasingly complex and burdensome. Authorities now require the precise origin of steel and aluminium, even for finished goods, while products previously exempt from tariffs are being reclassified under steel-related codes, resulting in unexpected duties. These requirements generate significant administrative workloads and delays, as firms must specify materials across multiple tariff codes. Additionally, inconsistent handling at U.S. ports and airports, combined with unclear guidance, creates uncertainty over which tariff codes and values apply, further complicating trade and planning.

Rules of origin and content requirements

Across the qualitative data, respondents report significant challenges in complying with rules of origin and content requirements, particularly for products containing steel, aluminium, or complex multi-sourced components. A recurring difficulty lies in tracing the origin of materials throughout the entire supply chain, as suppliers often cannot provide the required documentation on where steel was melted or aluminium cast. This backward tracing requires coordination across multiple tiers of suppliers, many of whom lack the necessary data or awareness of U.S. rules.

Respondents highlight that **customs authorities and brokers apply inconsistent interpretations of origin rules, while regulations themselves are frequently revised or poorly communicated, even by U.S. authorities.** The complexity is compounded by divergent tariff codes, confusion over definitions such as "significant transformation," and differing requirements under U.S. and USMCA (United-States-Mexico-Canada Agreement) frameworks.

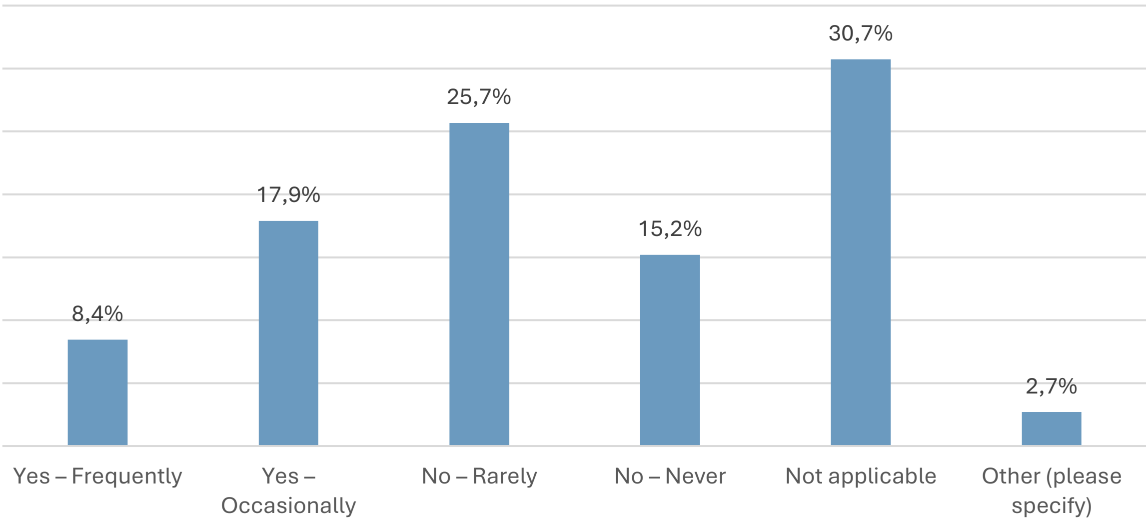
Companies also struggle with calculating the exact steel or aluminium content of finished products and supplying this information for customs clearance, especially for goods combining various materials or subcomponents. As a result, shipments are often delayed, administrative costs have risen, and firms must rely heavily on external consultants or brokers to ensure compliance.

Several note that compliance with **"Buy American" or "Buy America Steel" provisions further add to the burden, as sourcing equivalent U.S. materials is costly and sometimes impossible.** Overall, the origin and content requirements are seen as overly complex, inconsistently enforced, and operationally demanding.

Small parcels and removal of "de minimis" rule

Parcel shipments, which are particularly important for small exporters, present further difficulties since the U.S. removed the tariff exemption for small parcels (de minimis rule). Despite 40.9% report to rarely or never have issues with shipment of small parcels, 26.3% of respondents state that they have frequent or occasional issues with shipment of small parcels (Figure 8).

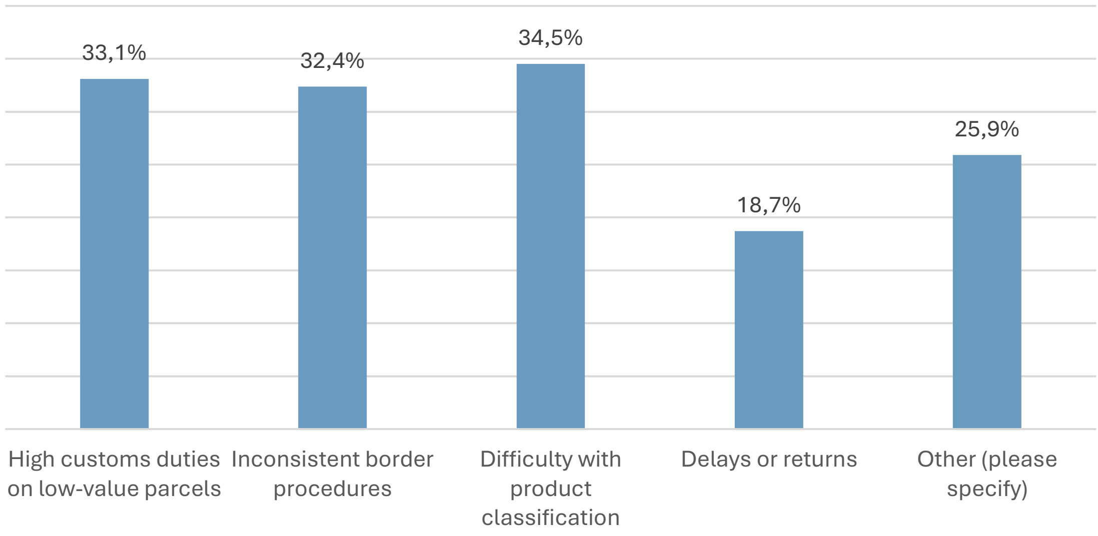
Figure 8: Are you experiencing issues with small parcel shipments to or from the U.S.?



Amongst respondents who indicated yes in experiencing issues with small parcels, **32.4% experiencing inconsistent border procedures and 18.7% experience that shipments are frequently delayed or rejected (Figure 9). The most prominent issue is a difficulty with product classification (35%, Figure 9).**

The individual responses provide insights into unclear guidance on customs procedures and inconsistent application of rules across ports and entry points, as different forwarders have different interpretations of the new rules for small parcels. One respondent noted that a parcel was subject to the same tariff multiple times, because the importer had several individual accounts with logistic companies. Another respondent describes how the removal of the "de minimis" forced them to completely change their business model within the scope of a 30-day period.

Figure 9: If yes, what are the main issues you've encountered/been informed about?



Supply chain disruptions

The responses to the survey clearly show that the imposed tariffs pose a disruption to the supply chains of European companies. **Companies describe facing higher costs, delays, and uncertainty, with 23.54% of respondents having experienced supply chain disruptions due to the increased tariffs** (Figure 4). The effect is particularly acute for industries dependent on metals, chemicals, and other basic materials. Additionally, amongst companies subject to 232 tariffs, 17.77% of respondents indicate that they have experienced supply chain disruptions due to 232 tariffs (Figure 6).

Several respondents explain how customers increasingly demand full documentation of input origin, leading to bottlenecks in the production process. Others report accelerating shipments ahead of tariff deadlines, which adds freight costs and creates stock management problems. In some instances, companies have had to abandon planned production lines because they cannot be sure that necessary inputs will remain affordable or even accessible in the medium term.

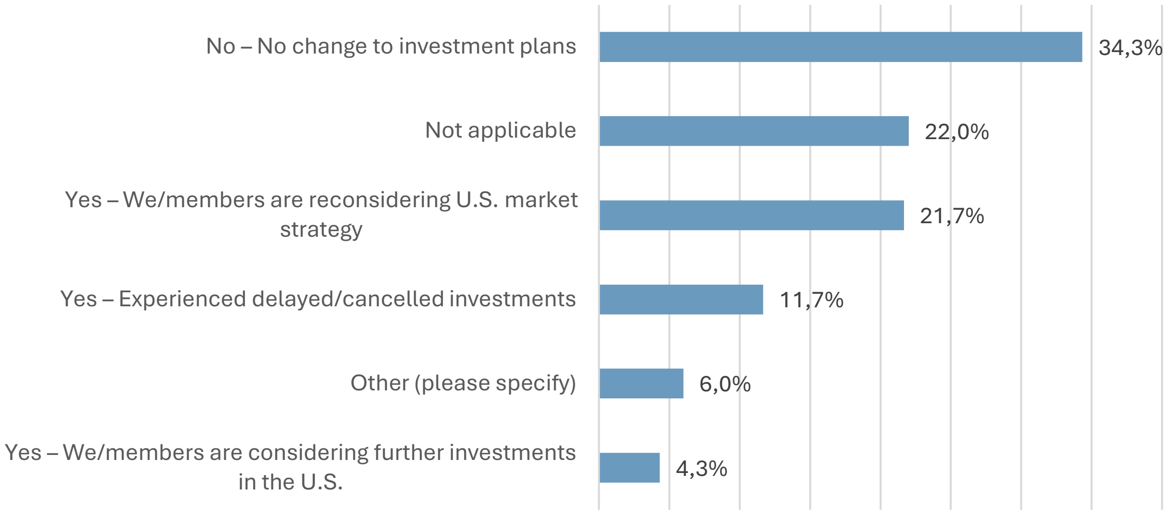
These disruptions ripple through value chains, affecting not just exporters but also U.S. customers and downstream industries. For European businesses that rely on transatlantic integration, such unpredictability undermines the efficiency of global production models.

Impact on investment decisions

Uncertainty in relation to investment decisions is a recurring theme throughout the findings of the survey. **When asked specifically what affects companies' investment decisions in the U.S., 50% of qualitative responses used the words *insecurity* or *uncertainty* as the main factor.** And the uncertainty is present across several areas in the U.S.: political volatility, including shifting U.S. policies on industrial strategy, energy, and foreign trade - all creates an atmosphere in which companies feel unable to plan ahead.

As shown in the figure 10, **21.7% of companies are currently reconsidering their U.S. market strategy.** For some, this means putting on hold plans for new production facilities or expansion of distribution networks. For others, it has meant abandoning long-term projects altogether. Several respondents also describe shifting their investments to Mexico or Canada, where preferential access to the U.S. market provides more predictable conditions. However, 34.3% report no change in their investment plans in the U.S. (Figure 10). This could indicate a more general sentiment reflected in the individual responses regarding investments in the U.S., namely that several companies articulate that they are currently waiting to see how the situation develops on the U.S. market before making any decisions regarding investments.

Figure 10: Has the current trade climate affected your company's investment plans related to the U.S.?



According to individual responses, negotiations with customers in the U.S. are often paused as both parties await policy clarity, while clients delay or cancel investments and extend the lifecycle of existing products rather than committing to new purchases. Planned expansions or production facilities in the U.S. have been suspended, with some of the responding companies even considering market withdrawal. Postponed or cancelled projects, including some worth tens or hundreds of millions of dollars, are frequently reported due to unpredictable trade policies, tariff volatility, and inflationary pressures. **This combination of unstable policies, fluctuating tariffs, and rising operational costs is discouraging foreign investment**. Even companies with established U.S. operations voice worry in the responses that sudden policy shifts could penalise foreign investment, discouraging capital expenditures and long-term commitments.

Additionally, several individual responses point to the unavailability of skilled labour within the U.S. as negatively impacting investments, while "Buy American" requirements sometimes force investments despite the instability. Companies are increasingly exploring alternative markets, postponing expansion, or applying higher risk premiums to U.S. projects. Overall, the pervasive uncertainty – spanning tariffs, regulations, labour, and market demand – limits strategic planning and investments in the U.S.

Notably, only 4.3% of respondents were at the time of answering considering further investments in the U.S.

U.S.-China relations' impact on EU business

This survey also set out to investigate how developments in the trade relationship between the U.S. and China impact European businesses engaged in the U.S. market.

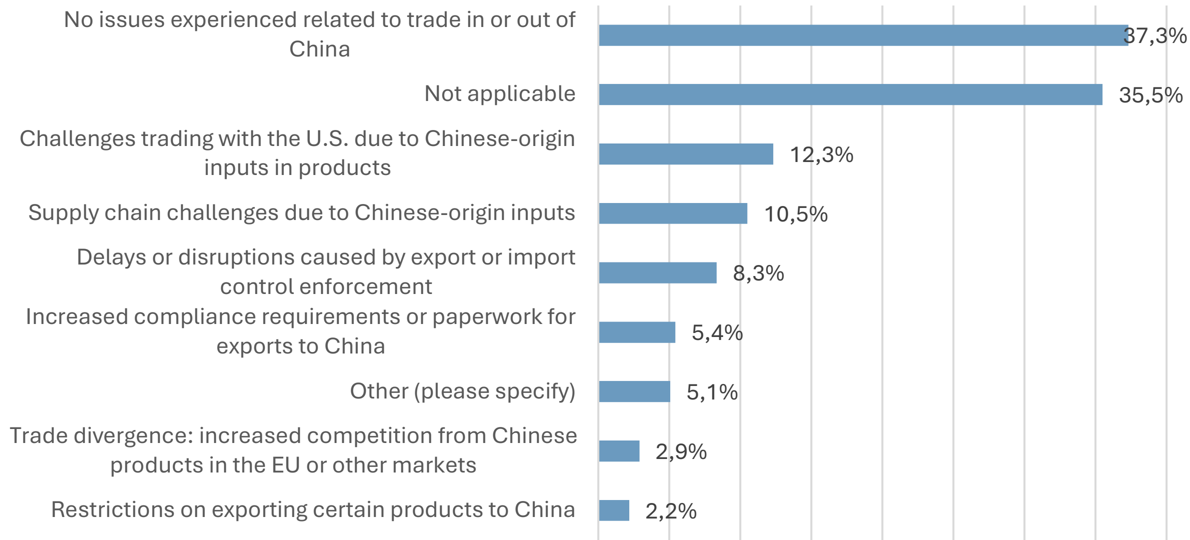
The overall findings conclude that **the majority of respondents have either experienced <u>no issues</u> related to trade in or out of China (37.3%) or this question is not applicable to their business (35.5%) (Figure 11).**

Additionally, on the question regarding how trade and control measures towards China has impacted companies, 31.9% report that there has been no noticeable impact on their business (see table B, Annex 2).

However, 12.31% of respondents state that they experience challenges due to Chinese-origin inputs in their products (Figure 11), which is also further substantiated in the individual responses. When European companies manufacture goods in China, costs increase rapidly due to the high tariffs on goods of Chinese origin. This is also reflected as the highest placed issue in Figure 11. This scenario is especially dire for companies manufacturing goods made with steel and aluminium in China.

The second-highest placed issue is supply chain challenges, with 10.5% of respondents stating this is an issue, whereas 8.3% also experience delays or disruptions due to import control enforcement and challenges in their supply chain due to Chinese input (Figure 11).

Figure 11: Has your company experienced any challenges related to export controls, import restrictions, or trade issues involving China as consequence of US actions?



The individual responses reflect additional, noteworthy insights. Some companies note that in sectors where they used to compete with Chinese companies, European businesses have now become more competitive in the U.S. market, mainly because of the strained U.S.-China trade relations and the high tariffs on Chinese goods.

Thus, the impact of the U.S.-China relationship on European companies are two-fold; on one hand, European companies with manufacturing in China are impacted by the high level of tariffs, while companies who compete with Chinese producers in the U.S. market experience increased competitiveness due to the high level of tariffs on goods with Chinese origin.

CONCLUSION AND RECOMMENDATIONS

This survey has found that although **the U.S. remains and essential market for EU companies**, **the cumulative impact of unstable tariffs, shifting political and regulatory conditions, complex customs procedures and administrative burdens has weakened competitiveness and confidence** among businesses in the U.S. market.

This survey has found that the main challenges for European businesses in the U.S. market are:

- **Tariffs**, which are eroding competitiveness.
- **Customs** and documentation rules are excessively burdensome.
- **Uncertainty**, which undermines planning and investment.
- **Loss of contracts and customers** to competitors and uncertainty.
- **Investments** are being postponed, reduced, or diverted elsewhere.

Respondents consistently emphasise that the most pressing need is ensuring greater **stability, transparency, and cooperation. Another urgent issue for respondents is resolving** the **Section 232 tariffs on steel, aluminium, and copper and their derivatives**, which have severely undermined European competitiveness in the U.S. market.

Looking ahead, companies identify **three priority areas for future action**:

1 **Tariff stability** – Removing or stabilising tariffs on EU goods and ensure clarity. Especially in regard to existing and forthcoming Section 232 tariffs. This is particularly urgent for 232 tariffs on steel, aluminium, copper, and their derivatives.

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To conclude: The EU should pursue **immediate measures**, focused on tariff and customs stabilisation and in this context **the priority must be to implement the existing Joint Framework Agreement** including finding an urgent solution for Section 232 on steel and aluminium. And **longer-term initiatives** to embed regulatory alignment and predictability **through regulatory cooperation and simplification.** This is a long-standing ask from the business community on both sides intended to reduce costs and further support Transatlantic investment. Only through coordinated efforts can transatlantic trade and investment continue to underpin stability and growth on both sides of the Atlantic.
