

How changing tariffs will impact global manufacturing

The impact of tariffs is changing how companies are hiring. How will this impact manufacturing?

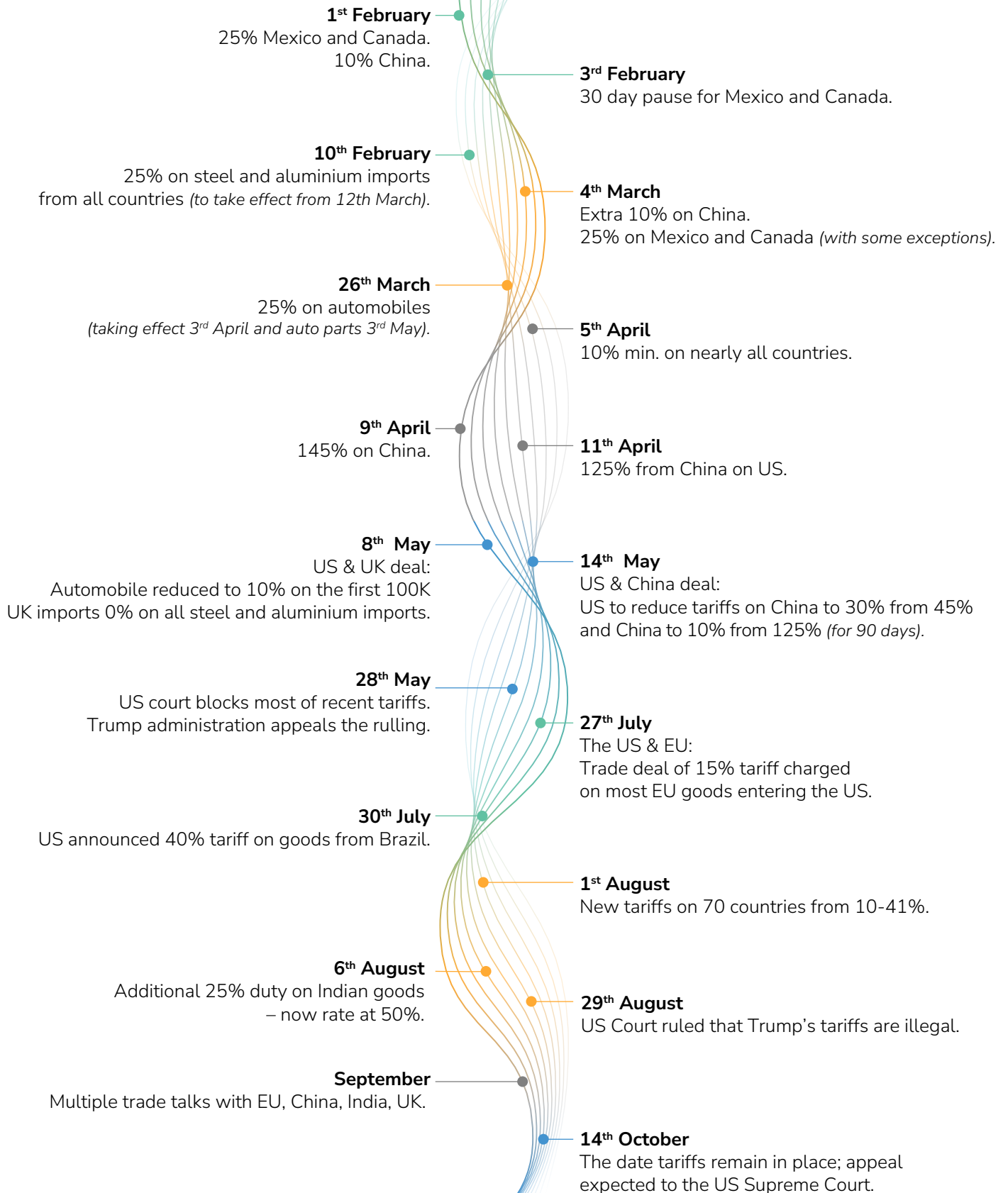
In February 2025, reports began to emerge about new U.S. import tariffs aimed at specific countries. By April, the government had rolled out a series of major tariff increases, disrupting trade with key global partners and reshaping international manufacturing dynamics.

The primary objective of these tariffs is to incentivize the reshoring of manufacturing operations to the United States (United States Trade Representative, 2025).

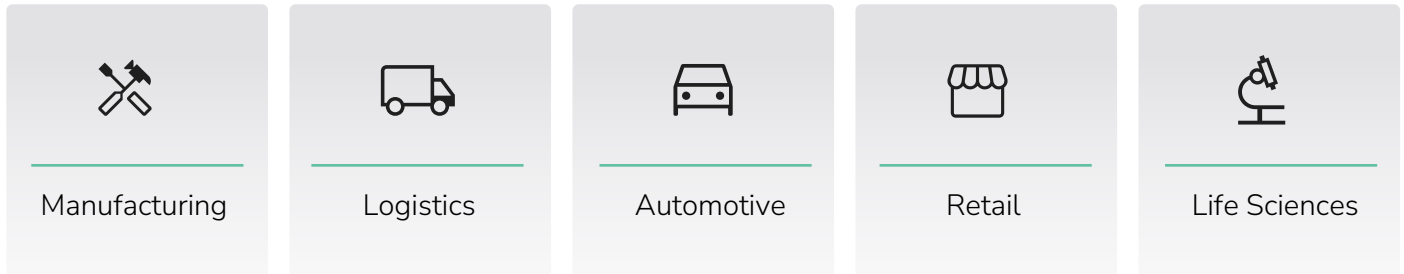
The following timeline outlines some of the key developments in the introduction and subsequent adjustment of these trade policies.



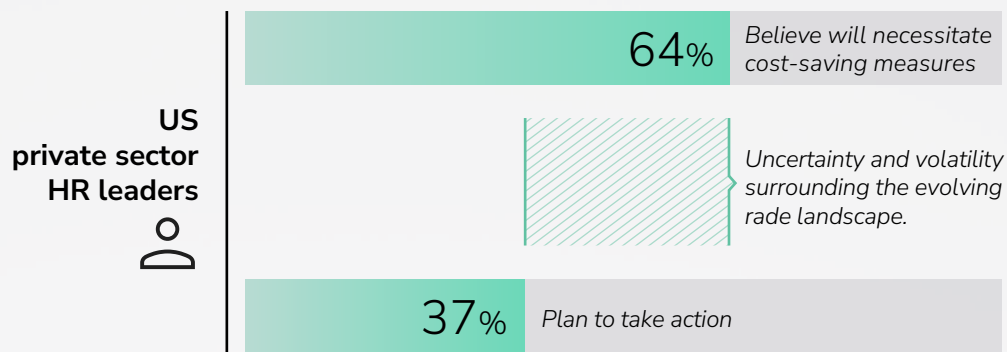
Timeline:



For talent acquisition teams in:



this isn't just a trade story — **it's a structural shift that could reshape hiring patterns, elevate financial risk, and demand a more strategic, forward-looking approach to workforce planning.**



According to a recent Gartner (2025) report, while 64% of U.S. private-sector HR leaders believe current tariff policies will necessitate cost-saving measures, only 37% have taken or plan to take action.

This gap underscores the uncertainty and volatility surrounding the evolving trade landscape.

The situation is dynamic, and the full impact will depend on how trade policies evolve in the coming weeks and months.

Relocating manufacturing operations to the U.S. requires substantial capital investment

Most business leaders are already calculating the cost impact on their operations. One of the most significant hurdles in reshoring manufacturing is the cost differential between the U.S. and countries like China, Vietnam and Mexico. These countries also benefit from significantly lower labor costs and reduced expenses related to regulatory compliance and environmental standards. Bringing manufacturing back to the US will require investment from companies and government. The decline of manufacturing in the U.S. over the past few decades has led to a corresponding decline in the skilled labor force. The skills gap in U.S. manufacturing could result in 2.1 million unfilled jobs by 2030 (Forbes, 2024). This shortage includes not only traditional manufacturing roles but also positions requiring advanced skills in automation, robotics and data analytics.

Impact on European industrial sector

Economic growth in Europe has been slower than in other major economies, and new tariffs could put additional pressure on that growth—especially in Central Europe—while making existing fiscal challenges worse (European Commission, 2025). Between 2010 and 2023, the U.S. economy grew by 34%, compared to 21% in the EU and just 18% in the eurozone. European exports to the U.S. are mostly made up of medicinal and pharmaceutical products (22.5%), mechanical and industrial machinery (17.1%), and automotive and transport equipment (13.2%) (Eurostat, 2025).

The European industrial sector could face significant negative impacts even with the EU-US trade deal in place, potentially leading to higher prices for EU-made machinery in the US market and reduced demand. Despite the recent deal between UK and US, employer confidence is low, prompting job cuts and widespread hiring freeze for 2025. (CIPD, 2025). Several European companies as a result of tariffs announced hire freezes or job cuts (Reuters, 2025). Over the last two quarters there has been a slow drop in vacancy rates across the eurozone (Eurostat, 2025) and the next few quarters will reveal whether these shifts are temporary tremors or the start of a deeper downturn for Europe's workforce.

Hiring will be impacted one way or another

Companies are hesitant to make hiring decisions as uncertainty looms. Internal data shows slower hiring activities over the past few of months, with several news articles warning of potential layoffs in the near future and organizations withholding offers. Recent data from US Bureau of Labor Statistics (2025) is showing 42,000 manufacturing jobs have been lost since April. Sectors like automotive, electronics and appliances have been hit the hardest. Depending on final decisions, companies may strategically reallocate resources to mitigate the impact of tariffs. This could involve setting up operations in countries with more favorable trade agreements, influencing where and how they acquire talent.

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