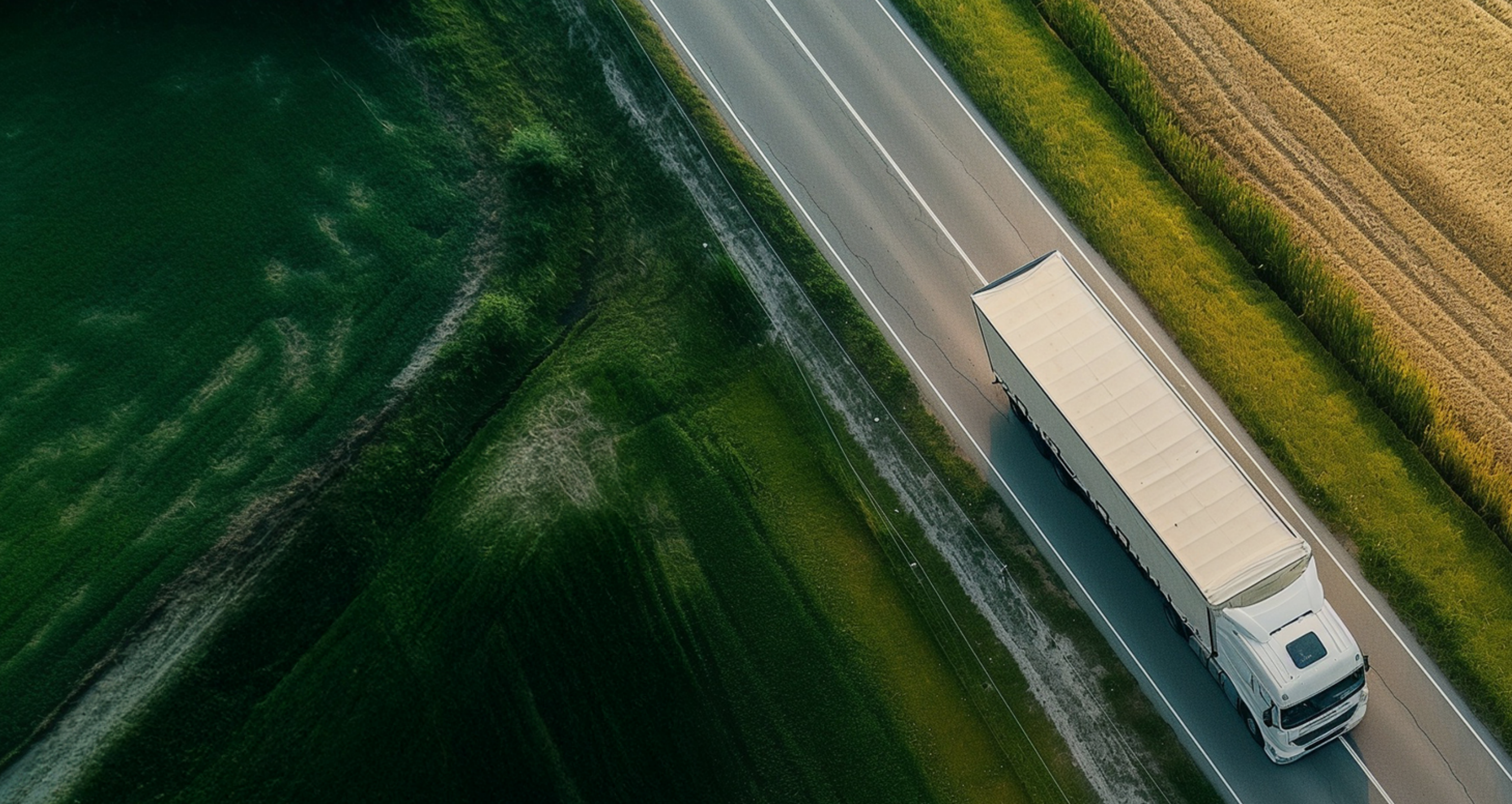

LogicSource®

NOVEMBER UPDATE:

LOGICSOURCE 2025 TARIFF IMPACT ANALYSIS

Produced by LogicSource Indirect Category Leaders and Center of Excellence
This report leverages insights from 180+ indirect category experts and $150B+ in pricing data to provide actionable strategies for optimizing procurement, mitigating risks, and addressing the impacts of tariffs and trade regulations.

Learn more at **logicsource.com**

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EXECUTIVE SUMMARY

The fall of 2025 has offered little relief for importers or consumers. Since mid-August, tariff activity has evolved from sweeping hikes to more targeted strikes, including new duties on lumber, trucks, and cargo equipment, and higher country-level rates for major trading partners like Brazil. At the same time, the administration has turned up the pressure with fresh tariff threats aimed at high-impact sectors such as pharmaceuticals and semiconductors. Policy continues to shift daily. On October 30, 2025, the Trump Administration announced a 10% reduction in tariffs on Chinese imports following talks with President Xi.

Amid this policy escalation, the Federal Circuit injected a dose of uncertainty by ruling that parts of the administration's IEEPA-based tariffs may exceed presidential authority — placing key provisions in legal limbo. In addition, the U.S. Senate voted to end the emergency declaration that enabled tariffs on Canada, a largely symbolic move given that the House has blocked similar legislation. Still, no 2025 tariff has been overturned, and enforcement remains in full effect.

This October report serves as a critical update to **LogicSource's original 2025 Tariff Impact Analysis**, breaking down every major tariff action and notice issued since mid-August, highlighting where costs are climbing and which categories are most exposed. It equips procurement and supply chain leaders with the critical insights needed to refine their sourcing strategies, pricing models, and risk mitigation plans in response to these evolving trade policies.

Visit our **Tariff Report Library** to stay current on quarterly tariff analysis updates, explore detailed category breakdowns, and discover real-world applications of tariff mitigation strategies.

CURRENT TARIFF LANDSCAPE

Over the past two months, the tariff landscape has evolved from sweeping rate hikes to more targeted, country and product-specific adjustments.

The table below summarizes the major tariffs currently in effect for our top-importing countries, along with key changes to Trump-era tariff policy implemented during the summer of 2025.

Country/Region	Effective Date	Tariff Rate	Notes or Exemptions
Canada	**August 1, 2025** (Raised)	**35%** (Increased from 25%)	• USMCA-compliant goods • 10% on Canadian energy, potash
Mexico	**March 4, 2025**	**25%**	• USMCA-compliant goods • 10% on potash
China	**February 4, 2025**	**30%** (Higher tariffs paused for 90 days from Aug 11)	Electronics, Pharmaceuticals, Copper, Lumber, Energy, Critical Minerals

Categories	Effective Date	Tariff Rate	Notes or Exemptions
Steel & Aluminum	**June 4, 2025** (Raised)	**50%** (Increased from 25%)	• UK-origin at 25% • Russia-origin aluminum at 200%
Autos & Auto Parts	**April 3, 2025** (Autos) **May 3, 2025** (Auto Parts)	**25%**	• UK-origin auto parts at 10% • Modified rates for EU/Japan

Categories	Effective Date	Tariff Rate	Notes or Exemptions
Copper	August 1, 2025	50%	
Lumber/Timber	October 14, 2025	**10% - Softwood** **25% - Wooden Furniture** (Increasing to 30% on January 1, 2026) **25% - Kitchen Cabinets** (Increasing to 50% on January 1, 2026)	Wooden Furniture and Kitchen Cabinets: • UK-origin at 10% • Modified rates for EU/Japan
Truck and Truck Parts	November 1, 2025	**25% - Medium/Heavy Duty Vehicles and Parts** **10% - Buses**	
Maritime Cargo Handling Equipment (Chassis / Gantry cranes)	November 9, 2025	100%	
Baseline Tariff	April 5, 2025	**10%** (Unless replaced by country-specific tariffs below)	Electronics, Pharmaceuticals, Copper, Lumber, Energy, Critical Minerals

The following country-specific reciprocal tariffs took effect on August 7, 2025. Goods withdrawn from the warehouse for consumption prior to October 5, 2025, are exempt from these reciprocal tariff rates.

Countries and Territories	Adjusted Reciprocal Tariff
Afghanistan	15%
Algeria	30%
Angola	15%
Bangladesh	20%
Bolivia	15%
Bosnia and Herzegovina	30%
Botswana	15%
Brazil	50%
Brunei	25%
Cambodia	19%
Cameroon	15%
Chad	15%
Costa Rica	15%
Côte d`Ivoire	15%
Democratic Republic of the Congo	15%
Dominican Republic	25%
Ecuador	15%
Equatorial Guinea	15%
European Union: Goods with Column 1 Duty Rate > 15%	0% (Plus the Column 1 duty rate)

Countries and Territories	Adjusted Reciprocal Tariff
European Union: Goods with Column 1 Duty Rate < 15%	15% (Including Column 1 duty rate)
Falkland Islands	10%
Fiji	15%
Ghana	15%
Guyana	15%
Iceland	15%
India	50%
Indonesia	19%
Iraq	35%
Israel	15%
Japan: Goods with Column 1 Duty Rate > 15%	0% (Plus the Column 1 duty rate)
Japan: Goods with Column 1 Duty Rate < 15%	15% (Including Column 1 duty rate)
Jordan	15%
Kazakhstan	25%
Laos	40%
Lesotho	15%
Libya	30%
Liechtenstein	15%
Madagascar	15%
Malawi	15%

Countries and Territories	Adjusted Reciprocal Tariff
Malaysia	19%
Mauritius	15%
Moldova	25%
Mozambique	15%
Myanmar (Burma)	40%
Namibia	15%
Nauru	15%
New Zealand	15%
Nicaragua	18%
Nigeria	15%
North Macedonia	15%
Norway	15%
Pakistan	19%
Papua New Guinea	15%
Philippines	19%
Serbia	35%
South Africa	30%
South Korea	15%
Sri Lanka	20%
Switzerland	39%

Countries and Territories	Adjusted Reciprocal Tariff
Syria	41%
Taiwan	20%
Thailand	19%
Trinidad and Tobago	15%
Tunisia	25%
Turkey	15%
Uganda	15%
United Kingdom	10%
Vanuatu	15%
Venezuela	15%
Vietnam	20%
Zambia	15%
Zimbabwe	15%

As referenced in our **August report**, a transshipment penalty of 40% is in place effective August 7th, and the de minimis exemption has been suspended effective August 29th, 2025.

TARIFF IMPACTS

TARIFF IMPACT ON INDIRECT SPEND

FACILITIES, CONSTRUCTION & FF&E

Steel, aluminum, and copper tariffs (now 50%) are driving sharp cost increases across mechanical, electrical, and structural components. Fixtures, furnishings, and equipment (FF&E) sourced from Asia and Eastern Europe are experiencing 10%–25% increases in landed costs, while modular and prefabricated building materials have been directly impacted by both metal and baseline tariffs of 10%. Through LogicSource's ongoing sourcing activity across our client base, we are now observing:

- Escalation clauses in construction bids; shorter price holds (30–60 days).
- Upward pressure on HVAC, lighting, and electrical equipment.
- Furniture and millwork suppliers passing through 5%–12% surcharges.

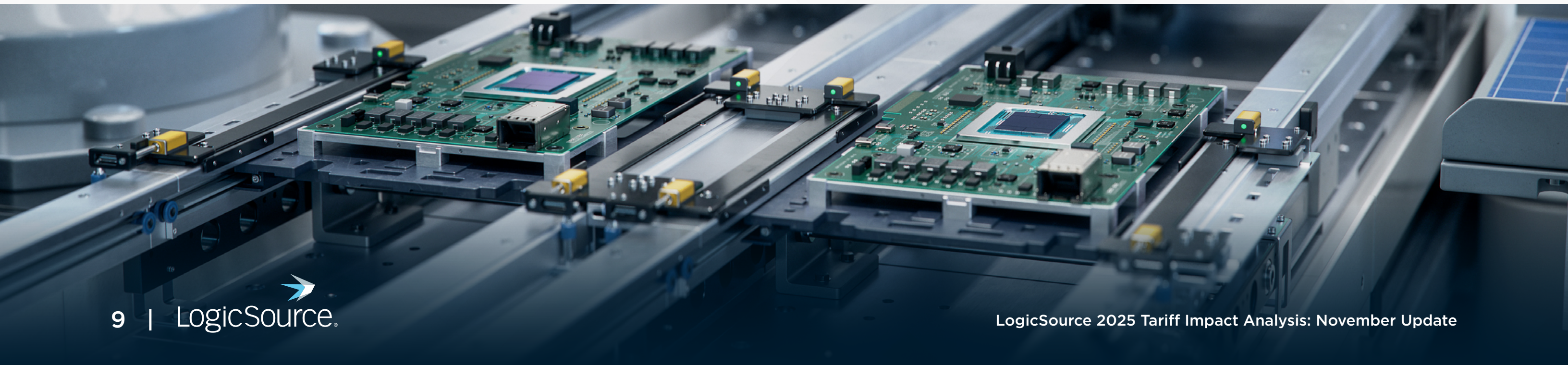
Successful strategies to mitigate the tariff-impact are to re-source to North American or USMCA-compliant suppliers, leverage long-term contracts with escalation caps, and to audit "tariff pass-through" claims line-by-line in quotes.

IT HARDWARE & ELECTRONICS

China's 30% tariff (likely to reduce to 20%) remains in effect, and the threatened 100% tariff on semiconductors could further expand exposure. Components (servers, network gear, power supplies) rely heavily on Chinese, Taiwanese, and Malaysian supply chains. Although many electronics remain exempt from current tariffs, ongoing policy uncertainty and complex HTS classification rules have led suppliers to cite tariffs as justification for recent cost increases, such as:

- 8%–15% cost increases on laptops, displays, and peripherals in 2025–2026 refresh cycles.
- Lead-time extensions as OEMs shift assembly to Vietnam or Mexico.

LogicSource has successfully mitigated these cost increases through extending equipment lifecycles, prioritizing suppliers with U.S. or near-shore assembly, and negotiating pricing protection clauses for multi-year hardware contracts.



PRINT & PACKAGING

Paper and pulp inputs from Canada and printing substrates from Asia have increased raw-material costs. Aluminum tariffs affect canning, foil, and specialty packaging. LogicSource's recent sourcing activities have noted the following:

- 4%–6% average cost inflation on printed materials and packaging.
- Corrugate pricing has remained steady throughout Q3, but uncertainty exists for the remainder of Q4 (partially impacted by recent mill closures).

LogicSource has successfully avoided inflationary increases through consolidation of print and packaging vendors, expanding use of domestic converters, and implementing alternative, lower-cost specifications.

TRANSPORTATION & LOGISTICS

After a highly volatile first half of the year, the ocean freight market has now stabilized, with spot rates aligning more closely to contract pricing as carriers roll back peak season surcharges. Rates remain above 2024 levels and are unlikely to decline through the remainder of 2025.

However, tariffs on imported steel, copper, and auto parts are increasing costs for trucking equipment, trailers, and maintenance. Fuel tariffs (Canada and the Middle East) and tariff-driven global volatility are adding indirect energy cost pressure. LogicSource customers are noting the following:

- Equipment and parts pricing up 10%–15%.
- Truckload rates will likely see a 1%–3% increase into 2026.
- Carriers have been adding temporary surcharges to offset increasing fleet maintenance costs and tariff-related expenses.

LogicSource has successfully minimized, and in some cases eliminated, temporary surcharges by leveraging competitive bidding and securing multi-year agreements. We continue to see positive outcomes through competitive bidding (RFPs), incorporating the evaluation of alternative routing options and spot vs. contract pricing models. For example, LogicSource recently (October 2025) reduced a retail customer's $90MM ocean freight expense by $22MM via the above strategies.

MEDICAL SUPPLIES (HEALTHCARE SECTOR)

Many stainless, copper, and plastic components originate in tariff-affected regions. Further, a large percentage of medical supplies are manufactured in high-tariff countries, including China. The pending pharmaceutical tariffs could add new exposure to branded medications as well. LogicSource healthcare customers are seeing:

- 3%–6% cost increases across medical supplies.
- Risk of higher specialty drug acquisition costs in late 2026 if pharma tariffs take effect.

LogicSource recommends engaging GPOs and OEMs early to validate "tariff justification" on price hikes while simultaneously assessing alternative, domestic-manufactured products or equivalent products originating out of lower-tariff countries.

UTILITIES

Tariffs are both directly and indirectly increasing pressure on utility and energy-related costs, driven by the 10% tariff on Canadian imports and higher prices on key inputs such as steel, aluminum, copper, and electrical components essential to generation, transmission, and infrastructure projects.

The rapid growth of energy consumption from data centers is compounding these challenges. Combined with elevated fuel and equipment costs, these factors are expected to produce the following rate increases across utilities in 2026:

- Electricity up ~4%
- Natural gas up by 17%
- Water up by 4%
- Average total utilities cost increase of 6%.

To help offset these impacts, organizations should partner with third-party energy brokerage firms to competitively source power in deregulated markets — prioritizing long-term fixed-rate contracts, utility aggregation opportunities, and efficiency initiatives such as LED lighting upgrades, HVAC optimization, and energy management or peak-demand programs that lower total consumption and reduce exposure to tariff-related volatility.

TARIFFS THREATENED

President Trump has been deploying tariff threats as a strategic tool to push trade partners into concessions, rather than simply relying on tariffs already in place. By signaling steep import duties that could be triggered at short notice, often 50% or more, or even 100% on certain categories, he creates a credible "cost of no deal" scenario that pressures countries to negotiate.

The economic impact of these threats is already visible: companies are delaying investments and shifting their supply chains in anticipation of higher costs, importers are adjusting their pricing and sourcing strategies, and uncertainty is weighing on global trade volumes. If triggered, the tariffs would raise consumer prices, squeeze profit margins for U.S. importers and retailers, and could reduce U.S. GDP growth through higher costs of raw materials and cost of finished goods. In effect, the threat itself acts as a policy lever, buying time for negotiation while creating urgency in trading partners to accept terms rather than face escalation.

While the Trump Administration has issued dozens of tariff threats across both product and country levels, the following represent the most recent and consequential actions, those with the highest likelihood of implementation and the greatest potential impact on U.S. corporations and consumers.

Country/Scope	Tariff %	Context	Date Threatened	Planned Effective Date
China Imports overall	**100%**	In response to rare earth export controls. Multiple other tariffs have been threatened since April.	October 10, 2025	November 1, 2025
Global Pharmaceuticals	**100%**	Companies building a manufacturing facility in the United States will be exempt from this requirement.	September 25, 2025	October 1, 2025
Semiconductors, Integrated Circuits & High-Tech goods	**100%**	Semiconductor imports.	August, 2025	TBD

POTENTIAL TARIFF IMPACT ON PHARMACEUTICAL

The Trump Administration's proposed pharmaceutical tariff aims to impose steep import duties on branded drugs manufactured outside the United States, while generic drugs and likely biosimilars remain exempt.

The move is designed to accelerate the onshoring of drug manufacturing and reduce reliance on foreign sources, particularly in Europe and Asia, where most branded drugs are currently produced. Companies with significant U.S. manufacturing investments, such as Pfizer, Eli Lilly, Merck, and Johnson & Johnson, are expected to receive temporary exemptions, with Pfizer securing a three-year exemption in exchange for domestic price reductions.

The proposal's language around facilities "breaking ground" or "under construction" suggests that manufacturers actively expanding U.S. capacity may qualify for import relief, though the administration has not yet clarified the scope or list of affected suppliers.

MARKET DYNAMICS AND UNCERTAINTY

No official implementation date or product-level tariff list has been released, creating widespread uncertainty across the healthcare supply chain. According to multiple analyses, including PharmacyChecker and Reuters, fewer than one-third of top Medicare Part D drugs are finished in the U.S., meaning a significant share of branded medications could be exposed if the tariff proceeds.

The administration has positioned this as a long-term economic lever, using the threat of tariffs to push companies toward domestic investment. In the short term, however, uncertainty alone is disrupting procurement and pricing strategies, as pharmaceutical firms, hospital systems, and payers attempt to model costs without knowing which drugs, or which manufacturing sites, will ultimately be affected.

IMPACT ON HOSPITALS, EMPLOYERS, AND PATIENTS

If enacted, the tariff could raise acquisition costs for hospitals, particularly for high-cost, brand-only therapies in oncology, immunology, and specialty care, while smaller or mid-size manufacturers lacking capital for U.S. expansion would face the greatest pressure.

Employers could see higher pharmacy trend rates over time, though Medicare inflation-rebate rules and $340B pricing caps would delay immediate list-price increases. For patients, the effect may unfold gradually: most government programs limit rapid drug price changes, but commercial coinsurance rates could climb as costs filter through benefit designs.

TARIFF IMPACT ON THE ECONOMY

The U.S. economy is already feeling the drag of higher tariffs. According to Yale Budget Lab (Sept 26, 2025), all the 2025 tariffs to date are projected to reduce U.S. real GDP growth by roughly **0.5 percentage points in 2025**, and by **0.4 percentage points in 2026**, in addition to leaving the economy about **0.4% smaller in the long run** (equivalent to ~$125 billion annually in 2024 dollars). Related work from the Federal Reserve Board indicates that broad-based tariff increases raise intermediate and import input costs, reduce production efficiency, and are likely to weigh on investment and growth.

Several recent analyses provide a clear picture of the broader economic effects of the 2025 tariff measures:

+ Imported goods have become 4% more expensive since early March 2025, while domestic goods have increased by about 2%, reflecting the early pass-through of tariff effects. *– Reuters*

+ Producer prices show upticks consistent with tariff-cost pass-through: the St. Louis Fed reports that tariffs raise the cost of imported final goods and intermediate inputs, with part of this cost being passed to consumers. *– Federal Reserve Bank of St. Louis*

+ Consumer sentiment weakened in August 2025 after the large round of tariff announcements, suggesting that uncertainty and expectations about costs are already having behavioral effects. *– ABC News*

Indicator	July 2025 (Pre-Expansion)	September/October 2025 (Current)	Trend	Tariff Impact
Real GDP Growth (Annualized)	~2.1% (Q2 2025)	~1.6% (Q3 estimate)	▼ 0.5 pp	Tariff-driven slowdown due to rising import/input costs and delayed investment (*Yale Budget Lab, 2025*).
Import Price Index	100 (Base = January 2025)	104	▲ 4%	Broad-based import cost inflation since mid-summer; largest increases in autos, steel, and electronics (*Reuters, Oct 2025*).
Producer Price Index (Core Goods)	+0.2% M/M	+0.4% M/M	▲ +0.2 pp	Upstream price pressure from metals, chemicals, and packaging tariffs (*St. Louis Fed, 2025*).

Indicator	July 2025 (Pre-Expansion)	September/October 2025 (Current)	Trend	Tariff Impact
Consumer Price Index (CPI)	+3.0% Y/Y	+3.3% Y/Y	▲ 0.3 pp	Modest pass-through to consumers so far; tariffs adding ~0.2 pp to core inflation.
Consumer Sentiment (UMich Index)	76 (July 2025)	69 (October 2025)	▼ –7 pts	Weaker sentiment as tariff headlines dominate and price uncertainty rises.
Manufacturing PMI	51.9 (July 2025)	48.5 (October 2025)	▼ –3.4 pts	Sector contraction driven by rising input costs and soft export demand.
Unemployment Rate	3.9%	4.2%	▲ 0.3 pp	Early hiring slowdowns in the manufacturing and logistics sectors are tied to import exposure.

Despite the tariff-related inflation pressures in 2025, most major economic forecasts (including from the Federal Reserve, Goldman Sachs, and Oxford Economics) project that CPI inflation will decline in 2026.

Source	2025 CPI (Est.)	2026 CPI (Forecast)	Notes
Federal Reserve (Sept SEP)	3.3%	**2.5%**	Gradual return toward target as tariff pass-through fades
Goldman Sachs	3.4%	**2.4%**	Tariff effects are largely transitory
Oxford Economics	3.2%	**2.2%**	Mild disinflation as import costs normalize

TARIFF MITIGATION STRATEGIES

As tariff policies continue to expand, companies need to take proactive measures to limit exposure and control rising costs. The strategies below are designed to help organizations identify risk, safeguard margins, and strengthen their negotiation position.

CONDUCT A COMPREHENSIVE RISK ASSESSMENT

+ Model various tariff scenarios to understand sourcing cost implications and identify high-risk countries, categories, and suppliers.
+ Focus mitigation efforts on high-spend or high-risk categories with significant exposure to steel, aluminum, and copper, and imports from countries like Canada, Mexico, China, and India.

STRENGTHEN SUPPLIER NEGOTIATIONS

+ Involve Procurement early to challenge tariff-related price increases by requiring suppliers to provide detailed evidence of actual tariff costs.
+ Enforce fixed-price contract terms where applicable, and set the expectation that suppliers pursue their own mitigation strategies, such as alternative sourcing or upstream renegotiations.
+ Where necessary, require suppliers to absorb a significant share of the tariff (50% to 100% is often achievable), delay increases for a defined period (e.g., six months), or agree to price caps to guard against inflation.

DIVERSIFY YOUR SOURCING BASE

+ Identify and qualify alternative suppliers that operate in countries less affected by current or anticipated tariffs.
+ Work with existing suppliers to explore their ability to shift production or sourcing to lower-tariff regions.

ADJUST PRODUCT SPECIFICATIONS

+ Reassess product requirements to identify opportunities to use more cost-effective materials or domestically sourced alternatives.
+ Adjusting specifications can reduce dependency on tariff-heavy components without compromising performance.

REQUIRE ITEMIZED INVOICES

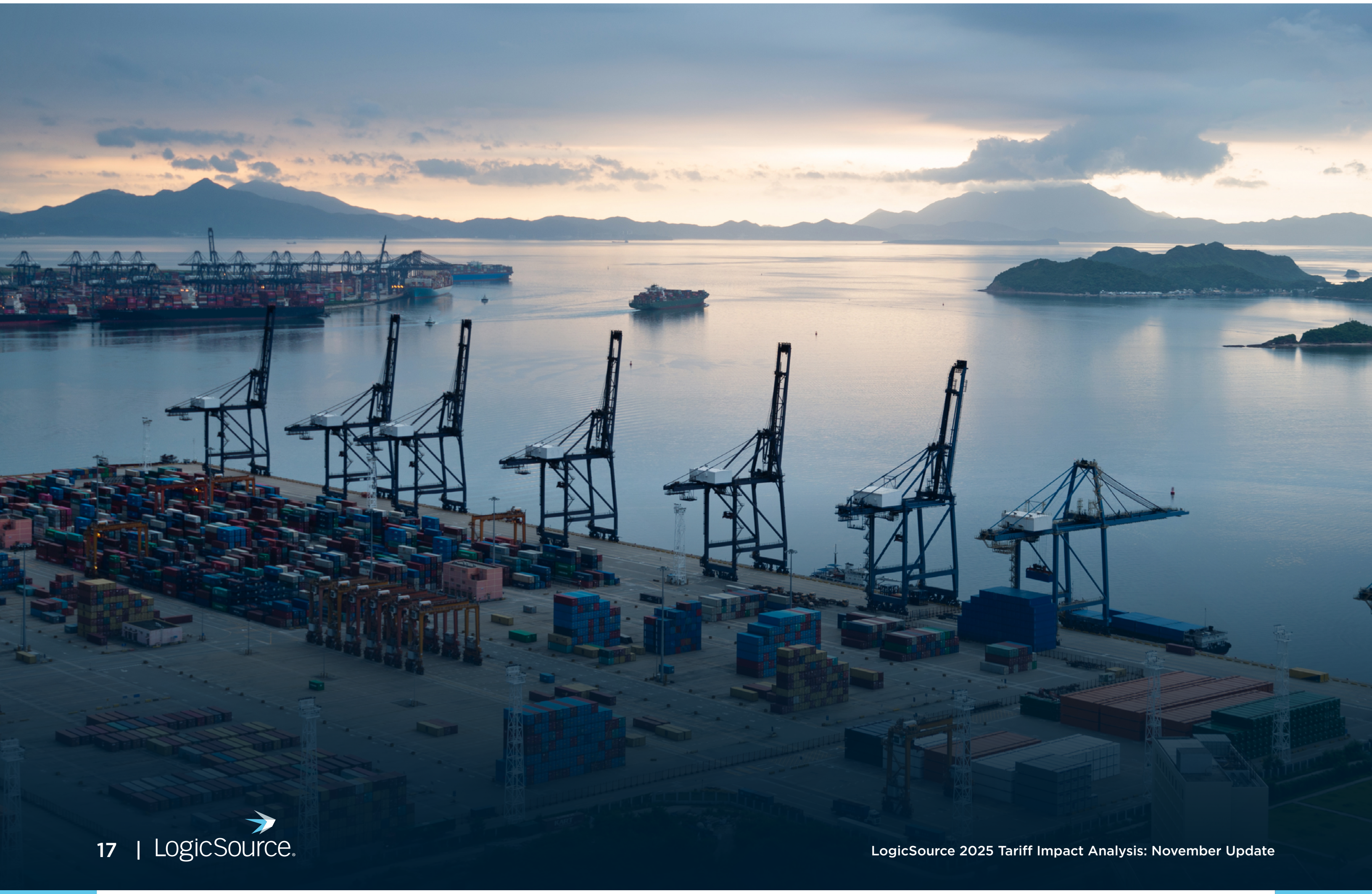
- Ensure that suppliers provide fully itemized invoices, especially for Cost, Insurance, and Freight (CIF) charges.
- Tariffs should not be applied to freight or insurance costs; without itemization, importers risk overpaying tariffs on the total invoice value.

SEPARATE TARIFF CHARGES FROM UNIT PRICING

- Require all quotes, contracts, and statements of work (SOWs) to clearly separate tariff fees from base pricing.
- This improves transparency and ensures tariff-related charges can be removed or adjusted independently if policies change, preventing suppliers from permanently baking in those increases.

STAY INFORMED AND ANTICIPATE POLICY SHIFTS

- Tariff policy remains highly fluid, with ongoing discussions around new product-specific tariffs.
- Staying informed allows Procurement and Finance teams to anticipate changes, update cost models, and act before impacts materialize.



CONCLUSION

As we wrap up 2025, tariffs remain one of the biggest wildcards shaping costs across industries. What started as a few targeted measures has evolved into a broader strategy, driving both short-term price pressure and long-term uncertainty. While certain categories, such as autos, metals, and pharmaceuticals, continue to draw the most attention, the ripple effects now reach deep into indirect spend areas from facilities and construction to IT hardware and packaging.

Looking ahead to 2026, inflation is expected to ease, but suppliers will likely keep pointing to tariffs as a reason for higher prices. The best defense is staying proactive: lock in competitive long-term deals, question every “tariff-related” increase, explore near-shore options, and use market data to separate real cost drivers from noise.

LogicSource will continue tracking these changes closely to help clients stay ahead, turning tariff disruption into an opportunity to negotiate smarter and build more resilient supply chains.

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ABOUT LOGICSOURCE

The innovative leader in procurement services and technology, LogicSource is purpose-built to drive profit improvement, mitigate risk, and ensure supply chain continuity through better buying. LogicSource focuses exclusively on the sourcing and procurement of indirect goods and services, which typically represent 20% of an organization's revenue and the area of greatest spending inefficiency.

These include complex categories like marketing, packaging, corporate services, facilities, information technology, distribution and logistics, and more, for which organizations often lack the capacity, focus, and scale to achieve best-in-class buying. Unlike traditional advice-based consultants, LogicSource is a purpose-built buying utility with assets that are configurable to their clients' needs and ready to deploy.

By combining decades of sourcing and procurement expertise, superior market intelligence, cross-portfolio spending leverage, and their OneMarket® Source-to-Pay technology, LogicSource executes customized solutions that deliver immediate savings and sustainable value. For more information, visit **logicsource.com**.

ABOUT THE AUTHORS

This report was produced by the LogicSource Indirect Category Leaders and Center of Excellence, which leverages decades of expertise and data to help organizations navigate global trade challenges and optimize their procurement strategies. With a dedicated team of 180+ indirect category experts and access to $150B+ in indirect pricing data, LogicSource equips our clients with the insights and tools needed to make informed decisions, mitigate risk, and drive sustainable value.

This update supplements the original **LogicSource 2025 Tariff Impact Analysis**. For detailed category-specific impacts and baseline analysis, please refer to the original report or the **Tariff Report Library**.

For more information or to discover how LogicSource can help your organization achieve best-in-class buying, visit **logicsource.com**.