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Ongoing Trade Tensions and Tariffs: How Global Uncertainty Is Impacting Kuwaiti Businesses

How to Cope Strategically, Build Business Resilience
and Achieve Long Term Sustainability

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01

What Are Tariffs?

Tax imposed by a government on foreign goods and services.

- Governments usually impose a tariff to protect their industries from foreign goods and services so that revenue is not exported outside the country
- Governments also impose a tariff with the aim of generating income to the government
- Governments also impose a tariff if they sense that a product or service may be harmful to domestic consumers
- Governments also impose a tariff if they are at odds with the nation that it established trading relations with

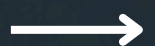
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02

Implications of Tariffs on Global Supply Chains and Business Decision Making

1) Increasing the costs of raw materials, which will also increase the costs associated with procurement, production and logistics, and ultimately, the prices of the finished goods/services. A manufacturing firm will be forced to either absorb the increased costs through smart business management measures such as cutting down on labor and investing in digitalization to streamline business operations or increase prices of its products and services to compensate from the increased costs incurred threatening losing potential customers to competitors.





2) Diversification of suppliers will become critical so that businesses gets their supplies from a non-tariffed jurisdiction avoiding importing goods that are heavy in costs.

3) Reshoring and/or Nearshoring Trends: businesses will bring back production to their own home countries or relocate supply chain to nearby jurisdictions to save in transportation costs, improve supply chain resilience and avoid vulnerability and dependence to geopolitical tense nations.

4) Increase in complexity of supply chain management because compliance with government regulations is involved requiring the reporting of customs which needs legal expertise and strategic planning.

5) Nations are compelled to forge trade agreements with nations that are not impacted by the tax regulations to benefit businesses operating within their own jurisdictions.

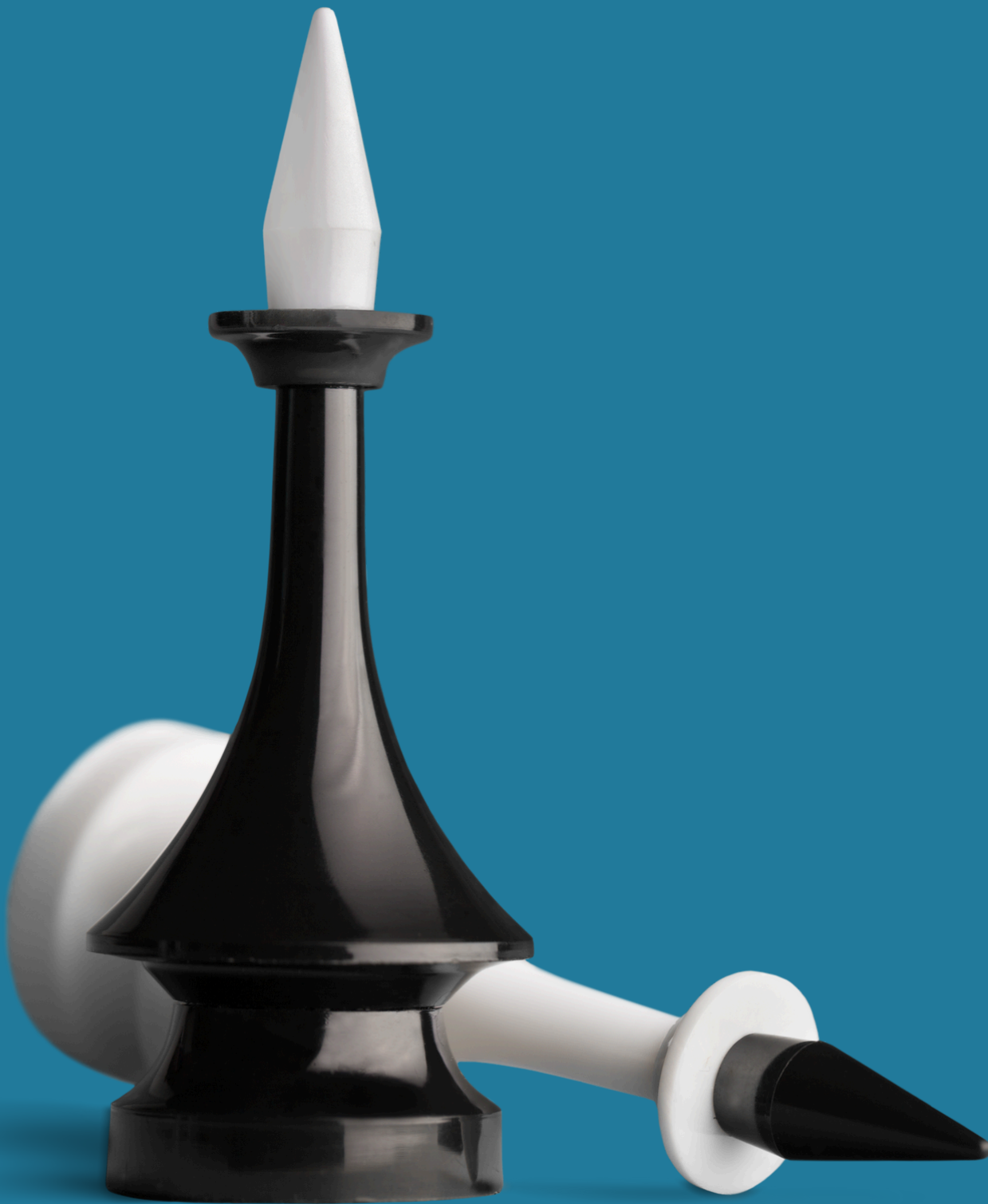
How Can Your Business Mitigate Risks of Global Tariffs: Strategic Considerations

- Supply chain diversification: expanding supplier networks across more than one country
- Balance between absorbing costs through strategic business management and decision making and increase prices through strategic calculation so that you don't lose customers to competitors



05

- Leveraging free trade agreements: the United States-Mexico-Canada trade agreement is a special trade relationship between those nations, safeguarded from the tariff regulations. Countries and businesses need to mimic these kinds of trade relationships that are intentionally and explicitly formed to navigate tariff regulations to their mutual advantage
- Technology and data analytics: its important to use technologies and data analytics to forecast accurately tariff implications, optimize logistics restructuring and make informed sourcing decisions



06

How Can Visionary Consulting Help Your Business?

In these turbulent times, relying on intuition or outdated business models simply isn't enough. The companies that will thrive are those that act with clarity, data-driven insight, and expert guidance.

It's not just about surviving the storm—it's about learning how to build stronger vessels to sail through it.



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CONTACT US

Here's how we can help your business right now:

- Evaluate your supply chain risk exposure and suggest viable diversification strategies
- Optimize your financial structure to absorb increased costs without increasing prices significantly to drive away customers, eroding profits
- Coach your leadership team to adapt swiftly and build long-term resilience
- Assist in PPP engagements to capitalize on government-private collaboration opportunities for win-win benefits that counters mutual threats and enables mutual growth opportunities

📞 Ready to move from uncertainty to clarity? [Book your FREE strategy session with our expert advisors today here.](#) Let's explore how your business can stay ahead in a shifting global landscape.

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