# Cincinnati CEOs warn tariffs are driving manufacturers to raise prices amid trade uncertainty



Two prominent CEOs from the Greater Cincinnati area have expressed concerns over the inflationary impacts of President Donald Trump’s tariffs, emphasising that manufacturers will be compelled to raise prices due to increased costs and ongoing uncertainties surrounding the trade policies.

Larry Culp, Chief Executive Officer of GE Aerospace, and Tim Spence, CEO of Fifth Third Bank, voiced their perspectives last week in separate industry and community events. Their comments followed President Trump’s recent decision to pause a majority of his widespread tariffs for a 90-day period, which had already stirred global trade tensions and unsettled financial markets.

Larry Culp spoke to members of the Rotary Club of Cincinnati on Thursday, revealing that GE Aerospace—based in Evendale, a suburb of Cincinnati—expects tariffs to add approximately $500 million annually to its expenses. “We’re going to pass along some of these added costs through (higher) pricing for most businesses,” Culp said, highlighting the pricing challenges manufacturers face. He also detailed GE Aerospace’s strategies to mitigate the tariff impact, including leveraging duty drawback programmes, which refund fees on imports if the goods are later exported, and engaging regularly with policymakers in Washington, D.C., to advocate on trade matters. Culp’s comments coincided with the company’s release of its first-quarter financial results for 2025, which showed a $2.2 billion profit on $9.9 billion in sales. During the company’s previous earnings call in January, he had mentioned exploring contingency plans in anticipation of higher tariff burdens.

In a separate discussion with Wall Street analysts, Tim Spence of Fifth Third Bank reported that recent visits to 50 business clients across five markets revealed widespread surprise at the volume and scope of tariffs imposed on major global trading partners, including China, Vietnam, and other Pacific Rim countries. Spence remarked, “The magnitude of the tariff announcement caught them all by surprise.” He explained that while some clients believed the tariffs were merely negotiating tactics, others were genuinely apprehensive about the tariffs becoming permanent fixtures. These concerns have led companies to increase prices proactively, as Spence explained that adjusting international supply chains to circumvent tariffs is a lengthy process, taking “years” to implement. Moreover, existing contractual obligations compel companies to set future prices now, anticipating elevated tariff costs.

“There really isn’t gonna be a way to reconfigure your supply chain to avoid it, you know, entirely. So what a lot of them are doing is moving on price,” Spence said. He added that many manufacturers are not waiting for the final tariff rates to be confirmed before adjusting their pricing structures.

Looking ahead, attention turns to Cincinnati-based Procter & Gamble, which is scheduled to report its third-quarter results on Thursday. While more than half (52%) of its revenue comes from outside the US, P&G’s manufacturing strategy—producing goods within regional markets rather than importing finished products—could reduce its exposure to tariff-related costs compared with other companies.

Federal Reserve Chair Jerome Powell has noted the need “for greater clarity” on tariffs before making decisions about adjusting interest rates, reflecting broader economic uncertainty linked to the trade war. As pricing pressures mount from tariffs, these developments underscore the complexities businesses face in navigating shifting trade policies.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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