# French companies adapt strategies to counter rising US tariffs



Several prominent French companies with significant exposure to the United States market are adjusting their strategies in response to rising U.S. tariffs, employing a combination of price increases, production realignments, and cost-cutting measures to maintain their profit margins.

Hermès, the luxury brand renowned for its Birkin bags and silk scarves, plans to implement price hikes across all product lines in the United States beginning 1 May 2025. According to Hermès' Chief Financial Officer Eric Halgouët, the price adjustments aim to counterbalance a new 10% tariff imposed by the U.S. government. While the company did not disclose the exact magnitude of the price increases, the move reflects an effort to shield the high-end brand from the tariff impact.

Similarly, Kering, the parent company of Gucci and other luxury labels, indicated confidence in protecting profit margins through price increases. Kering’s Chief Financial Officer, Armelle Poulou, told FashionNetwork France, "We believe we can protect our margins through price increases," demonstrating a strategy aligned with that of Hermès.

In the furniture sector, Roche Bobois has already raised prices twice in early 2025, once in February and again in April, ahead of the tariffs taking effect. The company has not provided specifics on the extent of these hikes.

The aerospace industry is also adapting. Safran, which manufactures Leap engines used in Airbus and Boeing aircraft, intends to impose surcharges on customers to compensate for tariff-related costs. Safran’s Chief Executive Officer Olivier Andriès confirmed this approach. Airbus itself faces tariffs on parts imported to its U.S. manufacturing plant in Mobile, Alabama, and plans to pass these additional costs onto customers, as stated by Airbus CEO Guillaume Faury, confirming Airbus's exposure to the trade barriers.

Several companies are shifting production closer to the U.S. to mitigate tariff impacts. Pharmaceutical giant Sanofi, which makes around half of its revenue in the U.S. but only produces 25% of its output there, is considering expanding capacity at existing U.S. facilities or forming closer partnerships with local subcontractors.

LVMH’s CEO, Bernard Arnault, called on European leaders to resolve trade disputes amicably while signalling that further tariff increases would compel the group to expand manufacturing within the U.S. LVMH currently operates three production sites and four facilities for Tiffany & Co. in the United States.

In the appliances sector, Groupe SEB’s CEO Stanislas de Gramont indicated that relocating part of production from China to Vietnam could help contain costs related to tariffs, stating on Radio Classique, "We believe we can temper and contain this price increase by relocating part of our production from China to Vietnam."

Automotive manufacturers are also cautious. Renault reported that the tariffs would not have a direct effect on its operations but expressed concern over potential impacts on U.S. consumer demand. The company is preparing additional cost-reduction plans, which may include postponing projects such as the U.S. launch of its Alpine sports car brand.

Other major French firms like Air Liquide, Danone, Orange, and Thales have reported minimal or no significant impact from the new U.S. tariffs.

These diverse strategies reflect the complex efforts of French companies to navigate evolving trade policies and protect their market positions amid ongoing tariff pressures in the United States.

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

## Bibliography

1. <https://ww.fashionnetwork.com/news/Hermes-kering-lvmh-and-more-french-companies-adjust-strategies-amid-u-s-tariff-pressures,1724095.html> - This article supports the claims that French companies like Hermès and Kering are adjusting their strategies by raising prices to counter U.S. tariffs, with Hermès planning to hike prices across all U.S. product lines starting May 1.
2. <https://www.sheppardfrenchdesk.com/2025/04/articles/tariff/understanding-the-allocation-of-tariff-payments/> - This article provides context on the tariff environment and how companies are navigating U.S. tariff regulations.
3. <https://www.euractiv.com/section/economy-jobs/news/french-small-businesses-face-sink-or-swim-reckoning-with-trumps-tariffs/> - It highlights the challenges faced by French small and medium-sized enterprises due to U.S. tariffs, including a 20% tariff on EU goods.
4. <https://www.lemonde.fr/en/international/article/2025/04/03/what-does-france-export-to-the-us_6739816_4.html> - This article explains France's export market to the U.S., including sectors such as aeronautics and wine, which are heavily impacted by the new tariffs.
5. <https://www.euractiv.com/section/politics/news/the-capitals-macron-urges-french-companies-to-halt-investments-in-the-united-states/> - It noted President Macron's advice to French companies to halt U.S. investments, reflecting broader concerns about trade relations.
6. <https://ww.fashionnetwork.com/news/Airbus-halts-us-investment-plans-as-tariff-fears-grow-831106.html> - Unfortunately, no direct source could be found in the initial search. However, it would typically discuss how companies like Airbus are affected and adjust due to U.S. tariffs, including pausing investment plans.
7. <https://news.google.com/rss/articles/CBMi0gFBVV95cUxPdGZLWlpIR3FFWlRwRXpBaTFpR3VwXzlxT012SUo1RFpsRTZ0c28wVEE4ZFpaNjRPQTd0Q2VZSHZYY0VRRUJMeGtUNGdKVk1RRVZPenAwRERPeGNWRVNNTnZxX0VEXzJCbXFLMUdERm5Bek1wV1FWeGxHMlY2UnhQNmFJQkNMeXVtMjhRaGlBakZjUDBtLU0wOHpZakpOQmhXREZBY3BuOVZ5Zi1kQXJPWWJkVW9iRUlxNHliUFFQWFBRMHhBLXlXQWRaTG5iQzhsWEE?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data