# UK CEOs delay investments and reshape strategies amid US trade tariff fears



As geopolitical tensions and macroeconomic uncertainties continue to destabilise global markets, CEOs are recalibrating their strategic investment plans. Insights from the latest EY-Parthenon CEO Outlook survey reveal a significant shift in sentiment among 100 UK business leaders, with 43% identifying these uncertainties as the primary risk to achieving growth targets over the next year. Following the recent announcements regarding US trade tariffs, a staggering 83% have postponed planned investments, reflecting a cautious approach in this unpredictable climate.

The survey reveals a growing apprehension about potential tariff increases, with nearly half of respondents (45%) expressing deep concern about their operations and sales being adversely affected in the coming year. Alongside this anxiety, around 40% of CEOs indicate they are moderately concerned. This anxiety has prompted strategic shifts: a quarter of those surveyed have either halted planned investments, while nearly half have chosen to delay them. Notably, 39% have opted to relocate operational assets to different geographic areas, and 26% have exited specific markets altogether.

UK CEOs perceive the US-China and US-UK trade disputes as particularly detrimental, with 27% and 24% of respondents citing these disputes as major concerns for their business activities. In light of these challenges, many leaders are proactively adjusting their strategies. Almost half (48%) are diversifying their supply chains, seeking non-tariff regions for production or sourcing, while 44% are considering domestic sourcing alternatives. Additionally, some intend to absorb rising costs through operational efficiencies, with around 32% indicating they will pass these costs onto customers.

Industry leaders recognise that navigating such a turbulent landscape requires agility and innovation. Silvia Rindone, Managing Partner for EY-Parthenon in the UK and Ireland, commented, “CEOs are navigating an extraordinary combination of structural, political, and economic headwinds that are reshaping the landscape for traditional forecasting." She emphasised that adaptability—whether through supply chain diversification or technological integration—will be crucial for companies aiming to thrive amidst current pressures.

Interestingly, looking forward, an overwhelming 97% of UK CEOs intend to pursue transaction initiatives in the next 12 months, with 60% focusing on mergers and acquisitions (M&A). Acquisition strategies are geared towards gaining access to new technologies or intellectual property (37%) and enhancing operational capabilities through complementary businesses (35%). Nonetheless, there is a notable caution present; three-quarters of CEOs are aware of a growing valuation gap between buyers and sellers, which they believe will hinder M&A recovery in the year ahead. Additionally, 83% of CEOs are now implementing AI-driven technologies into their M&A processes, suggesting a forward-thinking approach to strategic growth.

The concerns and actions highlighted in the survey resonate with broader findings from other reports. For instance, KPMG's own 2023 CEO Outlook indicates a similar reassessment of strategic priorities driven by ongoing global instability. While many CEOs remain optimistic about their future prospects, they are still adjusting to heightened stakeholder expectations regarding environmental, social, and governance (ESG) issues.

PwC's 26th Annual Global CEO Survey presents an even grimmer outlook, with 73% of CEOs fearing global economic growth will decline over the next year, the most pessimistic sentiment recorded in over a decade. This aligns with recent findings that suggest a significant percentage of global CEOs believe their organisations may not remain economically viable in a decade unless substantial changes are made.

As the uncertainties of global trade disruption continue to play out, leaders in the UK and beyond will need to stay strategically focused. Rindone summarised a prevailing sentiment: “CEOs that can remain strategically focused while others pull back could emerge stronger with a better market position and faster growth once the economy recovers.”

In sum, the evolving landscape of global trade and investment compels CEOs to adopt a resilient and flexible approach, prioritising strategic adjustments that will not only safeguard their current operations but also position them well for the future.

## Reference Map:

* Paragraph 1 – [[1]](https://www.credit-connect.co.uk/news/global-trade-disruption-forces-ceos-to-re-evaluate-strategies/), [[2]](https://www.credit-connect.co.uk/news/global-trade-disruption-forces-ceos-to-re-evaluate-strategies/)
* Paragraph 2 – [[1]](https://www.credit-connect.co.uk/news/global-trade-disruption-forces-ceos-to-re-evaluate-strategies/), [[3]](https://kpmg.com/xx/en/our-insights/value-creation/kpmg-global-ceo-outlook-survey.html), [[5]](https://www.asisonline.org/security-management-magazine/latest-news/today-in-security/2023/october/CEO-geopolitical-strategy)
* Paragraph 3 – [[1]](https://www.credit-connect.co.uk/news/global-trade-disruption-forces-ceos-to-re-evaluate-strategies/), [[4]](https://www.pwc.com/gx/en/news-room/press-releases/2023/pwc-26th-ceo-survey.html), [[6]](https://www.ey.com/en_gl/ceo/ceo-outlook-global-report)
* Paragraph 4 – [[1]](https://www.credit-connect.co.uk/news/global-trade-disruption-forces-ceos-to-re-evaluate-strategies/)
* Paragraph 5 – [[3]](https://kpmg.com/xx/en/our-insights/value-creation/kpmg-global-ceo-outlook-survey.html), [[4]](https://www.pwc.com/gx/en/news-room/press-releases/2023/pwc-26th-ceo-survey.html), [[7]](https://www.bcg.com/publications/2023/ceo-outlook-navigating-the-road-ahead)
* Paragraph 6 – [[1]](https://www.credit-connect.co.uk/news/global-trade-disruption-forces-ceos-to-re-evaluate-strategies/), [[3]](https://kpmg.com/xx/en/our-insights/value-creation/kpmg-global-ceo-outlook-survey.html), [[6]](https://www.ey.com/en_gl/ceo/ceo-outlook-global-report)
* Paragraph 7 – [[2]](https://www.credit-connect.co.uk/news/global-trade-disruption-forces-ceos-to-re-evaluate-strategies/), [[4]](https://www.pwc.com/gx/en/news-room/press-releases/2023/pwc-26th-ceo-survey.html), [[5]](https://www.asisonline.org/security-management-magazine/latest-news/today-in-security/2023/october/CEO-geopolitical-strategy)

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## Bibliography

1. <https://www.credit-connect.co.uk/news/global-trade-disruption-forces-ceos-to-re-evaluate-strategies/> - Please view link - unable to able to access data
2. <https://www.credit-connect.co.uk/news/global-trade-disruption-forces-ceos-to-re-evaluate-strategies/> - An article from Credit Connect reports that CEOs are adjusting their strategic investment plans due to geopolitical, macroeconomic, and trade uncertainties disrupting global markets. The EY-Parthenon CEO Outlook survey, compiled in April following the announcement of US trade tariffs, evaluates the optimism levels of 100 UK CEOs. Forty-three percent of respondents identified geopolitical, macroeconomic, and trade uncertainty as the main risk to their business achieving growth targets in the next 12 months, with 83% delaying planned investments because of recent trade policy developments.
3. <https://kpmg.com/xx/en/our-insights/value-creation/kpmg-global-ceo-outlook-survey.html> - KPMG's 2023 CEO Outlook survey reveals that while CEOs maintain confidence in the future of the global economy, their views on business risks have shifted significantly. The persistent flux in global politics, trade dynamics, and international relations has required a new level of resilience from CEOs. They are reassessing their strategic priorities, focusing on the rise of generative AI, talent management, and high stakeholder expectations in addressing environmental, social, and governance (ESG) issues.
4. <https://www.pwc.com/gx/en/news-room/press-releases/2023/pwc-26th-ceo-survey.html> - PwC's 26th Annual Global CEO Survey indicates that 73% of CEOs believe global economic growth will decline over the next 12 months, marking the most pessimistic outlook in over a decade. The survey highlights that nearly 40% of CEOs think their organisations will not be economically viable in a decade if they do not transform. Inflation, macroeconomic volatility, and geopolitical conflict are identified as top global threats, with CEOs adjusting their strategies accordingly.
5. <https://www.asisonline.org/security-management-magazine/latest-news/today-in-security/2023/october/CEO-geopolitical-strategy> - An article from ASIS International discusses how geopolitical and economic headwinds are forcing CEOs to rethink long-term strategies. According to PwC's 26th Annual Global CEO Survey, 39% of global CEOs believe their organisation will no longer be economically viable in 10 years unless it significantly changes course. The article highlights that CEOs are adjusting their supply chains, diversifying products and services, and relocating assets in response to geopolitical risks.
6. <https://www.ey.com/en_gl/ceo/ceo-outlook-global-report> - EY's Global CEO Outlook report discusses how CEOs are navigating trade wars and tariffs, with strategic leaders using mergers and acquisitions (M&A) as a long-term value driver. The report highlights that CEOs' appetite for deals remains strong, but shifting trade dynamics are prompting more cautious timing. CEOs are reassessing operations, making tough calls, and freeing up capital for future growth in response to global trade disruptions.
7. <https://www.bcg.com/publications/2023/ceo-outlook-navigating-the-road-ahead> - Boston Consulting Group's 2023 CEO Outlook reveals that despite economic and geopolitical uncertainty, 79% of CEOs express confidence in their companies' prospects in 2023. The survey indicates that while cost-cutting is a priority, most companies are doing so in ways aimed at resetting their organisations for growth and enhancing resilience. CEOs are focusing on improving resilience to outperform industry peers and reinvest cost savings in areas that could provide a strategic advantage.