# UK businesses reshaping US operations amid rising tariff fears and trade uncertainty



More than three-quarters of UK businesses are expressing significant concern about tariffs and the broader uncertainty surrounding global trade, as highlighted by a recent Barclays business prosperity report. The survey, encompassing 1,000 firms ranging from micro to larger enterprises, found that 79% are worried about the repercussions of the global trade war, largely driven by escalating tariff measures initiated by the United States. Nearly half of these businesses—48%—have already begun reshaping their US operations or adjusting supply chains to mitigate potential disruptions.

The report paints a troubling picture for investment in the US market, showing that 14% of firms have reduced their investments, whilst 15% have either paused or cut expenditures altogether. Despite the gloomy outlook towards tariffs, the same study revealed a complex dynamic in international trade. While 44% of firms reported an increase in international trade over the past year, a vast majority—59%—of that trade growth has been with Europe and Central Asia. In contrast, only 18% of businesses reported growing trade with the US, illustrating a notable shift in focus.

This sentiment resonates with findings from a recent Santander survey, which underscored that 63% of UK firms perceive rising tariffs as a substantial threat to their growth. Among larger companies, this concern intensifies, with 80% identifying tariffs as a significant risk, indicating a heightened dilemma particularly for those aiming to expand their operations overseas. Both surveys suggest a proactive approach among businesses; a parallel 48% are adjusting their supply chains to navigate tariff-related challenges.

In a somewhat optimistic twist, larger companies appear relatively bullish on their long-term prospects despite immediate tariff implications. Matt Hammerstein, chief executive of Barclays UK corporate banking, remarked that a robust international trade strategy and re-evaluated supply chains could transform geopolitical uncertainties into competitive advantages. He noted that many larger firms are already adapting in order to cultivate resilience in the face of these global pressures.

Nonetheless, the pressure is palpable, with 37% of surveyed businesses bracing for adverse impacts on their overall prospects. Increased productivity has become a crucial focus, with 46% of firms highlighting it as more critical than ever, driven by the need to offset rising cost pressures exacerbated by tariffs. Additionally, workforce challenges are compounding these issues; 72% of businesses reported difficulties in hiring skilled labour as a barrier to growth.

Hannah Bernard, head of Barclays business banking, emphasised that productivity improvements, particularly through staff training and digital transformation efforts, are vital for overcoming these labour challenges and navigating the complexities that arise from tariff pressures. The drive for productivity gains serves as a proactive strategy to alleviate some of the financial strains confronting numerous firms.

As businesses brace for further waves of uncertainty in tariffs and trade policies, the interplay between immediate operational adjustments and long-term strategic planning continues to shape the landscape for UK firms. The evolving economic climate necessitates adaptability, proactive strategies, and a keen focus on international relationships to remain competitive in an increasingly unpredictable global environment.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.independent.co.uk/news/business/uk-firms-taking-early-action-as-they-brace-for-hits-from-tariffs-survey-b2762725.html), [[2]](https://www.santander.co.uk/about-santander/media-centre/press-releases/63-of-uk-firms-fear-tariffs-will-hit-growth-santander)
* Paragraph 2 – [[1]](https://www.independent.co.uk/news/business/uk-firms-taking-early-action-as-they-brace-for-hits-from-tariffs-survey-b2762725.html), [[2]](https://www.santander.co.uk/about-santander/media-centre/press-releases/63-of-uk-firms-fear-tariffs-will-hit-growth-santander)
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* Paragraph 5 – [[6]](https://www.icaew.com/insights/viewpoints-on-the-news/2025/apr-2025/tariff-and-tax-woes-weaken-uk-business-confidence), [[3]](https://www.ft.com/content/39440b9b-2362-4307-9b69-8671e61d36d2)
* Paragraph 6 – [[1]](https://www.independent.co.uk/news/business/uk-firms-taking-early-action-as-they-brace-for-hits-from-tariffs-survey-b2762725.html), [[2]](https://www.santander.co.uk/about-santander/media-centre/press-releases/63-of-uk-firms-fear-tariffs-will-hit-growth-santander)
* Paragraph 7 – [[1]](https://www.independent.co.uk/news/business/uk-firms-taking-early-action-as-they-brace-for-hits-from-tariffs-survey-b2762725.html), [[6]](https://www.icaew.com/insights/viewpoints-on-the-news/2025/apr-2025/tariff-and-tax-woes-weaken-uk-business-confidence)

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## Bibliography

1. <https://www.independent.co.uk/news/business/uk-firms-taking-early-action-as-they-brace-for-hits-from-tariffs-survey-b2762725.html> - Please view link - unable to able to access data
2. <https://www.santander.co.uk/about-santander/media-centre/press-releases/63-of-uk-firms-fear-tariffs-will-hit-growth-santander> - A recent survey by Santander revealed that 63% of UK businesses view rising tariffs as a significant risk to their growth. The concern is particularly pronounced among large firms aiming to expand overseas, with 80% citing tariffs as a key threat. Additionally, 48% of firms are adjusting their supply chains to mitigate tariff exposure, indicating proactive measures to navigate the evolving trade landscape.
3. <https://www.ft.com/content/39440b9b-2362-4307-9b69-8671e61d36d2> - A survey by the EU Chamber of Commerce in China found that European companies operating in China are more concerned about the country's economic slowdown than ongoing trade tensions and tariffs with the United States. Of the 503 companies surveyed, 71% identified the slowdown as having the largest negative impact on their operations, while 47% pointed to US-China tensions.
4. <https://www.ft.com/content/21b2fcc5-bfe8-4b27-adab-702c4eb0f0c4> - Research by Aston University indicates that Brexit has significantly impacted Britain's trade with the EU, with annual exports to the EU 17% lower and imports 23% behind where they might have been without Brexit. The study highlights ongoing bureaucratic barriers affecting trade and suggests that larger companies in sectors like autos and aerospace are more resilient.
5. <https://www.ft.com/content/d4b0a39b-8995-4f03-b7bd-b3f335915aee> - The UK faces challenges in negotiating trade tariffs with the US due to its limited economic leverage. An analysis reveals that Britain is a primary market for only 0.4% of US exports, compared to the EU's 35%. This imbalance hampers Britain's ability to impose effective retaliatory tariffs in response to US measures, such as the 10% tariff on British goods and 25% on steel, aluminium, and cars.
6. <https://www.icaew.com/insights/viewpoints-on-the-news/2025/apr-2025/tariff-and-tax-woes-weaken-uk-business-confidence> - ICAEW's Business Confidence Monitor for Q1 2025 shows UK business confidence has dipped into negative territory for the first time since 2022, influenced by rising tax concerns and new challenges posed by US tariffs. The survey indicates growing unease across the economy, with cost pressures and a slowdown in sales expectations contributing to the decline.
7. <https://www.bbc.com/news/business-65512345> - A snap poll by the British Chambers of Commerce revealed that 62% of UK firms with trade exposure to the USA expect to be negatively impacted by US tariffs. The survey also found that 32% of these firms plan to increase prices in response to the tariffs, and 44% believe the UK should seek a closer trade relationship with the USA.