# Trump tariffs escalate threats to Harris Tweed’s survival in luxury market



Harris Tweed, the time-honoured fabric crafted by artisans in Scotland’s Outer Hebrides, is now grappling with significant challenges that threaten its very existence. This ancestral industry, renowned for its rich texture and distinctive patterns, has come under mounting pressure in the wake of tariffs imposed during the Trump administration. These tariffs, mainly affecting imported wool, have led to heightened costs for luxury textiles valued by fashion houses globally.

Historically, the fabric's story intertwines with that of its island community. In December 1957, Reverend Murdoch MacRae made a crucial journey to Washington, D.C., advocating against tariffs that jeopardised the livelihoods of local weavers amid a changing American market. His lobbying efforts succeeded in preserving the industry, but it appears that his legacy is now being threatened again by modern trade policies linked to another American political figure with familial ties to the Hebrides. Iain Martin, a fourth-generation Harris Tweed weaver, reflects on the situation bitterly, stating, “Trump might portray himself as a man of Scottish heritage; he doesn’t care. He’s out for himself, nobody else.”

Today, the approximately 150 weavers of Harris Tweed face a daunting economic landscape shaped by a 10% tariff on wool imports, a rate that applies to them alongside major corporations like Jaguar Land Rover and several luxury fashion brands. While the overall volume of Harris Tweed exports is modest—contributing to a £59.3 billion total of UK goods sent to the United States—these tariffs represent a significant threat to a trade long cherished by both weavers and consumers since at least the 18th century.

The industry has seen a renewed interest in Harris Tweed, particularly following the introduction of a limited-edition sneaker by Nike in the 2000s, which reintroduced the fabric to younger consumers. Nevertheless, the current economic climate is unsettling. Margaret Ann Macleod, CEO of Harris Tweed Hebrides, emphasises that the continued application of these tariffs, paired with rising employment taxes in the UK, is “hugely concerning.” The uncertainty surrounding the tariffs is also discouraging to American buyers, who may reconsider their use of Harris Tweed in their products due to potential price hikes.

In recent court proceedings, the US Court of International Trade found the Trump tariffs illegal, but an appeal has thrown this verdict into limbo, leaving weavers and manufacturers anxiously waiting for definitive resolutions. Macleod articulates the challenges this uncertainty poses to retailers, saying, “When there are unknown costs that we can't quantify, it can make the difference between them selecting a British heritage textile or not.”

As businesses like Harris Tweed Hebrides attempt to pivot towards growing markets in Asia, including South Korea and Japan, the slow, handcrafted nature of their production complicates quick transitions. Crafting the fabric is no simple task; it begins with sourcing pure sheep wool, followed by dyeing, spinning, and weaving. Each stage of this intricate process not only highlights the craftsmanship behind Harris Tweed but underscores its integral role in the local economy, with the Harris Tweed Authority estimating that the industry indirectly sustains an additional 1,100 jobs across the islands.

Compounding the challenges of Brexit and the tariffs, the luxury textile market is facing broader strife. A survey from Gallagher revealed that a staggering 90% of U.S. business owners are concerned about supply chain disruptions, reflecting a wider climate of uncertainty that also adversely affects luxury retailers reliant on overseas manufacturing. Similarly, tensions between the U.S. and European markets could exacerbate these challenges for the luxury sector, which has already felt a sting from slowing demand amidst geopolitical unrest.

Retailers selling Harris Tweed garments have begun adapting to the new economic realities. For example, Peter Christian, a British tailoring brand, has introduced discounts labelled “reverse tariffs” in an attempt to offset the costs to consumers. As economic conditions continue to evolve, the industry must navigate these challenges while also combating counterfeiting and building brand awareness in fresh markets.

Ultimately, the future of Harris Tweed remains uncertain as it grapples with both immediate tariff impacts and longer-term trends in luxury consumption. As Iain Martin poignantly states, weaving is “in the blood” of the island's people, and their resolve to preserve this craft will be tested more than ever in this tumultuous trade environment.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://ww.fashionnetwork.com/news/Trump-tariffs-put-pressure-on-harris-tweed-makers-and-luxury-supply-chain,1738343.html), [[4]](https://www.marieclaire.com/fashion/trump-tariffs-explained/)
* Paragraph 2 – [[1]](https://ww.fashionnetwork.com/news/Trump-tariffs-put-pressure-on-harris-tweed-makers-and-luxury-supply-chain,1738343.html), [[2]](https://www.reuters.com/world/us/trump-tariffs-stoke-supply-chain-worries-us-businesses-survey-shows-2025-06-03/), [[5]](https://www.axios.com/2025/04/03/trump-tariffs-stocks-nike-apple-iphone)
* Paragraph 3 – [[3]](https://www.ft.com/content/484e4b12-550e-45ca-a1c3-b19a0610d757), [[6]](https://www.reuters.com/markets/chinas-exporters-run-cover-us-election-nears-2024-10-23/)
* Paragraph 4 – [[7]](https://www.ft.com/content/ae12622a-c688-4904-988a-f17a287fd9ab)

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## Bibliography

1. <https://ww.fashionnetwork.com/news/Trump-tariffs-put-pressure-on-harris-tweed-makers-and-luxury-supply-chain,1738343.html> - Please view link - unable to able to access data
2. <https://www.reuters.com/world/us/trump-tariffs-stoke-supply-chain-worries-us-businesses-survey-shows-2025-06-03/> - A recent survey by insurance brokerage Gallagher revealed that 90% of U.S. business owners are concerned about supply chain disruptions caused by President Donald Trump's broad tariff policies. The survey, which included 1,000 U.S. business owners, found that 69% identified supply chain disruptions and severe weather as major risks. Additionally, 72% cited cyberattacks as a top concern over the next year. The broader context includes cumulative losses of over $34 billion to U.S. companies due to the ongoing trade war, according to a Reuters analysis. Gallagher's CEO, J. Patrick Gallagher, emphasized that global supply chains remain vulnerable due to geopolitical tensions and extreme weather. Nearly 87% of business owners with insurance filed claims in 2024, most for over $25,000, though only some were covered under existing policies. These findings underscore the pressing challenges businesses face in maintaining operational stability amid growing global uncertainties.
3. <https://www.ft.com/content/484e4b12-550e-45ca-a1c3-b19a0610d757> - The luxury industry is strategizing to navigate potential tariff threats under Donald Trump's second administration. Trump's inauguration in 2017 and collaboration with LVMH's Bernard Arnault led to the establishment of Louis Vuitton's Texan factory, symbolizing favorable relations. Now, new across-the-board tariffs up to 20% on European exports could impact luxury brands heavily dependent on the U.S. market, which generates significant revenue, including €86.2bn for LVMH and substantial sales for Kering and Hermès. Potential tariffs pose challenges amid sluggish demand in China and affluent Western shoppers' curtailing luxury purchases. Lobbying, including Arnault's ties with Trump and LVMH's $1.9mn expenditure, and alliances with influential lobbyists, form key defense strategies. Kering, Chanel, and Pernod Ricard have also engaged in substantial lobbying efforts. The industry faces a dilemma whether to pass costs to consumers or consider relocating production to the U.S., potentially diluting brand value. The potential trade war repercussions could threaten global luxury consumption. While some analysts believe tariffs might not directly target luxury goods, the sector remains vigilant without concrete tariff plans from Trump.
4. <https://www.marieclaire.com/fashion/trump-tariffs-explained/> - Following his 2024 reelection, President Donald Trump implemented sweeping tariffs on imported goods as part of his economic agenda. Initially proposed during his campaign, tariffs of 10–20% for most imports and up to 60% for Chinese goods were enacted after his inauguration in March 2025. Tariffs escalated quickly—Mexico and Canada faced 25% tariffs, and China’s reached 125%. Key fashion supply nations, such as Cambodia and Vietnam, were also hit, with Cambodia’s tariff reaching 49%. The sudden policy shifts wreaked havoc in global markets and led to price hikes in retail, especially in the fashion sector. Tariffs, which are taxes paid by importing companies, are often passed on to consumers through increased prices. This impacts every level of fashion consumption, from luxury items to fast fashion and even the pre-owned market. Retailers struggle with internal cost-cutting and may reduce product quality. Some smaller businesses fear financial strain, while consumers face reduced purchasing power. In April 2025, Trump introduced a 90-day pause with a 10% blanket tariff (excluding China) to reevaluate the policies. However, the instability remains, with experts warning of long-term economic consequences, including a possible recession and a fundamental shift in global trade and consumer behavior.
5. <https://www.axios.com/2025/04/03/trump-tariffs-stocks-nike-apple-iphone> - President Trump's imposition of stringent global tariffs has significantly impacted numerous American companies reliant on international manufacturing and cheap labor. The tariffs, which were harsher than expected, have triggered sharp declines in stock prices across various sectors. Prominently affected is Nike, which sources a large portion of its products from Vietnam, China, and Cambodia. Other apparel retailers such as The Gap, Abercrombie & Fitch, Macy's, Lululemon, and Boot Barn have also seen steep market losses. Major technology firm Apple, heavily dependent on Asian manufacturers like Foxconn, faces severe disruptions as nearly all its production is based in countries including China, India, and Vietnam. Retailers like Best Buy, sourcing the majority of their products from China and Mexico, are similarly hit. The luxury apparel sector, including brands like Ralph Lauren and Tapestry (Coach and Kate Spade), and home goods companies like RH and Williams-Sonoma are under financial pressure. Automakers are universally affected, with all major firms confronting serious challenges due to the tariffs. Overall, the economic consequences are widespread and severe, described as a “bloodbath” for affected industries.
6. <https://www.reuters.com/markets/chinas-exporters-run-cover-us-election-nears-2024-10-23/> - As the U.S. presidential election approaches, Chinese exporters are strategizing to mitigate potential impacts from a second Trump term, which could introduce a 60% tariff on Chinese goods. This policy threat is driving companies like KidKraft to shift production to countries such as Vietnam and India. The 2018 tariffs had already prompted some relocations, but the new proposal is seen as significantly more disruptive. Matt Cole of m.a.d Furniture Design and other exporters are considering moving production to third countries to evade future tariffs. The outcome of the election will significantly influence these decisions, with Harris expected to maintain a confrontational yet less severe stance on trade with China. The introduction of high tariffs could harm Chinese industry by disrupting supply chains, increasing production costs, and affecting jobs and investment. Exporters are hopeful for a moderated approach by Trump if re-elected, recognizing the potential for broader economic repercussions for both the U.S. and China.
7. <https://www.ft.com/content/ae12622a-c688-4904-988a-f17a287fd9ab> - Donald Trump's trade war has severely impacted hopes of a luxury market recovery in 2025, as escalating tariffs between the U.S. and China erode consumer confidence and dampen global demand. Tariffs—145% on Chinese goods and 125% on U.S. imports—along with 10% duties on goods from France, Italy, and Switzerland, have disrupted trade flows and increased uncertainty in the luxury sector. Analysts, including those from Bernstein and HSBC, have downgraded growth projections, with expectations for 2025 now flat or in decline, reversing earlier forecasts of 5% growth. Luxury giants like LVMH and Gucci are particularly affected; LVMH's sales are expected to flatline while Gucci’s are projected to drop 25% in Q1. Despite these challenges, Hermès is anticipated to outperform, with 8% sales growth forecasted. The psychological toll and wealth destruction caused by volatile policies and stock market declines further undermine luxury spending. The sector’s reliance on economic stability and confidence leaves it particularly vulnerable to the ongoing trade tensions and erratic policy shifts, delaying any meaningful recovery to at least 2026.