



Building a better working world

# Executives consider strategies for trade disruption

October 2019

## Global trade challenges

Global trade disruption has continued to dominate world headlines, including a series of increased tariff actions between the US and China, ongoing disputes between the US and the EU, BREXIT, advancements in US negotiations with Japan and the expansion of other trade conflicts into a broad range of geographies. Executives are having to respond by evaluating and implementing different strategies to mitigate the impact of the disruption.

## Survey results

During a recent webcast, we surveyed nearly 1,700 trade executives to understand the impact of trade disruption in their companies, how long they think it will last and the strategies they are using to respond.

Regarding respondents' key concern, a majority (63%) are focused on the cost and uncertainty from trade negotiations. Many executives believe that the disruption will not disappear anytime soon, with more than 50% seeing at least one year or longer while approximately one fifth believe it is here to stay.

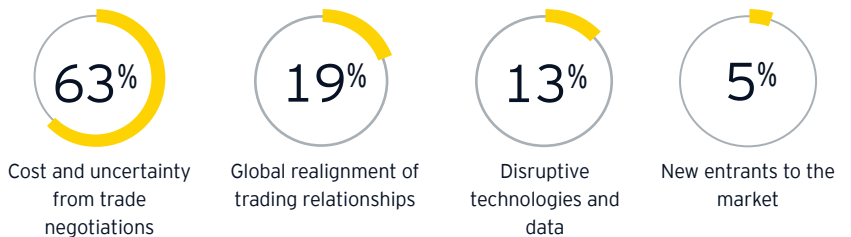
In addition, most respondents don't have confidence in a comprehensive trade agreement between the US and China materializing – nearly 70% believe that only a limited agreement will eventually be reached or there will be no agreement at all.

The most common strategies companies are using to offset trade disruption with China include shifting a limited number of components in their supply chain (52%) and shifting some manufacturing (26%) away from the country. In addition, while more than half of executives (55%) have evaluated utilizing origin as a strategy to mitigate duty and cost impacts, only 20% are confident about dealing with the differences between preferential and non-preferential origin and understanding the risks of origin.

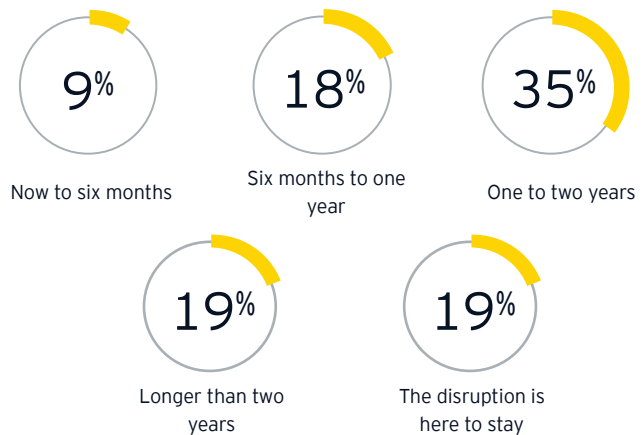
## Webcast replay

Please watch the webcast replay, [Global trade disruption series: are you ready for the next wave? Recent trade actions impacting global businesses.](#)

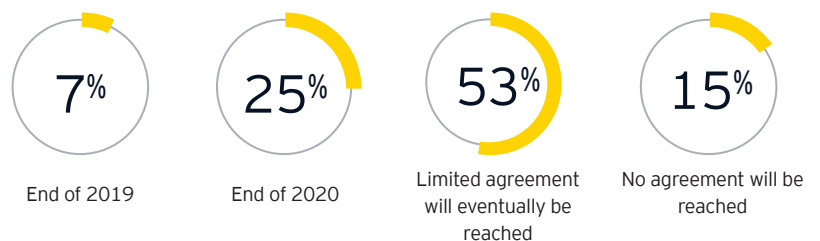
## What element of trade disruption is keeping you up at night?



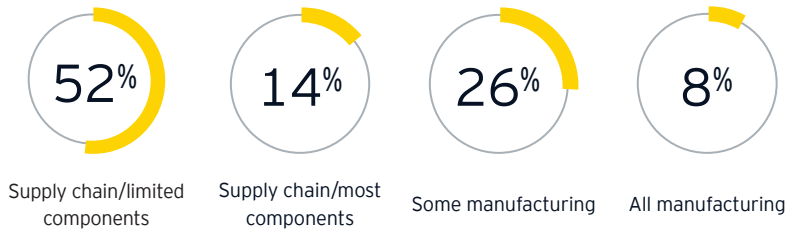
## How long do you think this period of trade disruption will last?



## Do you believe that the US and China will reach a comprehensive trade agreement by:



Has your company either shifted supply chain sourcing or actual manufacturing from China to offset the enduring trade disruptions? (Select all that apply)



Has your company evaluated utilizing origin as a strategy to mitigate duty and cost impacts?



How comfortable is your company with the differences between preferential and non-preferential origin and understanding the risks of origin?



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