EE Tech research

Tariff Impact Study

Tariffs are forcing engineers to redesign, reroute, and rethink. See how engineers are responding to the shifting realities of global sourcing.

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Methodology

This research was conducted in **July 2025** and includes responses from **450** qualified electrical engineers worldwide.

The survey was distributed via direct email to members of EETech's internal engineering community databases.

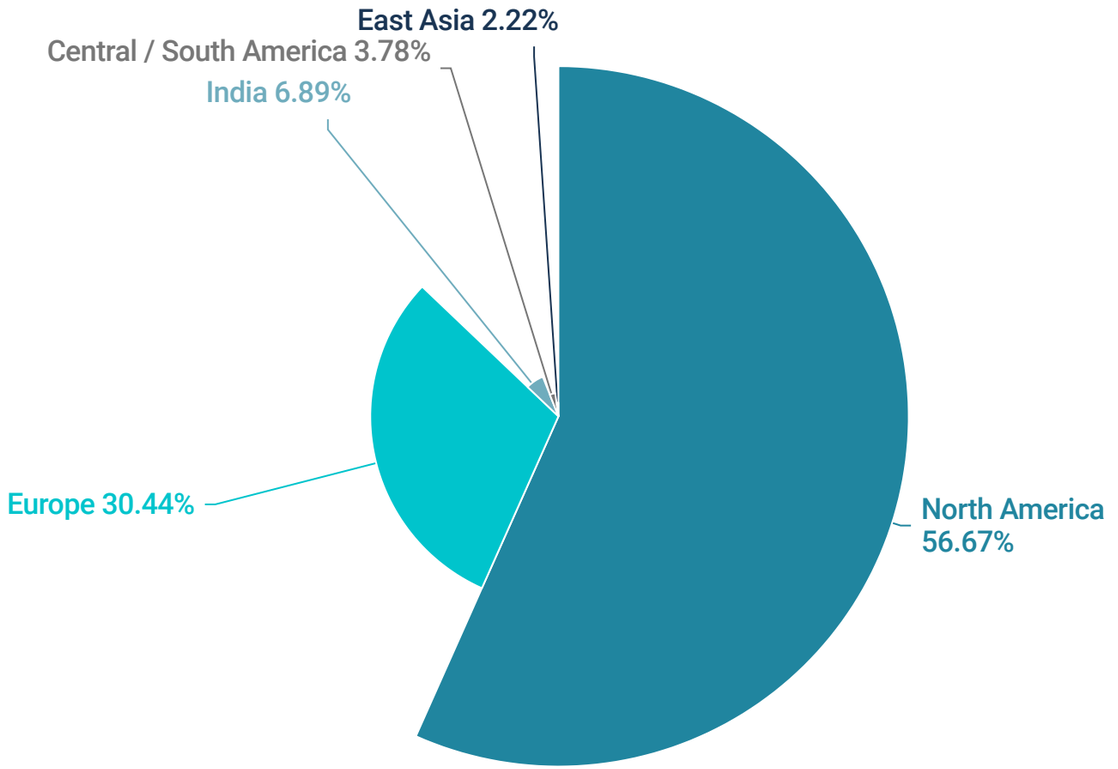
Screening criteria excluded respondents from disqualified geographic regions as well as students, educators, makers, and retired professionals. Only qualifier questions were mandatory; all other questions were optional.

Respondents could choose to opt in to a random drawing for a $100 incentive.

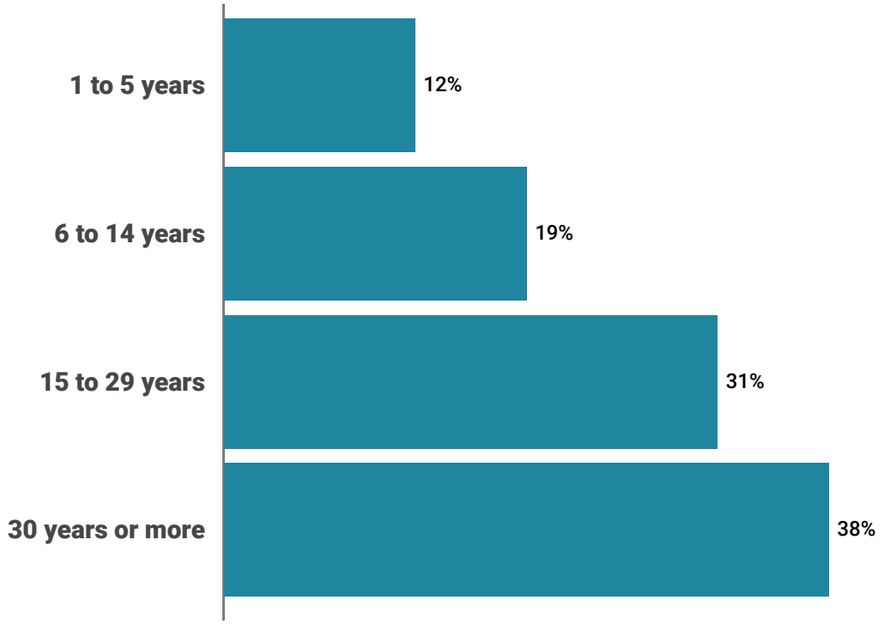
At a sample size of n=450, the results carry a margin of error of **±4.6% at a 95%** confidence level. For a sample size of n=363 the margin of error increases to approximately **±5.1% at a 95%** confidence level.

Geo

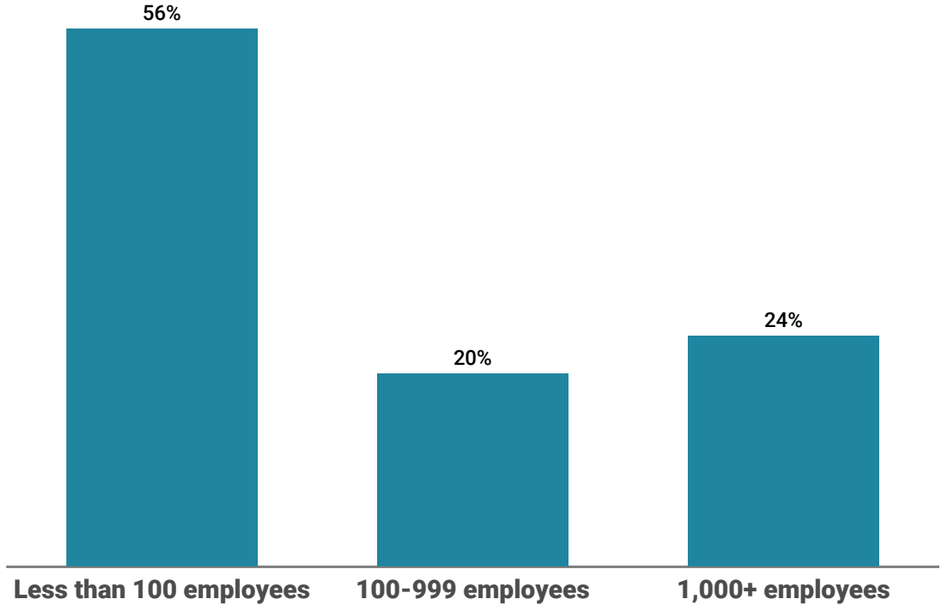
The majority of respondents work in North America, with the United States representing 89% of that group. Europe accounted for 30% of responses, with the remaining 13% come from India, Central or South America, and a fraction from East Asia. Among East Asian participants, Mainland China made up 40% and Taiwan 30%.



Experience & Company Size



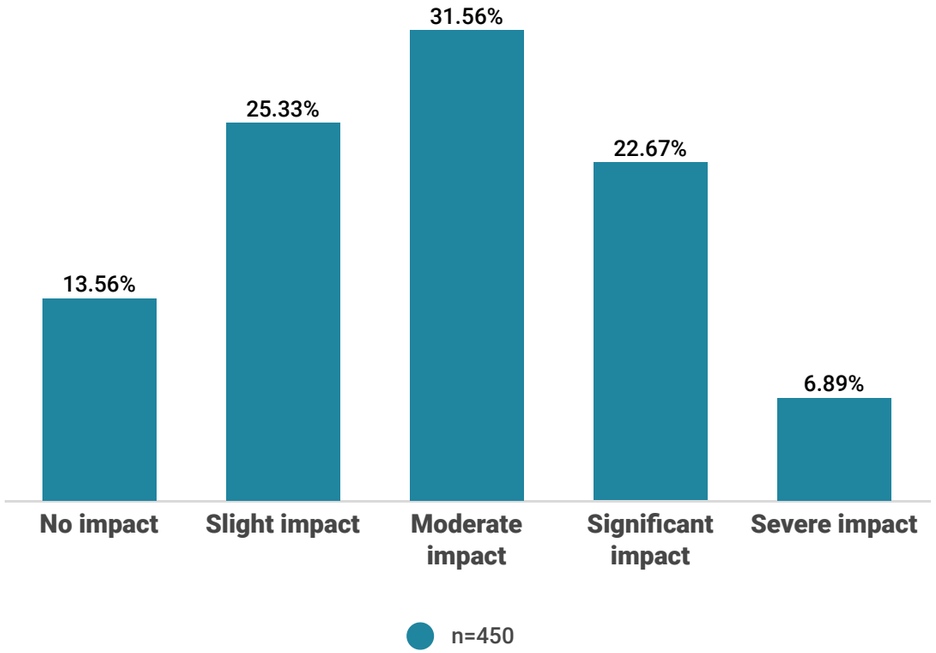
This was a highly experienced group: Almost 70% of respondents have 15 or more years of professional experience, including 38% with over 30 years. Mid-career professionals made up 19%, while just 12% were early-career.



Respondents represented a mix of company sizes, with the majority working at small companies with fewer than 100 employees. Midsize companies accounted for 20%, while large enterprises made up 24% of the sample.

Impact

To what extent have the 2025 US tariffs impacted your company's operations so far?



Nearly 9 in 10 engineers report that the 2025 U.S. tariffs have impacted their company's operations, with the most common response assessing the impact as moderate.

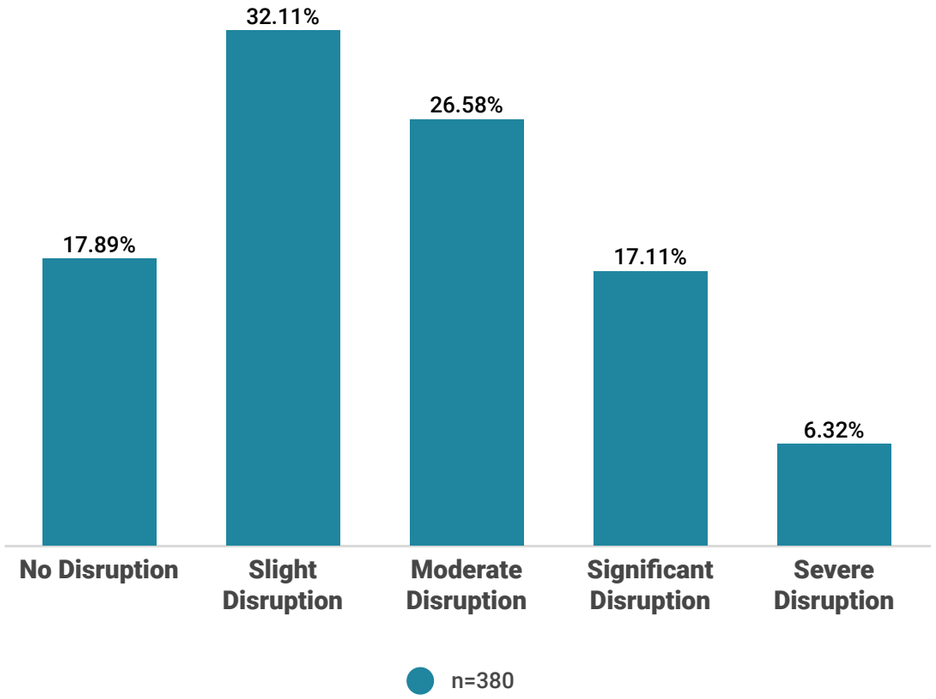
A combined 30% describe the impact as significant or severe—clear evidence that these disruptions are not just annoyances but meaningful challenges.

Only 14% report no impact, underscoring the widespread effects. This data signals that engineers are actively navigating strain across sourcing, planning, and execution.

For suppliers and distributors, the takeaway is clear: **Tariffs are reshaping the operating environment.**

Impact

To what extent has your company experienced operational disruptions (e.g., production delays, increased lead times) directly attributable to the 2025 tariffs or related supply chain shifts?



Among those impacted by the tariffs, the vast majority (82%) report experiencing some level of operational disruption, most commonly slight or moderate.

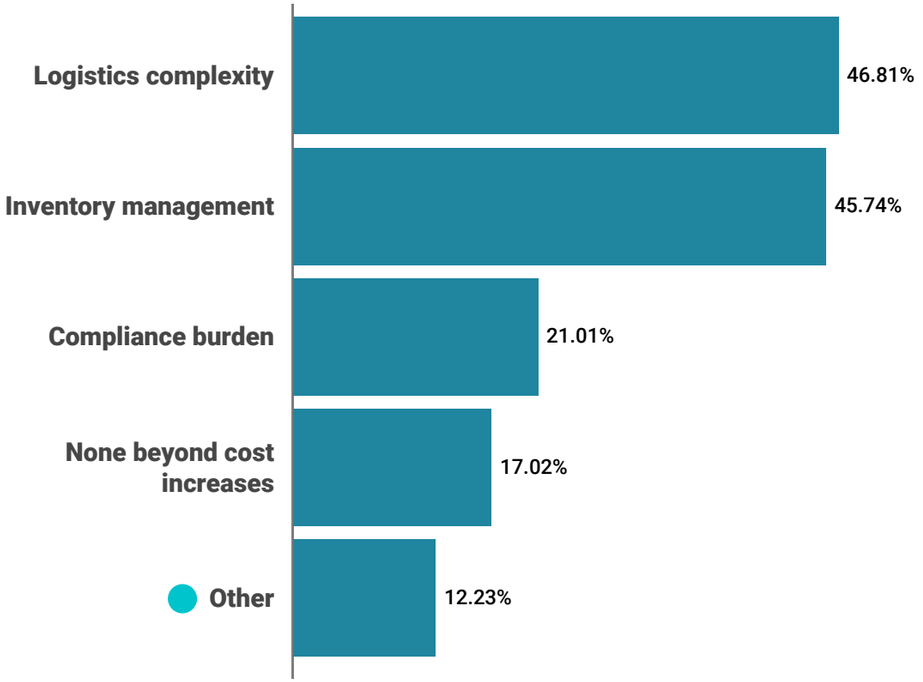
Although nearly 18% say they've avoided operational disruption, a combined 23% cite significant or severe disruption, indicating real strain in areas like production timelines and component availability.

These disruptions map closely to the perceived impact levels from the previous question and reinforce that engineers and their organizations are contending with nontrivial operational hurdles.

For manufacturers and distributors, the implication is urgent: **Engineers aren't just seeing higher costs; they're also facing delivery delays, sourcing bottlenecks, and cascading workflow issues that require proactive supplier support and flexibility.**

Challenges

Beyond cost increases, what has been the most significant operational challenge your company has faced due to the 2025 tariffs (e.g., logistics complexity, compliance burden, inventory management)?



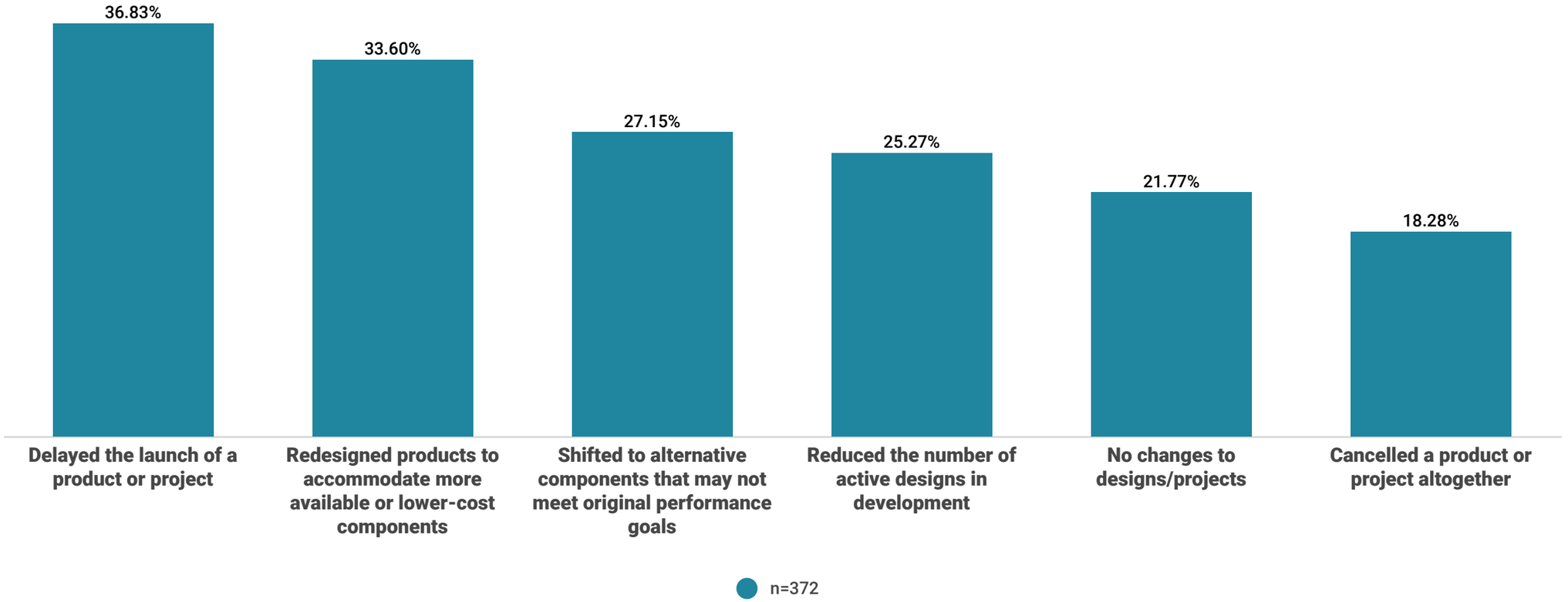
Nearly half of respondents cite logistics complexity and inventory management as their most significant operational challenges beyond cost increases, revealing that the tariffs are not only a financial issue but also a structural one. These two challenges dominate the response set.

Notably, only 17% say they've encountered no challenges beyond cost, highlighting that most companies are being pushed to rethink how they manage their supply chain infrastructure.

The convergence of logistical and inventory strain points to a need for **better visibility, flexibility, and upstream support**—opportunities where suppliers and logistics partners can provide real value.

Response

Has your company made any of the following design-related decisions in response to increased component costs or reduced availability due to the 2025 tariffs?



Response

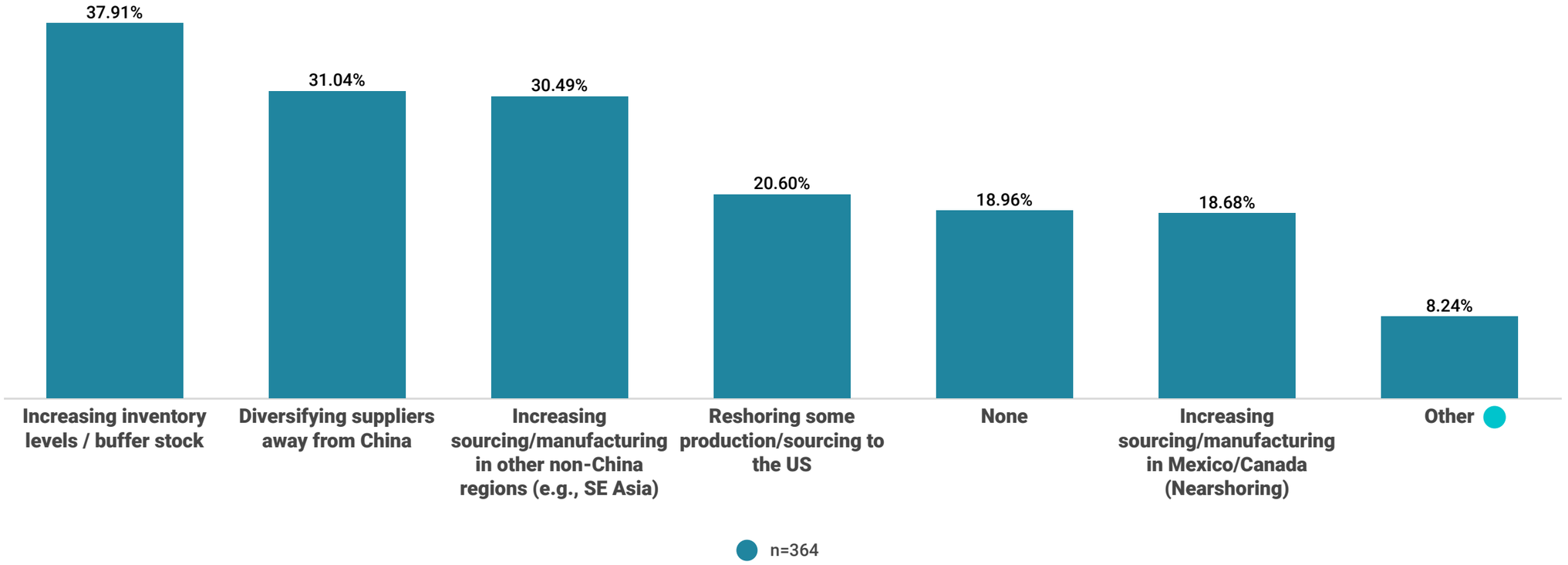
Has your company made any of the following design-related decisions in response to increased component costs or reduced availability due to the 2025 tariffs?

- Product delays top the list, with 37% of respondents reporting they've postponed a product or project because of tariff-related component issues. This represents a significant disruption to go-to-market timelines.
- Design modification is widespread: One in three engineers said they have redesigned products to fit more readily available or less expensive parts.
- Notably, over a quarter have accepted performance trade-offs, shifting to alternative components that may not fully meet the original specifications. This is a meaningful compromise that directly affects product quality and differentiation.
- 25% have reduced active design pipelines, indicating longer-term strain on innovation capacity and R&D output.
- 18% said they've outright cancelled a project or a product, stressing the severity of supply chain constraints and component cost inflation.

The data paints a clear picture: **Tariffs are not just a sourcing or cost problem; they're a design problem.** Engineers are being forced to rework plans, scale back development, delay launches, and sometimes compromise on performance or cancel projects. For semiconductor manufacturers and distributors, this is a critical moment to position themselves as strategic partners, offering alternative component guidance, long-term availability assurance, and support for design resilience. **Beyond looking for parts, buyers seek stability.**

Adjustments

Which of the following supply chain adjustments has your company actively implemented or seriously considered in direct response to the 2025 tariffs?



Adjustments

Which of the following supply chain adjustments has your company actively implemented or seriously considered in direct response to the 2025 tariffs?

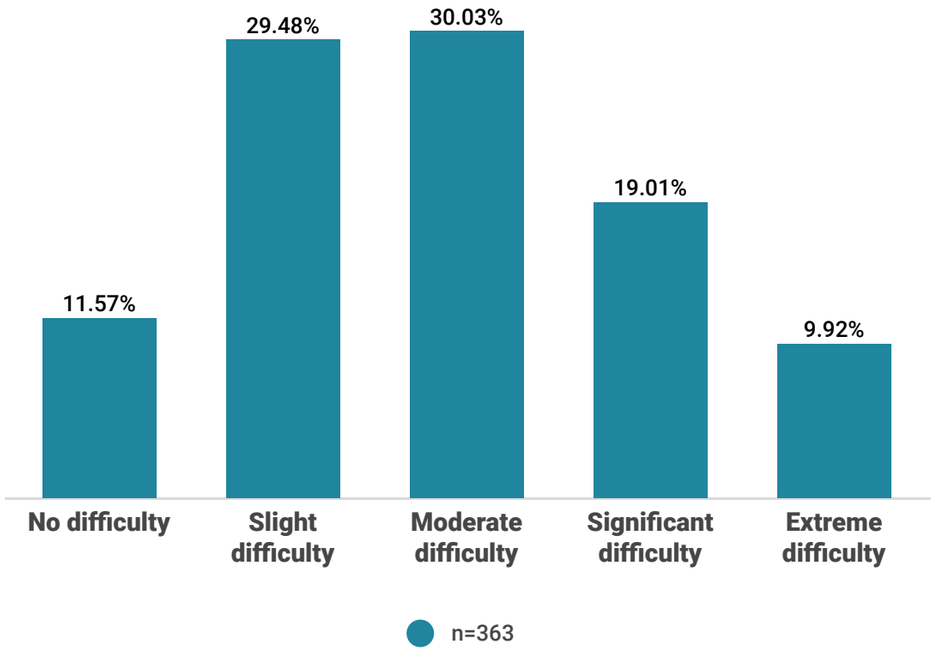
- The leading strategy is increasing inventory levels, showing that many companies are building buffer stock to cushion against supply volatility.
- Diversification is widespread. 31% are moving away from China, and 30.5% are increasing sourcing from other non-China regions, a statistically significant trend toward supplier spread and geographical risk mitigation.
- Reshoring to the U.S. and nearshoring to Mexico or Canada are less common, suggesting that proximity isn't always prioritized over stability or cost.
- 19% say they've made no adjustments, suggesting a smaller but notable segment is holding steady despite the disruptions.

This data highlights that supply chain responses to tariffs are not monolithic. While many companies are diversifying or stockpiling, a vocal minority (especially international respondents) are actively pivoting away from U.S.-based suppliers and ecosystems. This signals a reputational risk for U.S. distributors and manufacturers, who may be seen as unpredictable or politically entangled.

To remain competitive, suppliers must offer more than just a product. They must deliver **stability, flexibility, and international trust**. Emphasizing clear lead times, multi-region fulfillment options, and proactive communication of policy changes could help to restore confidence and prevent further erosion of global customer loyalty.

Difficulty

Rate the overall difficulty your company has experienced in finding and qualifying suitable alternative suppliers outside of tariff-impacted regions.



Most respondents report some difficulty in finding and qualifying alternative suppliers outside tariff-impacted regions, with moderate difficulty being the most common level of severity.

Nearly 29% describe the challenge as significant or extreme, emphasizing that while supplier diversification is a common strategy, executing it remains a substantial hurdle for many companies.

Only 12% report no difficulty, **highlighting the broader strain on global sourcing agility.**

Key Findings

Tariffs Are Widespread and Disruptive
Nearly 9 in 10 engineers report that the tariffs have impacted their company's operations, with nearly one-third experiencing significant or severe effects. These aren't isolated or theoretical issues—they're directly reshaping engineering workflows and business operations.

Operational Disruptions Transcend Costs
82% of impacted respondents report disruptions such as production delays and longer lead times. Although higher costs are expected, these findings reveal that time-to-market, supply reliability, and workflow continuity are also taking a hit.

Design Decisions Are Being Altered
One in three engineers have delayed product launches or redesigned projects to accommodate more available or affordable parts. Almost one in five have cancelled a project.

Engineers Are Actively Adjusting Supply Chain Strategy
Common responses include increasing buffer stock and diversifying away from China, with meaningful, but less frequent, moves toward reshoring and nearshoring.

Finding Alternative Suppliers Is Challenging
While diversification is a common strategy, nearly 30% of respondents say they face significant or extreme difficulty in qualifying new suppliers, highlighting a gap between strategic intent and execution.

Recommendations

Position Your Brand as a Stability Partner
Engineers are operating in a climate of unpredictability. Distributors and component manufacturers that can offer consistency in lead times, stock visibility, and international sourcing options will stand out.

Support Design Resilience
With nearly half of engineers redesigning or delaying products, there's an opportunity for suppliers to go beyond distribution—providing design guidance, cross-compatible components, and proactive support to help engineers build around constraints.

Communicate Regional Flexibility Clearly
Highlight fulfillment capabilities outside of tariff-impacted regions and demonstrate how your organization supports multi-region sourcing, especially for customers wary of U.S. or China-based risk.

Treat Inventory Strategy as a Competitive Differentiator
With buffer stock increases leading current response strategies, suppliers should emphasize on-hand inventory, real-time availability, and demand-forecasting tools as value-added services.

Monitor and Respond to International Sentiment
Some non-U.S. respondents are actively shifting away from American suppliers due to perceived instability. This perception issue should not be ignored. Trust-building through transparent policies and global support will be key.

Conclusion

The 2025 tariffs have introduced considerable friction across design, sourcing, and supply chain strategy, forcing engineers and suppliers alike to adapt. As disruption becomes the new normal, those who respond with agility, transparency, and regional flexibility will be best positioned to lead in the evolving electronics ecosystem.