

TARIFFS AND THEIR RIPPLE EFFECTS ON SUPPLY CHAINS:

Insights from March 2025 ISM® PMI® Reports

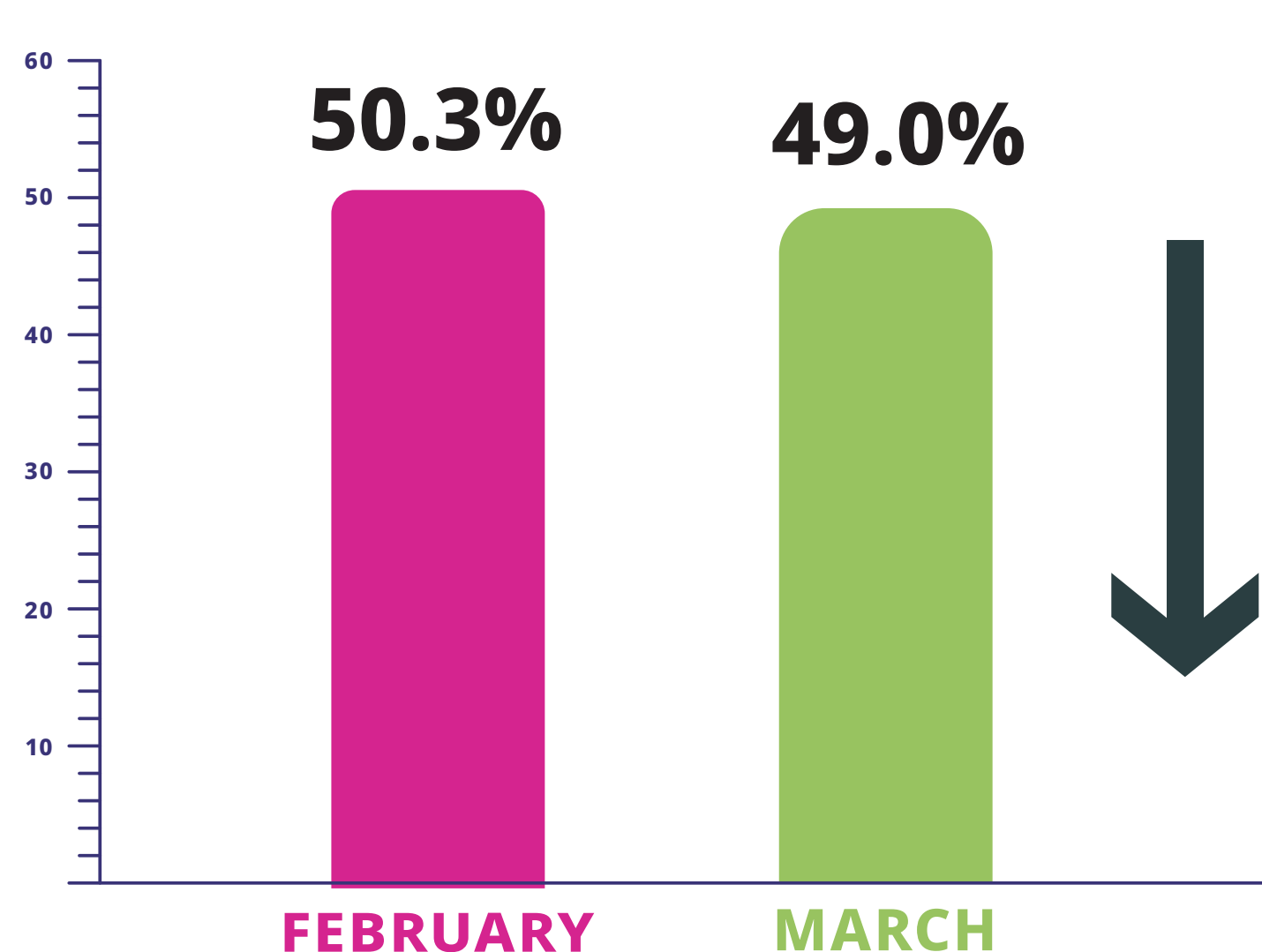
In March 2025, newly implemented tariffs disrupted global trade by increasing the cost of imported goods and creating uncertainty across international supply chains. This infographic highlights how those tariffs have influenced key supply chain metrics—such as prices, orders, and lead times—as reported by Institute for Supply Management® (ISM®) in the March Manufacturing and Services PMI® data (released April 1 and April 3, 2025).



Key Metrics Affected by Tariffs

MANUFACTURING SECTOR

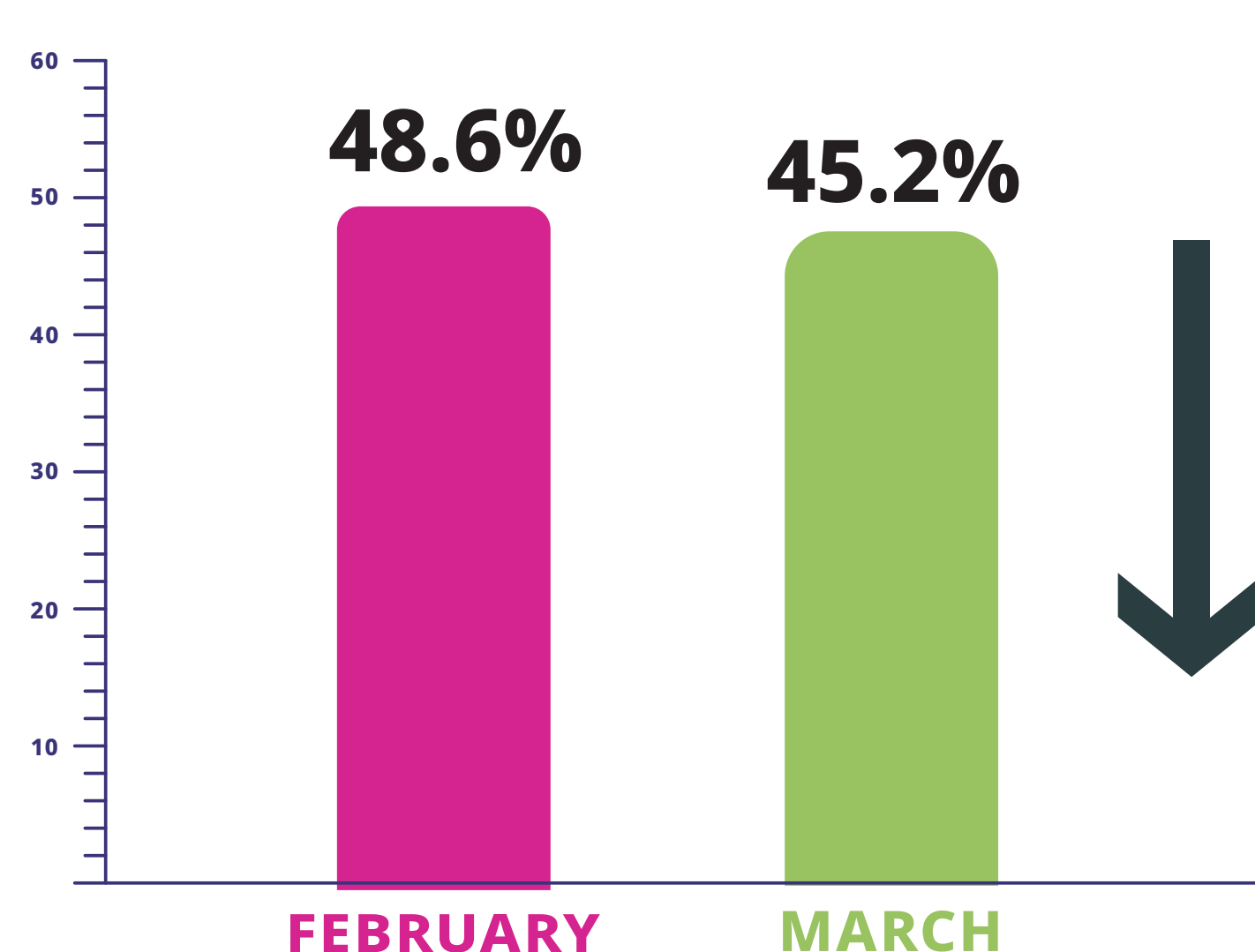
Manufacturing PMI®



INSIGHT

Slipped back into contraction territory, indicating softening manufacturing activity, possibly influenced by tariff-related uncertainty and cost pressures.

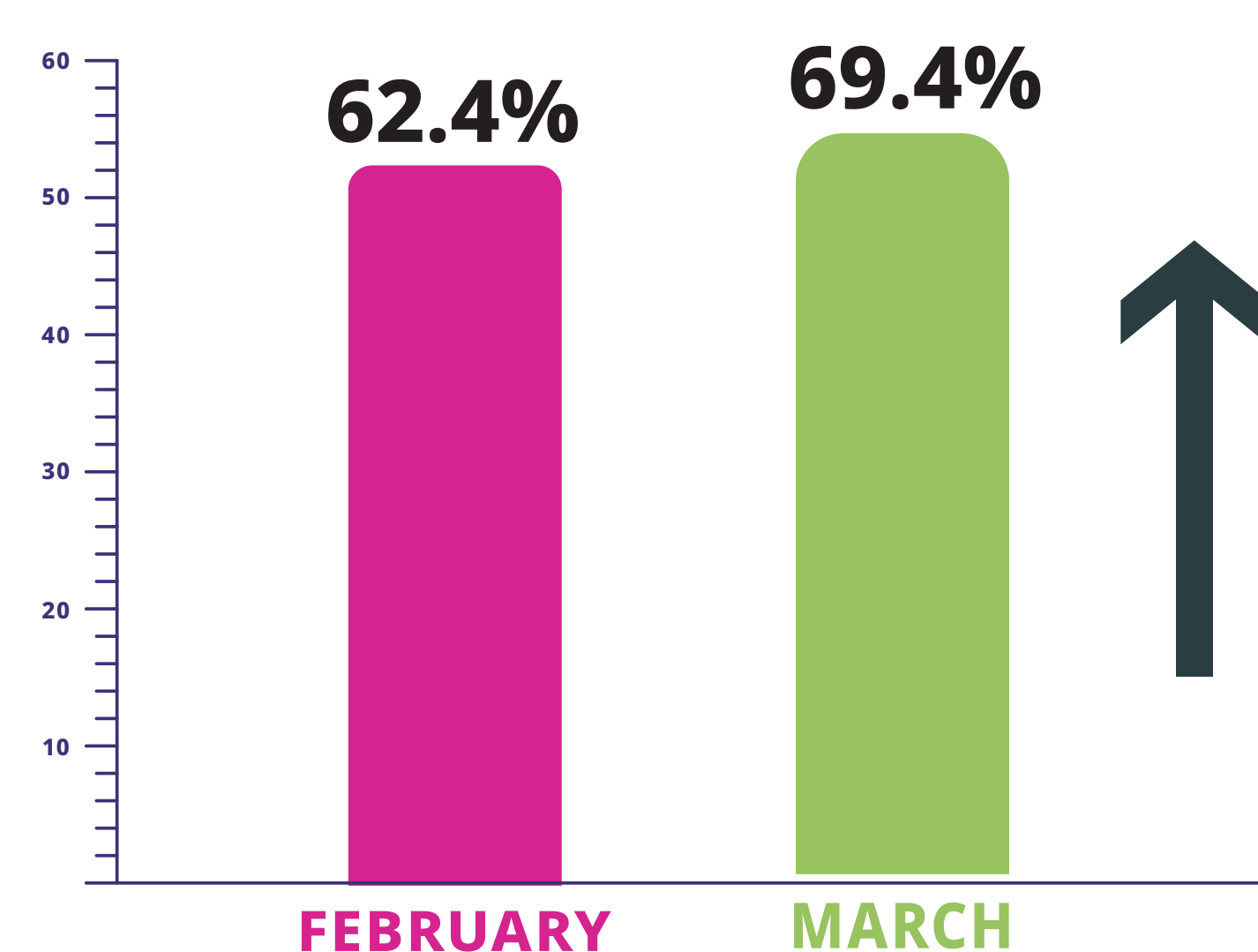
New Orders Index



INSIGHT

Indicates declining demand for manufactured goods, likely impacted by higher prices and reduced customer confidence.

Prices Index

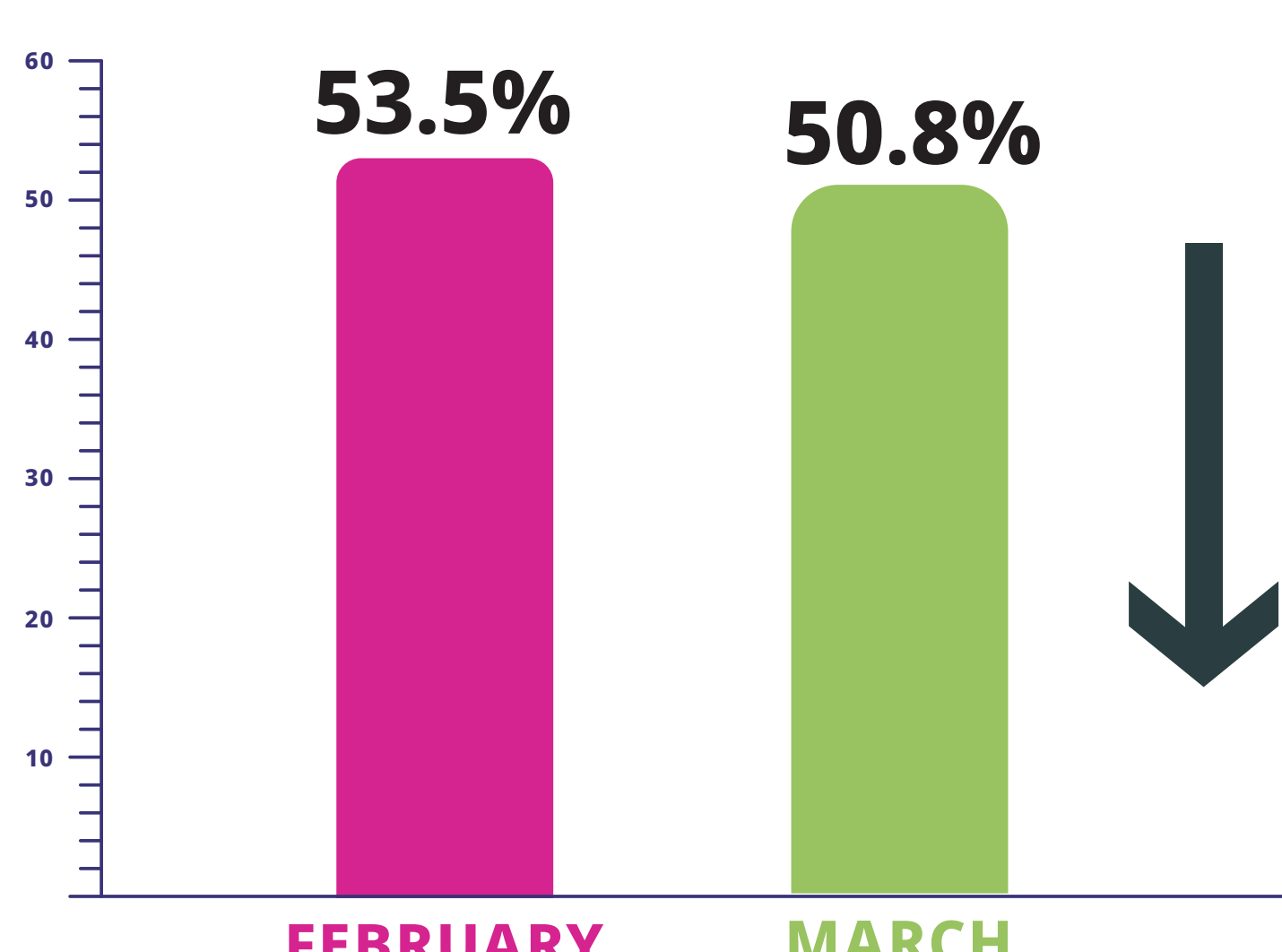


INSIGHT

Suggests input costs are climbing, and tariffs on imported raw materials are a likely contributing factor.

SERVICES SECTOR

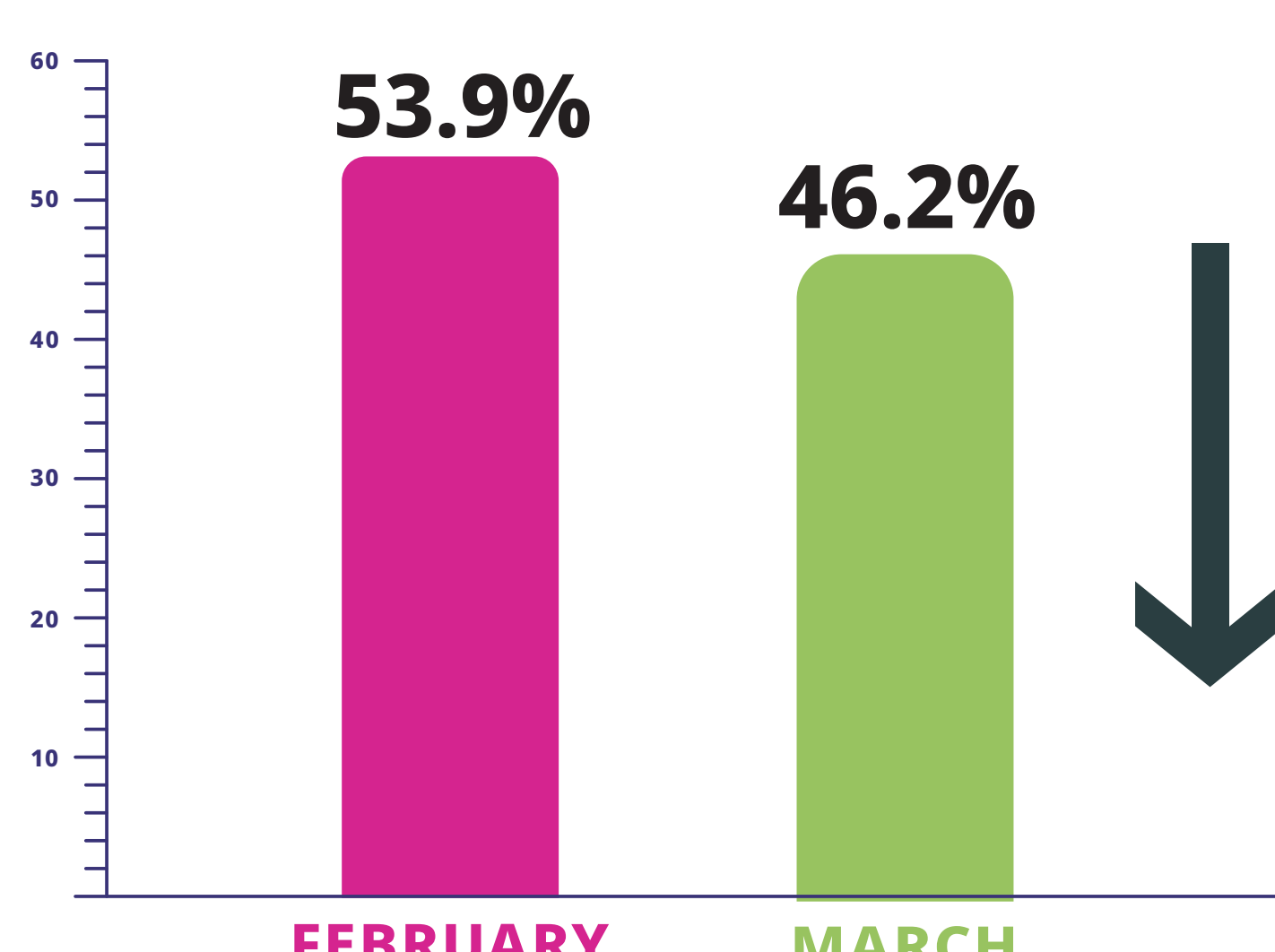
Services PMI®



INSIGHT

Shows significant deceleration in growth, partly due to tariff-induced uncertainties.

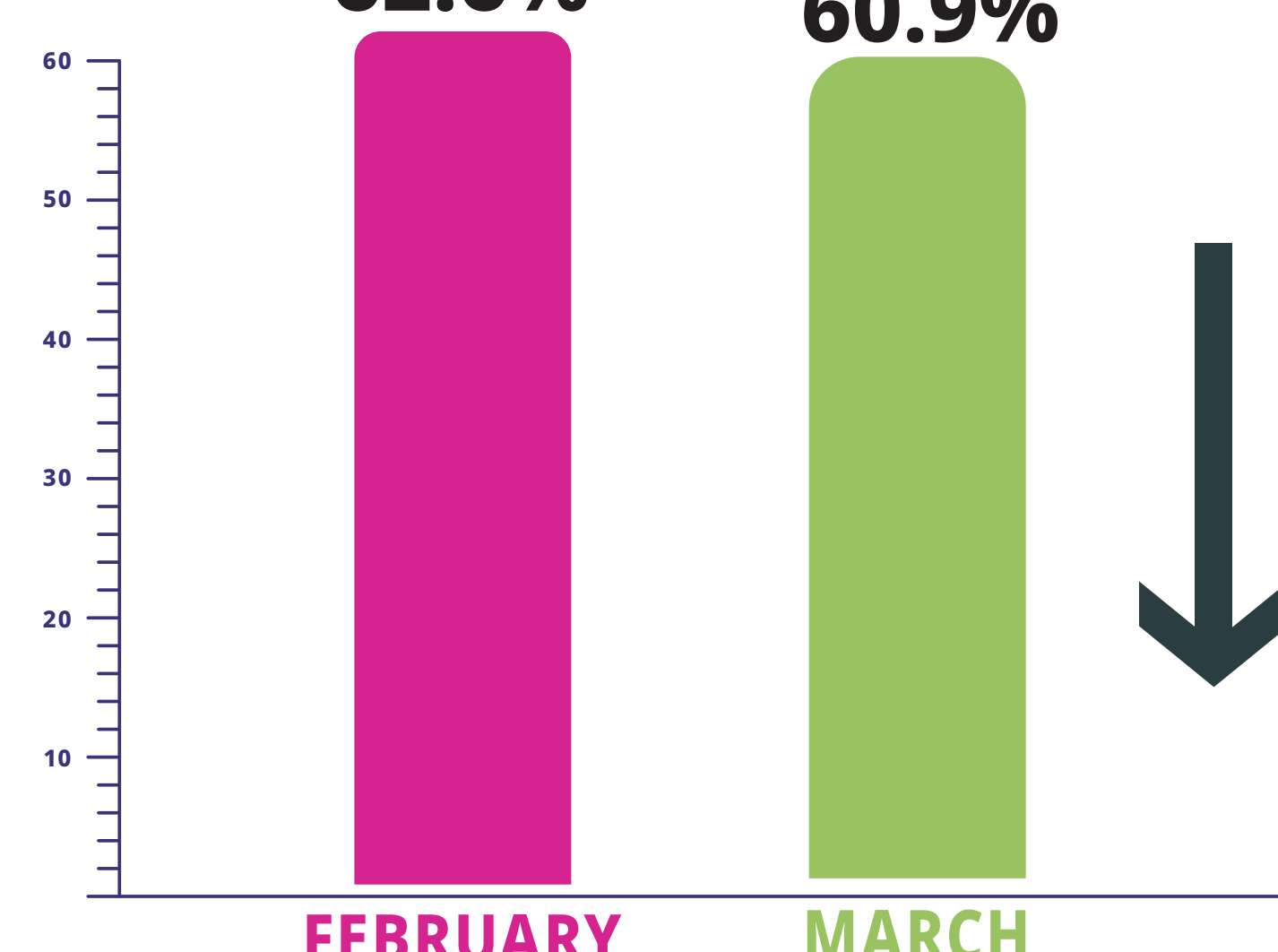
Employment Index



INSIGHT

First time in six months that services employment contracted—hiring may be slowing due to tariff-induced caution and economic uncertainty.

Prices Index



INSIGHT

Fourth consecutive reading above 60%; continued cost pressure suggests services firms are dealing with inflationary effects from tariffs.

For more information from ISM about tariffs or to access the ISM® PMI® reports, visit ismworld.org.