

UK businesses are suffering from the tariff turmoil

4 months ago



New research reveals that UK SME finance decision-makers are feeling uneasy with the US government's trade tariff

The short- and medium-term investment plans of UK Small to Medium-Sized Enterprises (SME) have been hit hard by the recent changes to international trade tariffs.

More than two-thirds (68%) of UK SME finance decision-makers (FDMs) confirmed there has been a high impact on their short and medium-term investment plans, with more than half (56%) suffering up to a 40% drop in their sales pipeline.

As UK businesses grapple with changing tariffs in 2025, 70% of UK FDMs also report an increased risk across their supply chains since tariffs were introduced.

The results are part of a new research report, "International Tariff Turmoil: How Global trade policy is rewriting UK SME finance strategy", announced today by CPiO, one of the UK's longest-standing Sage partners, providing software and services to UK SMEs.

Commenting on the results, Andrew Watkinson, Managing Director at [CPiO](#), said, "This research shows that the changing trade tariffs are more than a policy issue – they're directly stalling sales pipelines, straining supply chains and paralysing decision-making for UK SMEs. These results will not come as good news to the Chancellor, with UK economic growth slowing between April and June to 0.3%, down from 0.7% in the first three months of the year. Will the next quarter see a similar downturn? Let's hope not."

And yet, perhaps the real story isn't just the external pressure from fluctuating tariffs. It's also what's

happening inside the finance function of UK SMEs.

Nearly half of respondents (46%) admit they're struggling to model future financial scenarios, while the same number cite leadership indecision as a major barrier to responding to tariffs, and nearly one in five (17%) report a very high impact on business strategy.

Watkinson concludes, "The indecision highlighted in our research could be a result of many SME finance leaders keeping their powder dry and seeing how the situation plays out. However, if the finance team is unable to deliver accurate, trusted financial models, then they will struggle to navigate the current business climate. While many businesses are planning for resilience, outdated systems and data gaps mean too few are taking decisive action.

Trade tariffs are not a distant issue happening elsewhere – they are a direct driver of commercial slowdown, operational risk and internal strain for UK SMEs."