Some manufacturers feeling trade war pinch: survey

July 16 2018

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Some US manufacturers are delaying investments and raising prices as

President Donald Trump escalates trade wars with key US economic partners but most companies report no change, according to a survey released Monday.

The National Association for Business Economics also found in its monthly report that members unanimously expected economic growth to continue in the next year, with most forecasting inflation adjusted growth of more than two percent.

"Labor market conditions are tight with skilled labor shortages driving firms to raise pay, increase training and consider additional automation," Sara Rutledge, chair of the quarterly survey, said in a statement.

Companies reported rising profits and higher sales expectations. But despite the scarcity of workers, a survey index of wage growth slowed after hitting a record in April.

The survey, which polled 98 economists at private companies and trade associations, also found signs of rising prices, a possible sign that inflation and Trump's new import duties were filtering into the economy.

An index of prices charged hit a 12-year record, jumping 14 points, while a measure of materials costs hit a seven-year record, soaring 15 points.

Trump this week began the process to impose tariffs on up to $200 billion in additional imports from China, adding to the levies imposed on $34 billion in goods which took effect earlier this month.

Economists say this could boost inflation, which already is beginning to rise after a decade of economic recovery, albeit gradually.

Still, a majority in the NABE survey, 65 percent, said trade concerns were not causing their companies to change plans for investment, hiring or pricing.

Things were chillier in the goods producing sector, however, with only 37 percent reporting no change.

Among manufacturers, 26 percent said they were delaying planned investments and 16 percent reported having to raise prices.

And, as the same survey had found April, most respondents, or 65 percent, said they were not changing plans to hire or invest because of December's sweeping corporate tax cuts.