YEAR 2025 | ISSUE 158

weschool S.P MANDALI'S Welingkar Education

samvad

# GLOBAL


# TARIFFS DYNAMICS

WeChat
Gauri Karkhanis
Financial Analyst | MSCI Inc.
MBA-Finance (2021-23)

# MESSAGE FROM THE DIRECTOR

Dear Readers,

Prof. Dr. Uday Salunkhe
Group Director

It gives me great pride to introduce SAMVAD's edition every month. Our SAMVAD team's efforts seem to be paying off, and our readers seem to be hooked onto our magazine. At WeSchool, we try to acquire as much knowledge as possible and share it with everyone.

In the journey of 2025, I sincerely hope that SAMVAD will reach new heights with the unmatched enthusiasm and talent of the entire team.

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly, it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

SAMVAD is a platform to share and acquire knowledge and develop ourselves into integrative managers. Our earnest desire is to disseminate our knowledge and experience with not only WeSchool students but also the society at large.

Prof. Dr. Uday Salunkhe,
Group Director

# ABOUT US


**OUR VISION**

"To nurture thought leaders and practitioners through inventive education."

**CORE VALUES**

Breakthrough Thinking and Breakthrough Execution
Result Oriented, Process Driven Work Ethic
We Link and Care
Passion

*"The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn." -Alvin Toffler.*

At WeSchool, we are deeply inspired by the words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that led to the corporate revolution.

Emerging unarticulated needs and realities require a new approach in both thought and action. Cross-disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy the mind's eye needs to be nurtured differently.

WeSchool has chosen the 'design thinking' approach towards management education. All our efforts and manifestations, as a result, stem from the integration of design thinking into management education. We dream of creating an environment conducive to experiential learning.

# FROM THE EDITOR'S DESK

Dear Readers,

Welcome to the 158th Issue of Samvad!

SAMVAD is a platform for “Inspiring Futuristic Ideas”, we constantly strive to provide thought-provoking articles that add value to your management education.

We have an audacious goal of becoming one of the most coveted business magazines for B-school students as well as industry experts across the country. To help this dream become a reality, we invite articles from all management domains, giving a holistic view and bridging the gap between industry veterans and students through our WeChat section.

In this special issue of SAMVAD, we explore the intricate and evolving theme of ‘Global Tariffs’, featuring an exclusive interview with Gauri Karkhanis, Financial Analyst at MSCI Inc. She shares her sharp insights on how global tariff dynamics are reshaping trade, finance, and policy decisions across the world. Don’t miss this one-of-a-kind conversation that unpacks the complexities and consequences of tariffs in today's interconnected economy.

Every year, the shifts in global tariff structures go far beyond just duties and percentages — they reflect geopolitical strategies, economic alliances, and a nation's approach to protecting its industries while encouraging trade. As we navigate a post-pandemic recovery, with shifting global power centers and rising protectionism, understanding tariffs has never been more critical.

In this edition, we delve into the key developments, sectoral implications, and expert viewpoints related to global tariff trends. From India’s changing stance on imports and exports, to trade wars between global superpowers, to WTO negotiations and regional trade pacts — this theme presents a compelling lens on how tariffs influence supply chains, pricing, and policy planning.

# FROM THE EDITOR'S DESK

As students, citizens, and future decision-makers, understanding global tariffs empowers us to comprehend the macro forces that shape our businesses and economies. Through sharp analysis, interviews, and visually rich infographics, we aim to decode the world of global tariffs and make it both relevant and engaging for you.

A heartfelt thanks to the editorial team, faculty mentors, and contributors who have shaped this issue with dedication and clarity.

We hope you have a great time reading SAMVAD!
Let’s read, share and grow together!

Best Regards,
Team Samvad

# Index

## Gauri Karkhanis

**Financial Analyst | MSCI Inc.**
**MBA - Finance**
**Batch: 2021 – 2023**

**In recent years, we've seen rising tensions between major economies—particularly the US and China—leading to tit-for-tat tariffs. What is your take on this geo-political scenario?**

Historically, trade tariffs have been employed by governments around the world as strategic instruments to achieve economic, political, and national security objectives. However, the ongoing tariff conflict between the United States and China extends beyond these conventional motivations. Both nations are dominant players in global trade, and the underlying tensions reflect deeper structural and geopolitical challenges.

The United States has cited the correction of trade imbalances with China as a primary rationale for imposing tariffs. U.S. administrations have consistently argued that China derives disproportionate benefits from the existing trade framework. Another significant justification has been the protection of domestic industries.

The widespread outsourcing of manufacturing to China has placed sectors such as steel, aluminum, textiles, and semiconductors at a disadvantage, exposing them to what is perceived as unfair foreign competition.

While these concerns are not without merit, the scale and intensity of the tariffs levied by both countries raise critical questions. From an economic standpoint, the consequences are substantial. **The OECD projects that U.S. GDP growth will slow to 1.6% in 2025, down from 2.8% in 2024. Similarly, China's growth forecast is expected to decline to 4%, largely due to the impact of ongoing trade tensions.**

The effects of these tariffs are directly felt by consumers - like you and me. In the United States, the prices of everyday goods—ranging from electronics and clothing to automotive parts—have increased by an estimated 10–15%, depending on the sector. In China, industrial regions such as Shenzhen and

Guangzhou have experienced layoffs driven by declining demand, and some industries have reported wage reductions and delays in product rollouts.

The global supply chain has also been significantly disrupted, reducing overall efficiency and escalating costs worldwide. Both the U.S. and China rely heavily on imported intermediate goods essential for the assembly of finished products, which means the cost burden reverberates across economies.

Ultimately, the current tariff-intensive environment functions as a silent tax on the citizens of both nations. In the long term, this trade conflict threatens employment, economic stability, and the integrity of the global economic order. As the world watches closely, the next moves by the U.S. and China will be critical in shaping the trajectory of international trade and cooperation.

In my view, this prolonged economic standoff is not just about trade—it reflects a deeper, strategic contest over technological supremacy, supply chain dominance, and geopolitical influence. The tariff exchange is one front in a broader rivalry that risks dividing the global economy into competing blocs. Without constructive dialogue and a commitment to reforming trade institutions, we may witness a gradual unraveling of the cooperative trade systems that have underpinned global growth for decades.

Looking ahead, the need for diplomatic engagement, multilateral coordination, and a stable rules-based framework has never been more urgent. The challenge lies not only in de-escalating the current tensions but in preventing them from crystallizing into a long-term economic cold war.

The choices made now will shape not just bilateral relations, but the future architecture of global trade and international stability.

**From a company's perspective, how do tariff impositions influence sourcing and manufacturing decisions? Have businesses you've observed begun shifting operations to "neutral" countries?**

From a company's perspective, tariff impositions create significant cost pressures, regulatory uncertainty, and operational risk. These factors compel firms to reassess their supply chain strategies—not only to optimize costs but also to enhance resilience, reduce dependency on single-source geographies. As a result, we are seeing a marked shift in global sourcing patterns, with businesses increasingly exploring "neutral" or non-tariff nations for manufacturing and assembly.

Prior to the current era of heightened tariffs and geopolitical tension, China served as the central hub for global sourcing and manufacturing. Its accession to the World Trade Organization (WTO) in 2001 marked a pivotal moment that accelerated its integration into the global economy. With low or zero-tariff trade agreements, coupled with advantages such as low labor costs, economies of scale, dedicated industrial zones, world-class infrastructure, and a large and rapidly growing domestic market, China became the destination of choice for companies—large and small—looking to establish manufacturing operations.

Over time, this extensive global network of manufacturing centered in China became deeply entrenched. However, the COVID-19 pandemic exposed vulnerabilities in the global supply chain, prompting a worldwide reassessment of over-reliance on a single source. This realization has since been amplified by the rise in trade protectionism and the escalation of tariff-driven trade tensions, particularly between the U.S. and China.

The imposition of tariffs on Chinese goods—ranging from 30% to as high as 145%, depending on the product—has significantly increased import costs in the United States. These rising costs affect not only companies but also end consumers, leading businesses to reevaluate their sourcing and manufacturing strategies in search of more neutral or non-tariff trade partners.

As a result, several countries have emerged as viable alternatives to China in global supply chains. In the electronics and semiconductor sectors, nations such as India, Vietnam, and Indonesia are increasingly favoured due to their improving industrial capabilities and more favorable trade terms. Major technology firms—including Apple, Dell, and HP—have accelerated the relocation of their assembly lines to these countries. Contract manufacturers like Foxconn, Pegatron, and Wistron have commenced operations in Indian states such as Tamil Nadu and Karnataka, further strengthening this shift.

In the automotive sector, which contributes approximately 3–3.5% to U.S. GDP, manufacturers like Tesla, Toyota, and Volkswagen are diversifying their supply chains by sourcing rare earth elements and battery materials from countries such as Australia, Canada, and Chile. These efforts aim to mitigate the impact of high component tariffs on Chinese imports and ensure more resilient supply networks. Similarly, in the textile and apparel industry, global brands such as H&M, Nike, and Uniqlo are relocating production to Bangladesh, Vietnam, and Ethiopia to circumvent tariffs. Notably, Vietnam's textile exports to the U.S. have surged nearly 40% since the initial wave of tariffs in 2018.

In effect, tariffs have acted as a catalyst for a once-in-a-decade realignment of global sourcing and manufacturing. While China remains a critical player in the global production landscape, there is a clear and growing trend among multinational corporations to diversify supply chains and build resilience by expanding into alternative markets. This shift marks a significant transformation in the structure of global trade and manufacturing that is likely to have long-term implications.

**Small and medium enterprises often lack the resources to navigate such volatility. How do tariff wars disproportionately affect MSMEs compared to larger corporations?**

Unlike large multinational corporations (MNCs), micro, small, and medium-sized enterprises (MSMEs) often lack the financial resources, market leverage, and logistical flexibility needed to adapt swiftly to a tariff-heavy environment. As a result, tariffs have had a disproportionately detrimental impact on MSMEs, many of which are now facing significant operational and financial strain.

Small businesses represent nearly half of all private sector employment in the United States, and many of them rely heavily on imported raw materials, intermediate goods, or finished products to sustain their operations. The imposition of tariffs has led to an increase in input costs by 10–15% in several industries, leaving MSMEs with limited choices: either raise prices—risking loss of competitiveness—or absorb the additional costs, which undermines margins and profitability.

A recent example that underscores this challenge is Emily Ley, founder of the online stationery brand Simplified, who filed a lawsuit claiming that former President Trump exceeded his authority in imposing import duties. According to her, the reciprocal tariffs would result in an estimated $630,000 in additional fees over the next year, threatening the viability of her business.

Further compounding these challenges is the limited supplier network available to most MSMEs. Unlike larger firms, MSMEs often struggle to identify and onboard alternative vendors capable of delivering equivalent quality at comparable prices. This leads to increased operational uncertainty and, in severe cases, can even force businesses to shut down.

Additionally, navigating the complexities of country-of-origin rules, tariff schedules, and customs compliance has become both costly and time-consuming. MSMEs typically lack the internal legal and regulatory expertise to manage these requirements, and outsourcing such support can be prohibitively expensive. MSMEs also face capital constraints and higher perceived credit risk, making them less attractive to lenders. The growing financial pressures have led to more cautious lending practices by financial institutions, further hindering MSMEs' ability to access much-needed capital for operations or strategic pivots.

While tariffs are driving many MSMEs to explore local sourcing and domestic supply chain options, this transition is not immediate. The shift requires significant time, resources, and infrastructure development. In the interim, this transition period remains particularly precarious for small businesses, many of which are navigating uncharted and unstable economic conditions.

**Some argue that tariff wars can spur self-reliance and domestic manufacturing, while others believe they increase costs for consumers. Which side of this argument do you find more convincing, and why?**

Personally, I find the argument that tariff wars can spur self-reliance and domestic manufacturing more convincing—particularly when viewed through the lens of long-term economic resilience.

Tariffs have compelled countries to prioritize local manufacturing and reduce dependence on global supply chains. India's "Aatmanirbhar Bharat" initiative is a prime example. Launched in the wake of the COVID-19 pandemic, it focuses on bolstering domestic capabilities and has already demonstrated significant impact: approximately $389.86 billion in Foreign Direct Investment (FDI) has been attracted, new Micro, Small, and Medium Enterprises (MSMEs) have emerged, and exports have improved.

A critical enabler of this initiative was the Indian government's substantial fiscal stimulus package—amounting to nearly INR 20 lakh crore, or roughly 10% of the national GDP.

This level of state intervention underscores the importance of coordinated policy support in transitioning toward self-reliance. For any nation aspiring to become self-reliant, strong governmental backing is essential—not only to facilitate the setup of manufacturing infrastructure but also to support the identification and procurement of alternative raw materials. This process is often complex and time-consuming, and governments play a vital role in negotiating trade agreements with potential sourcing countries to bridge interim gaps.

While it is true that such transitions may temporarily result in increased costs for consumers due to tariffs, these short-term sacrifices pave the way for greater long-term benefits. Strengthened domestic capabilities can reduce future exposure to global market disruptions, improve employment opportunities, and ensure greater economic autonomy.

In conclusion, while both sides of the tariff debate have merit, I believe that the strategic advantages of fostering self-reliance through tariff policies ultimately outweigh the temporary challenges. The long-term gains—in terms of industrial growth, economic independence, and national security—are too significant to ignore.

**Could you share any sector-specific insights—for example, in electronics, agriculture, or pharmaceuticals—on how global tariff shifts have impacted exports or imports?**

Around April 8th, 2025, I came across an article by Aswath Damodaran, a renowned Professor of Finance and Economics at NYU, discussing the ongoing tariff crisis. One striking observation stood out: *"The technology sector lost the most in value last week, both in dollar terms, shedding almost $1.8 trillion (and 11.6%) in equity value."* This statement underscores the profound and immediate impact that tariff policies can have on global markets —particularly the technology sector.

The technology industry, encompassing electronics, telecommunications, and semiconductors, has been disproportionately affected by global tariff shifts. Between 2018 and 2020, U.S. imports of IT hardware from China declined by over 30%, driven largely by escalating tariff measures. Despite sustained demand for these products, the adverse consequences on production and supply chains are increasingly evident. Major U.S. firms such as HP, Dell, and Apple have experienced rising costs in both manufacturing and sourcing of components, prompting a reassessment of global supply chain strategies.

In response, companies are actively diversifying their supplier networks to mitigate exposure to tariff-heavy jurisdictions. This has led to the emergence of alternative manufacturing hubs, notably Vietnam, India, and Indonesia. Vietnam, for instance, witnessed a more than 70% increase in technology exports to the U.S. between 2019 and 2021.

Additionally, the industry is facing delays in product launches and a noticeable shift in investment trends. Foreign direct investment is increasingly flowing into regions with lower tariff risks. What is emerging is a supply chain architecture that is no longer optimized purely for efficiency or cost—but one increasingly shaped by geopolitical considerations.

**Finally, for students and future policymakers studying international trade today, what would you advise them to focus on to stay relevant in this evolving tariff-influenced world?**

My advice to students would be to start by getting comfortable with the fundamentals of trade and tariffs, and more importantly, to understand the underlying reasons driving current global developments. It is essential not just to follow headlines, but to analyze why certain tariff decisions are being made and what broader economic or geopolitical strategies they reflect. While this generation is well-versed in accessing information, a valuable practice would be to engage with the analyses and insights of respected economists and finance professionals. Their interpretations provide context and help translate complex policies into real-world implications.

# Navigating Tariffs: Global Marketing Strategies in a Shifting Trade Landscape


Winner

**Naman Agarwal**

IMT Hyderabad
SPGDM Marketing(2025-2027)


In the evolving terrain of global trade, tariffs have emerged as both levers of national economic policy and significant obstacles for multinational marketers. Originally designed to protect domestic industries and generate revenue, tariffs can reshape supply chains, inflate prices, and trigger trade disputes. For global brands, these trade barriers aren't just an economic concern—they are a marketing challenge.

Tariffs influence more than costs—they affect consumer perception, brand storytelling, and regional pricing strategies. In today's interconnected markets,navigating this landscape requires agility, cultural intelligence, and data-driven marketing.

1. **Adjusting Global Pricing Strategies to Tackle Fluctuating Tariffs**

One of the most immediate effects of tariffs is increased landed costs for imported goods. For marketers, this complicates pricing consistency across regions and risks alienating consumers with sudden price hikes.


**Dynamic Pricing & Surcharge Models:** Many companies now employ dynamic pricing models, leveraging data analytics and AI to adjust regional pricing in real time. For instance, electronics manufacturers facing semiconductor tariffs adjust their retail pricing frequently based on input costs. A growing trend is the use of tariff surcharges—separate line items added to invoices.

This approach, common in the B2B sector (e.g., Caterpillar Inc.), ensures transparency and enables businesses to maintain base pricing for competitive positioning.

Case Study: Apple Inc.
During the U.S.–China trade tensions, Apple faced the threat of a 15% tariff on iPhones. Instead of increasing prices immediately, it reportedly negotiated supplier discounts and absorbed part of the costs to avoid alienating price-sensitive customers—demonstrating strategic marketing restraint to preserve brand equity (Source: CNBC)

**Effects of Tariffs on End-Consumer Pricing**

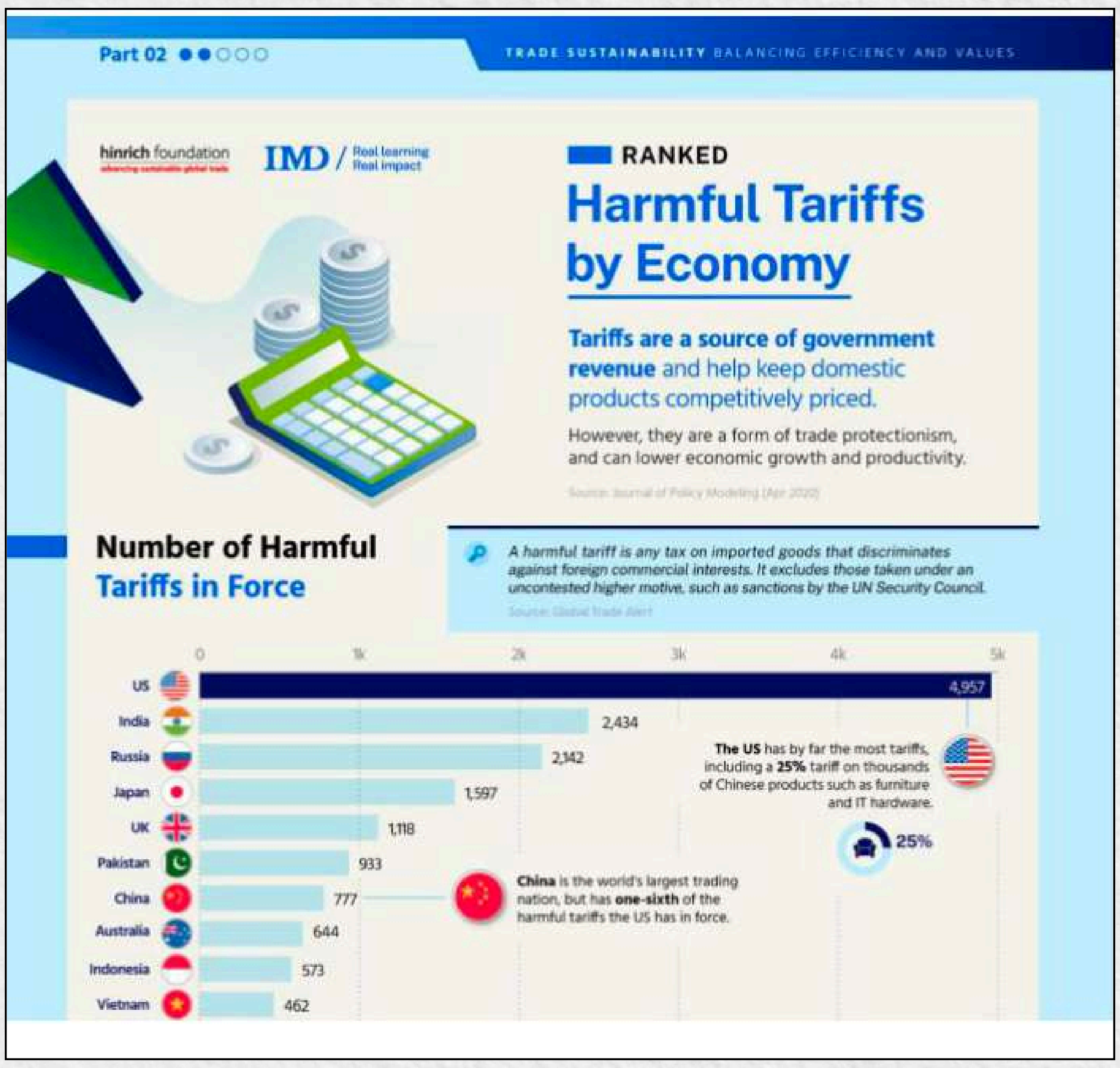
| Product Type | Tariff Rate | Cost Increase | Potential Price Adjustment |
|---|---|---|---|
| Smartphones | 15% | +$75/unit | Absorbed or marginally passed |
| Automobiles | 25% | +$5,000/unit | Fully passed to consumers |
| Apparel | 10% | +$3–5/unit | Partial markup + localization |

**2.The Impact of Tariffs on Country-of-Origin Branding and Perception**
“Made in” labels have long shaped consumer perceptions, with associations tied to heritage, quality, and trust. However, tariffs can distort this dynamic.

**Reframing Origin-Based Value:**
For high-tariff nations, products perceived as "foreign" may now be viewed through a new lens- luxury or unattainability due to increased price points. Conversely, tariffs can sour brand perception if consumers see imported goods as unnecessarily expensive or symbols of trade conflict.

**Marketing Insight:**
Reframe country-of-origin messaging to emphasize scarcity, craftsmanship, and prestige. Brands like Porsche and Rolex hrive in high-tariff markets by embracing their heritage and positioning their products as aspirational.

Case Study: German Automakers in China
China imposed retaliatory tariffs on U.S.-made vehicles, affecting BMW and Mercedes-Benz SUVs manufactured in South Carolina. In response, BMW shifted some production to Europe and reinforced “German engineering” in its Chinese marketing—decoupling origin from manufacturing location to preserve brand trust.



3. **Localizing Marketing Campaigns in High-Tariff Regions**

To mitigate the impact of tariffs, companies are increasingly localizing operations and marketing strategies. This includes moving manufacturing, customizing product offerings, and engaging local narratives in campaigns.

**Onshoring & Nearshoring for Localization:**

By moving production closer to high-tariff markets, brands avoid import duties while leveraging proximity as a marketing asset.

Case Example: Unilever India

In response to increased import costs on personal care products, Unilever expanded local sourcing in India, relaunching products with messaging around "locally made for local needs." This boosted both affordability and emotional resonance.

**Cultural Adaptation in Messaging:**

Brands in markets like Brazil, India, or Turkey—known for complex tariff structures—are adopting region-specific storytelling, replacing global narratives with local celebrities, languages, and values. Tip: Use glocal strategy—global brand consistency with localized execution—to optimize consumer relevance in tariff-heavy regions.

4. **Marketing Luxury Goods in Markets with Heavy Import Taxes**

Luxury marketers face a paradox in tariff-laden regions: high duties may enhance prestige but restrict accessibility. Import taxes in markets like India and Brazil can exceed 50–100%, significantly inflating retail prices.

**Exclusivity as a Pricing Justifier:**

Luxury brands lean into tariffs as a tool to amplify exclusivity. When a Chanel bag costs twice as much in Brazil as in France, it often becomes a stronger status symbol, not less desirable.

Case Study: Louis Vuitton in Brazil

Due to Brazil's notoriously high import duties, a $2,500 handbag in Paris may retail for $5,000+ in São Paulo. Instead of lowering prices, LV invests in premium in-store experiences, leveraging scarcity and status as a value amplifier.

**Local Presence to Minimize Duty Exposure:**

Some brands establish local manufacturing or assembly to bypass tariffs. For example, Swiss watch brands have set up finishing facilities in China to reduce costs while still promoting their "Swiss-made" identidy through partial origin compliance laws.

## 5.Strategies for Future-Proofing Marketing in a Protectionist Era

As nationalism and protectionism reshape trade, marketers must build resilient, adaptable strategies.

**Key Recommendations:**

1. Invest in Trade Intelligence: Use platforms like Panjiva, ImportGenius, and Tariff Tracker to monitor trade policy changes in real time.
2. Scenario Planning: Model pricing outcomes under different tariff regimes to future-proof product strategy.
3. Build Dual Messaging Frameworks: Prepare alternate campaigns for tariff affected and tariff-neutral regions.
4. Educate Consumers: Explain tariff-driven price changes with transparent, value-driven communication (especially in B2B and industrial goods

**Conclusion:**

In the age of globalization, tariffs are no longer just economic hurdles—they are branding and marketing variables. For multinational companies, responding effectively involves more than cost-cutting—it demands creativity, cultural nuance, and strategic adaptation. From rethinking pricing strategies to reimagining brand positioning in tariff-heavy markets, marketers must evolve in tandem with geopolitics. Those who do will not only survive trade disruptions—but emerge with stronger local relevance and global resonance.

## Refrences:-


- *CNBC (2019). Apple could face higher tariffs but won't raise iPhone prices yet. Link*
- *PriceBeam (2021). Impact of Tariffs on Prices and Consumer Willingness to Pay. Link*
- *Enable (2023). Adjusting Your Pricing Strategy to Mitigate the Risks of Tariffs. Link*
- *World Trade Organization (WTO) Trade Statistics. Link*

# Beyond the Price Tag: Marketing Luxury in the Shadow of Import Duties

(Marketing Luxury Goods in Markets with Heavy Import Taxes)

## Runner Up

**Honey Jagdish Dhanecha**

Bachelors in Business Administration (Honours

Institute: Ahmedabad University

For most people, luxury is more than a product- it's a story, a dream, a symbol of aspiration. Whether it's the unmistakable monogram on a Louis Vuitton bag or the precision craftsmanship of a Rolex, luxury brands sell much more than utility- they sell social identity. Figure 1 (Appendix) and Figure 2 depict luxury market revenue and market share by country. In markets where import duties are sky-high, luxury takes on a different shade. These markets, mainly concentrated in regions like Southern Asia and Southern America, as shown in Figure 2 (Appendix) often impose tariffs that can potentially double the cost of imported luxury items, placing even entry-level products well beyond the reach of the emerging affluent class in developing economies (Danziger, 2025). Figure 3 (Appendix) illustrates global luxury market by category. As luxury brands aim to tap into the fast-growing economies they're encountering a paradox: the demand is there, but the price barrier is steep. Such high tariffs also impact luxury brands bottom-line adversely. Figure 5 (Appendix) illustrates how market value of stocks of popular luxury brands plummeted due to high tariffs imposed by several regions.

High import taxes are typically levied to protect domestic industry or generate government revenue. India, for instance, imposes total duties and taxes upwards of 40% to 70% on certain luxury items like high-end watches and handbags (Ministry of Finance, 2023). Brazil is another notorious example, wherein compounded taxes and customs duties push retail prices by 60–80% compared to those in Europe or the US (PwC, 2022). This pricing gap creates a major roadblocks for marketers. The real opportunity lies in adaptation-rethinking distribution, pricing, branding, and customer experience.

Some luxury brands are trying to escape tariffs by encouraging producing or assembling of final goods locally. Mercedes-Benz, for example, locally assembles some of its models in India, reducing retail prices significantly. But for fashion or leather goods, this can be tricky. Luxury thrives on heritage - “Made in France” or “Swiss-made” is a core part of the value. To counter this, marketers focus on reinforcing the brand's international DNA while communicating the quality and tandards of local production. Taglines like “Made for India, crafted to European ”standards” have started surfacing in campaigns and store communications.

If customers are paying double for the same bag or watch, they need a
reason. That’s where storytelling and immersive brand experiences come in.
Flagship stores are now more than just showrooms - they’re temples of the brand. Popular examples include Gucci’s flagship experience in Tokyo or Louis Vuitton’s Maison in Mumbai. In countries like India, where overseas travel was significantly curtailed during COVID-19, brands began emphasizing local experiences, private viewing events, and digital storytelling to keep the luxury dream alive.

E-commerce has changed the game - especially in high-tariff markets. But selling a ₹5-lakh handbag online isn’t the same as selling electronics. Trust, exclusivity, and service still matter. Many brands now use digital platforms for storytelling and brand engagement, but complete the sales journey with human touchpoints - video consultations, virtual styling, and even home delivery with personal stylists. Burberry and Cartier have been pioneers in this area, especially in digitally mature markets like China and slowly in India too (McKinsey, 2021). Also, global e-retailers like Farfetch have made it easier for luxury buyers in tariff-heavy arkets to view landed costs upfront, including all duties and shipping, reducing friction at checkout (KPMG, 2021)

**The Indian Puzzle: Price Sensitive, Yet Aspirational**

India is perhaps one of the most interesting case studies in luxury marketing Under high-tariff regimes. The country has a deeply aspirational middle and upper middle class, and a growing ultra-rich population. Yet, import duties often place Luxury items beyond logical reach. As a result, a large share of luxury consumption By Indians happens abroad. That’s why brands are now focusing on building robust Global CRM systems, so that an Indian customer who buys a handbag in Paris can still get it serviced and authenticated at a boutique in Mumbai. Interestingly, bridge-to-luxury brands like Michael Kors and Coach have seen strong uptake in India. These brands hit the sweet spot - priced lower, but still aspirational enough to be considered “luxury.”

## Brazil: Loyalty Wins Over Price Gaps

Brazil presents another fascinating example. Despite high tariffs, consumers are extremely brand-loyal. Chanel, Rolex, and other legacy names still perform well thanks in part to limited availability, which enhances exclusivity. Luxury brands in Brazil use scarcity marketing cleverly. Waitlists, invite-only store launches, and pop-up events are commonplace. The message is clear: if you want this brand, you have to really want it. And customers do.

## Looking Ahead: Policy and Possibilities

One of the smartest pivots brands are making is towards sustainability and resale. High tariffs make new products expensive, but pre-owned luxury is gaining ccceptance. At the same time, brands are telling stories around craftsmanship, ethical sourcing, and sustainability-offering moral justification for the high price tag. Policy shifts like India's ongoing FTA negotiations with the European Union or RCEP in the Asia-Pacific could ease tariff pressures in the future.. But brands can't sit still waiting for changes at policy-level. In the meantime, brands are adopting creative workarounds such as leveraging bonded warehouses, launching country-specific capsule collections, or using duty-free zones like Dubai as regional luxury hubs.

## Conclusion

High import taxes are not a death knell for luxury brands—they're a test of marketing ingenuity. In markets like India and Brazil, where demand is high but access is gated by tariffs, brands need to reinvent how they connect with their audiences. The key lies in adapting without diluting. It's about selling not just a product, but an idea-an experience that feels worth the price, even if the price is inflated. In the world of luxury, perception is reality. And where taxes make access harder, customer perception matters even more.

## References-


- Business of Fashion. (n.d.). The new fundamentals of manufacturing. Business of Fashion. Retrieved May 15, 2025, from https://www.businessoffashion.com/articles/news-analysis/the-new fundamentals-ofmanufacturing/
- Danziger, P. N. (2025, April 11). As luxury brands brace for tariffs, affluent consumers hit pause.
- Forbes.https://www.forbes.com/sites/pamdanziger/2025/04/11/as luxury-brands-brace-fortariffs-affluent-consumers-hit-pause/
- Deloitte. (2025, March). Brazil economic outlook, March 2025. Deloitte Insights. Retrieved May 15, 2025,fromhttps://www2.deloitte.com/us/en/insihts/economy/americas/brazileconomic outlook.html
- IBEF. (2023). Luxury Market in India: Industry Overview. Retrieved from https://www.ibef.org
- India's luxury market 2024: The right GTM strategy for luxury brands. (2024, Februray 28) Simon Kucher. https://www.simon-kucher.com/en/insights/indias-luxury-market-2024-right-gtm-strategy-luxury-brands

- KPMG. (2021). Future of retail 2021 report [PDF]. KPMG International. Retrieved May 15, 2025, from https://assets.kpmg.com/content/dam/kpmg/au/pdf/2021/future-of-retail-2021-report.pdf
- Luxury in transition: Securing future growth. (2025, May 9). Bain. https://www.bain.com/insights/luxury-in-transition-securing-future-growth/
- Luxury Stocks Sink as Tariffs Roil Markets. (2025). Bloomberg. https://www.bloomberg.com/news/icles/2025-04-09/luxury-stock-analysts□warn-tariff-turmoil-will-hit-client-wealth
- McKinsey & Company. (2025, January 14). *The state of luxury goods in 2025*. McKinsey & Company. Retrieved May 15,2025,fromhttps://www.mckinsey.com/industries/retail/our-insights/state-of-luxury
- Ministry of Finance, Government of India. (2023). *Customs Tariff Notifications*.Retrievedfrom https://www.cbic.gov.in
- Pangarkar, T. (2025, March 15). Luxury Goods Statistics 2025 By Brand, Value, Quality. *Market.us News*.https://www.news.market.us/luxury-goods-statistics/
- PwC. (n.d.). *Worldwide tax summaries online*. PwC. Retrieved May 15, 2025, from https://taxsummaries.pwc.com/
- Reuters. (2025, April 10). *LVMH finds making Louis Vuitton bags messy in Texas*. Reuters. Retrieved May 15, 2025,fromhttps://www.reuters.com/business/retail-consumer/lvmh-finds-making-louis
- Statista. (2023). *Average import duties on luxury goods by country*. Retrieved from https://www.statista.com


**Appendix**

**Exhibit 1 – Luxury Market Analysis**

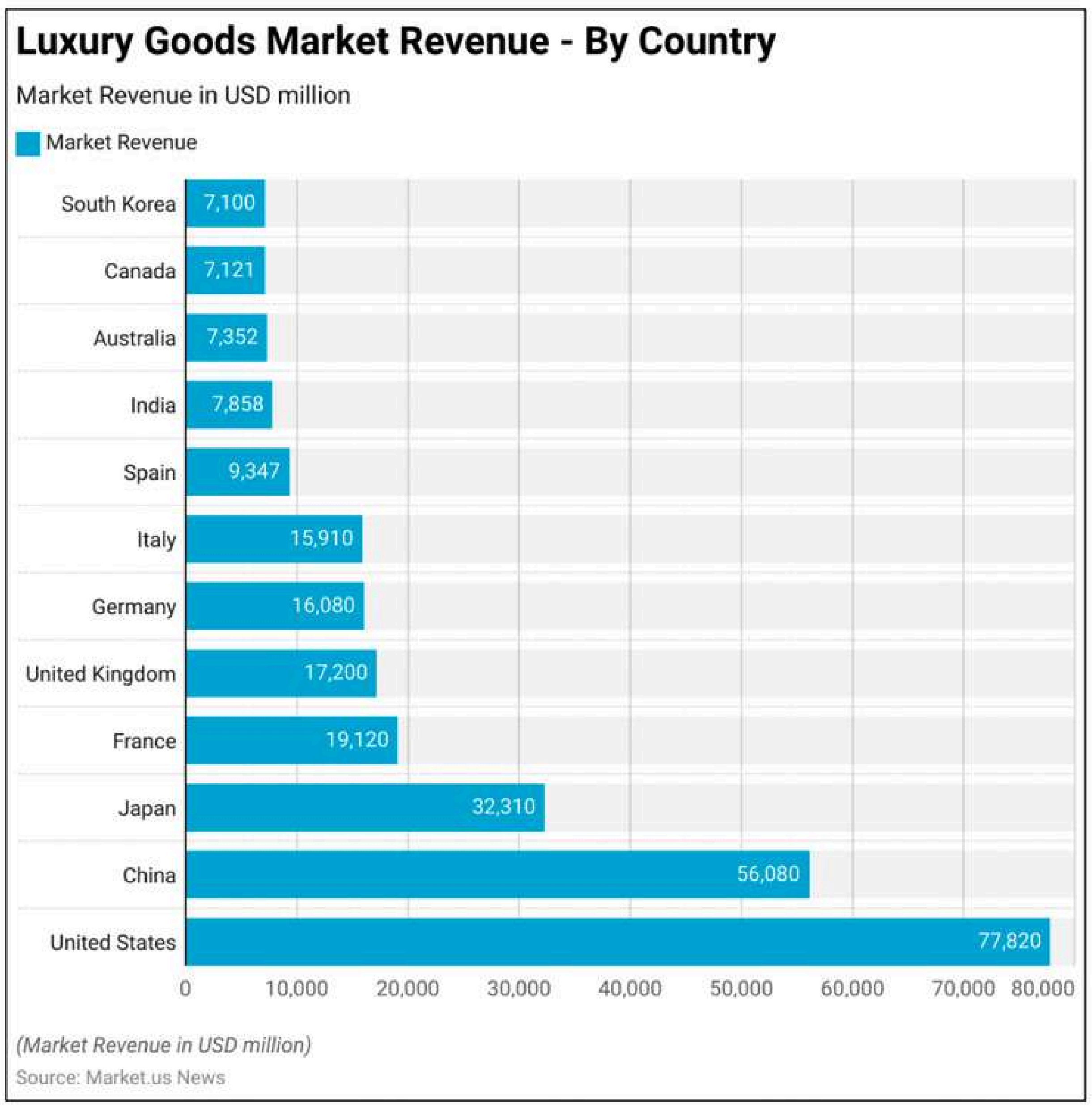



Figure 1: Luxury Goods Market Revenue – By Country in 2024

(Simon Kucher, 2024)

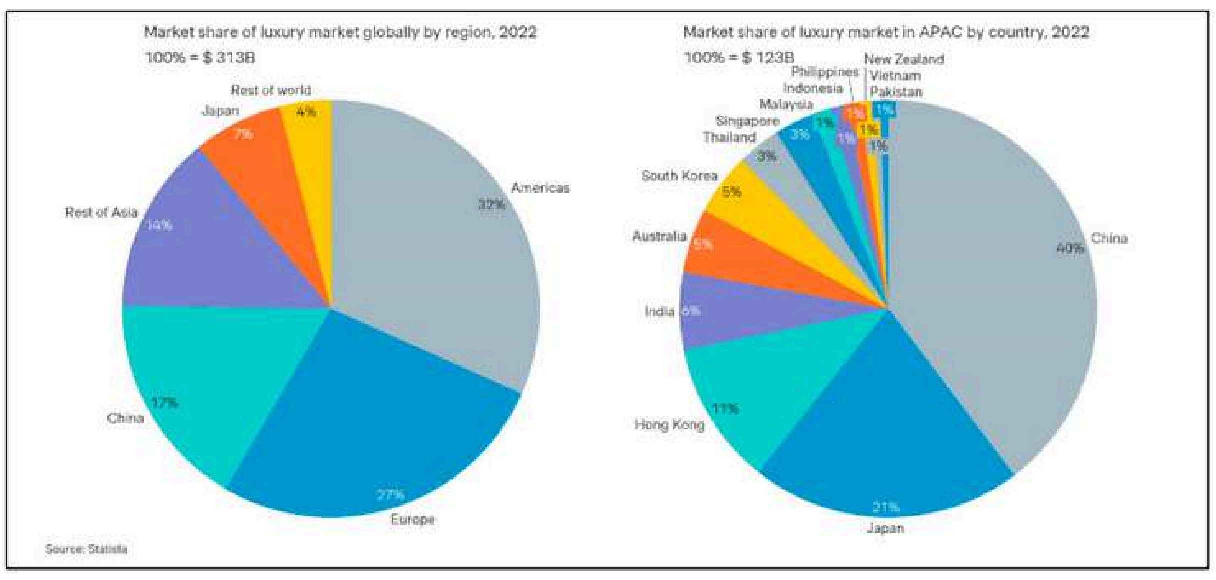



Figure 2 : Market share of luxury market globally and in Asia-Pacific region (Pangarkar, 2025)

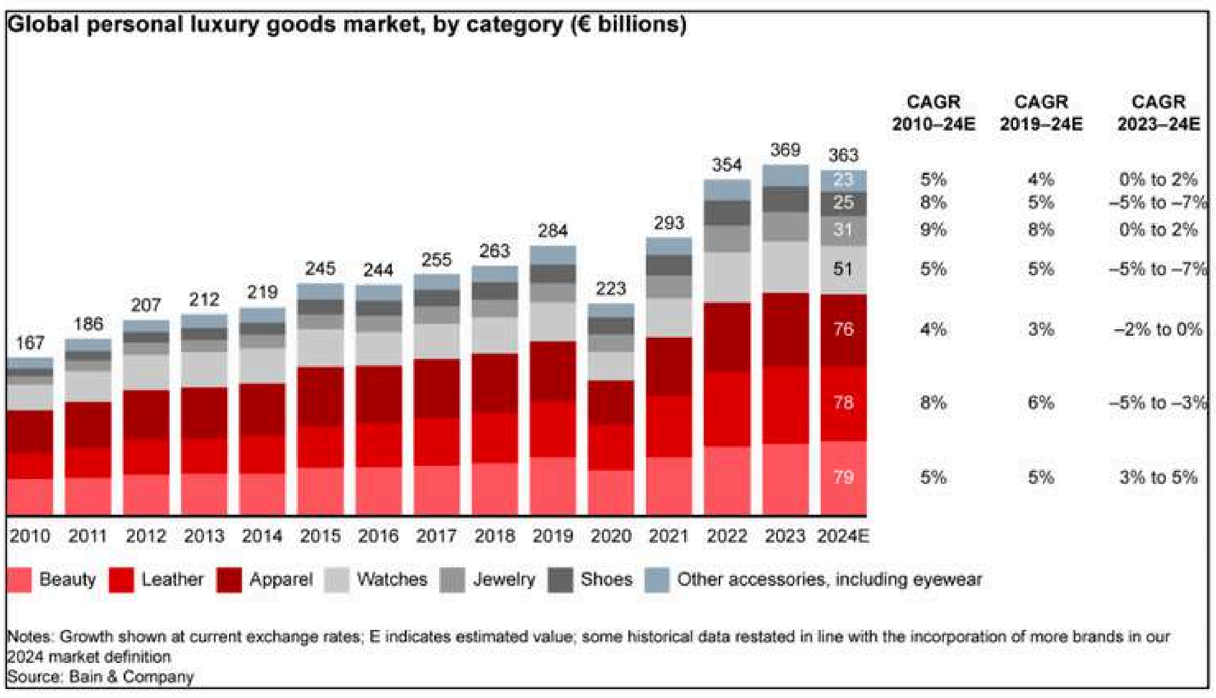



Figure 3 : Global Luxury Market by Category

(Bain and Company, 2025)

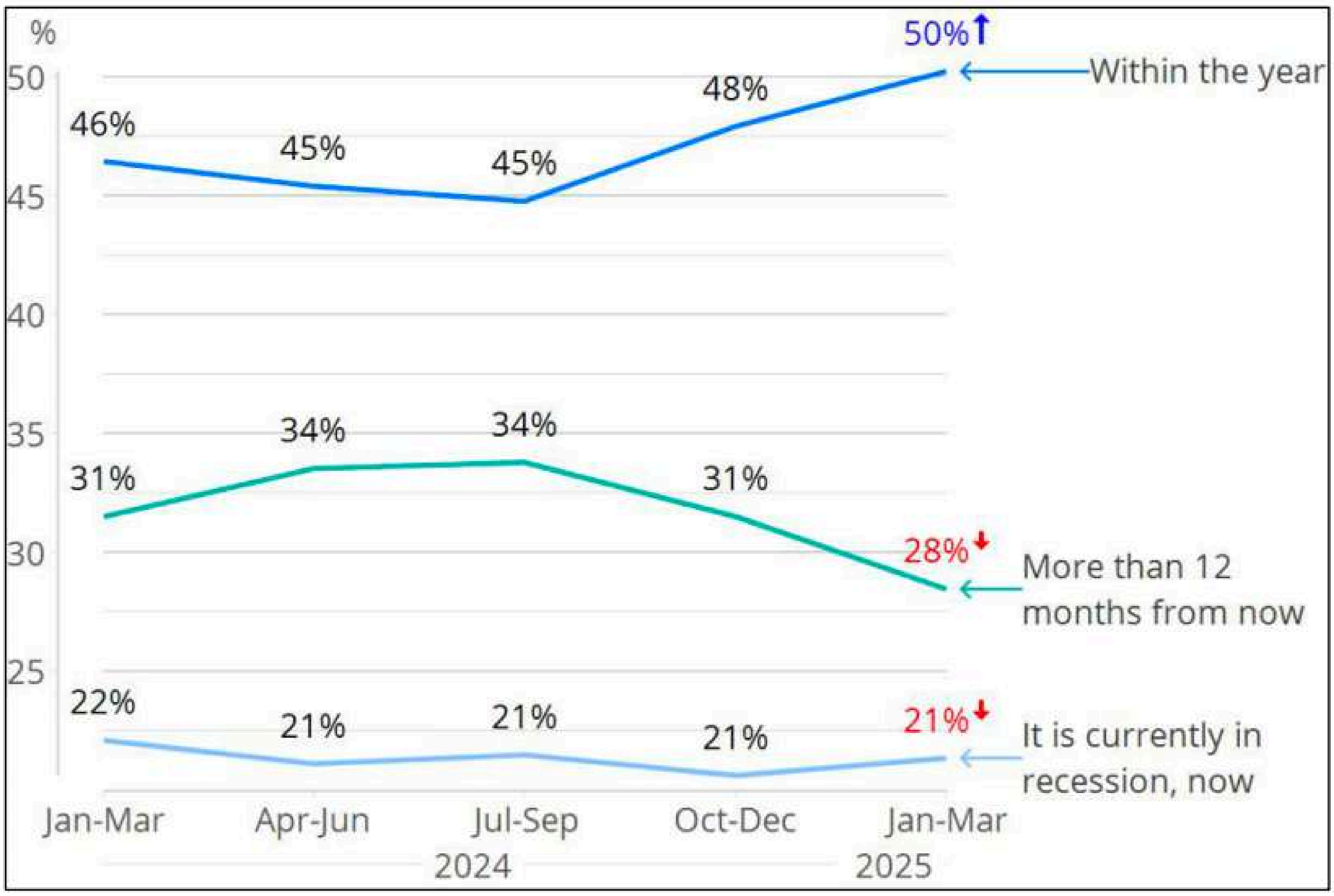



Figure 4 : Affluent Consumers Recession Watch (Danziger, 2025)

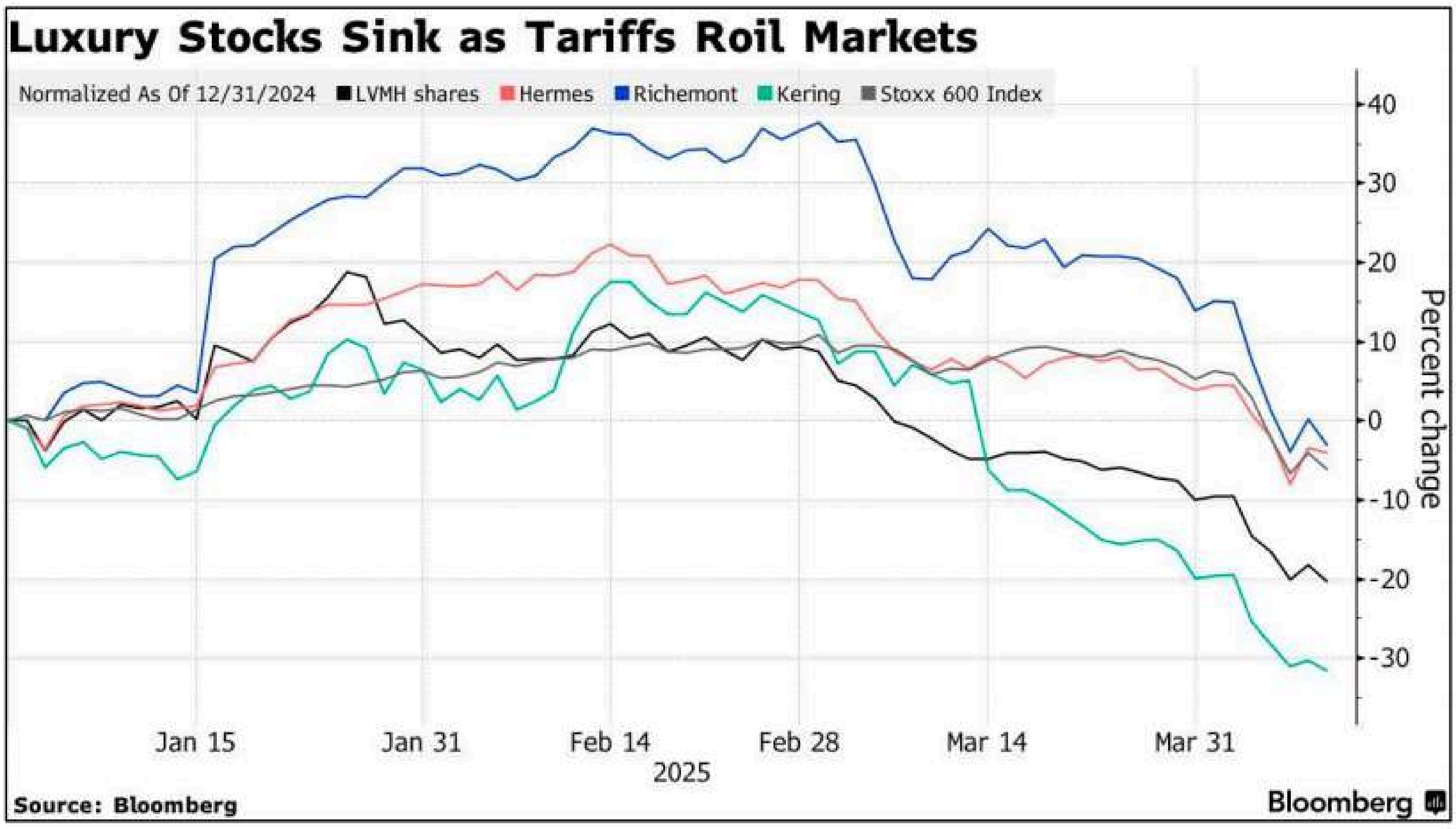



Figure 5 : Luxury Stocks Sink as Tariffs Roil Markets (Bloomberg, 2025)

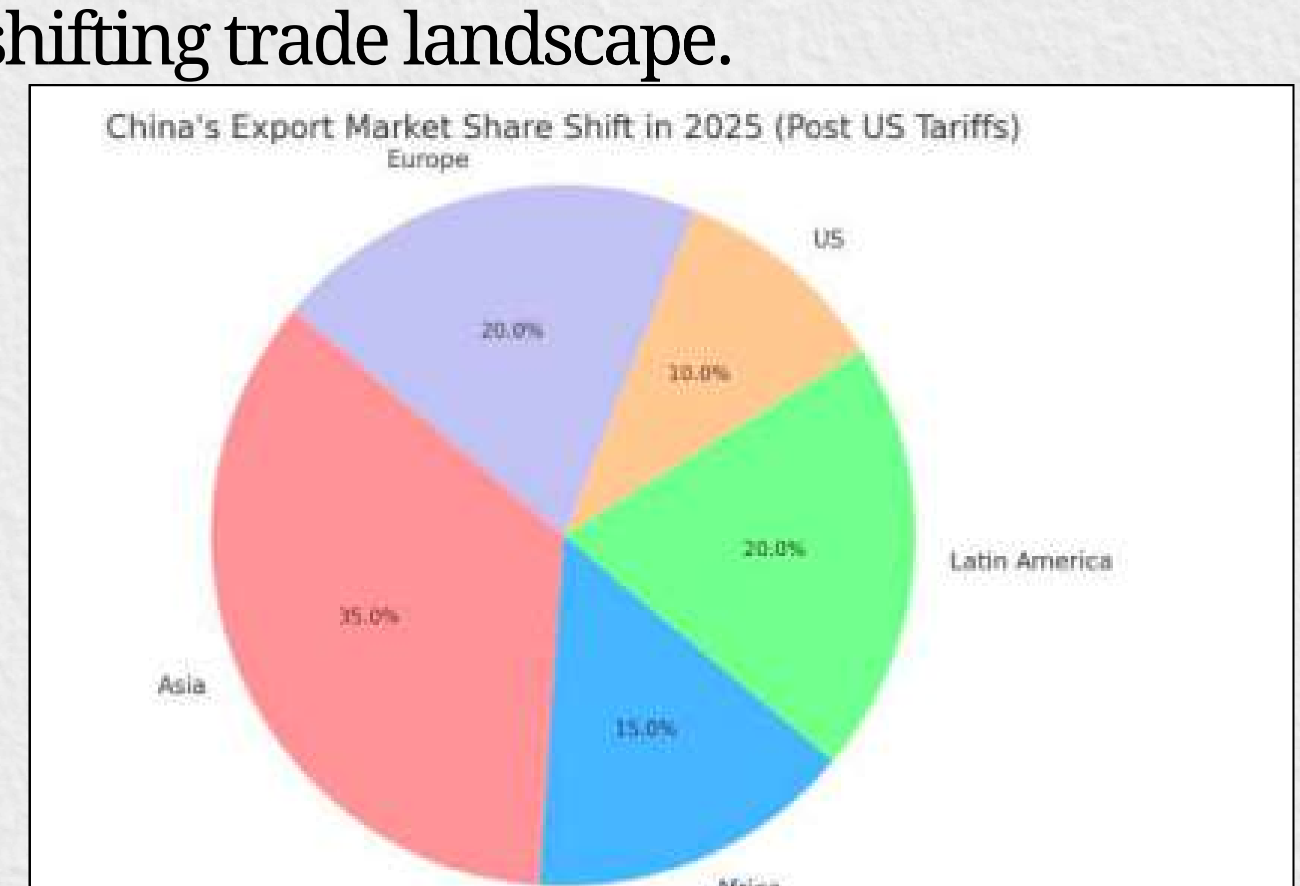
# Impact of Tariff Wars on Operations: Strategic Responses for Supply Chain Resilience

National Finalist

**Atharva Pande**

PGDM (Post Graduate Diploma in Management)2025-2027

Strategies for Supply Chain Adaptation Global businesses are increasingly facing complex operational issues due to the rise in the global tariff wars. By May 2025, Trump's administration introduces hefty tariffs of 25% for import services from Mexico and Canada, 10% on Canadian energy, and increases Chinese tariffs to 20% with additional backlash facing them later. This has forced countries to respond back Heading to an altered reaction throughout global supply networks. These conflicts Between countries have compelled many businesses to reevaluate their operational and supply chain strategies. This article highlights the diverse consequences that the tariff wars impose on business operations while outlining resilient strategies to endure the shifting trade landscape.




**The Changing Landscape of Global Supply Chains Under Tariff Pressures**

The imposition of steep tariffs has transformed the global supply chains landscape, presenting new challenges and opportunities for companies. Evidence is mounting that trade is being diverted as supply chains move away from dominant manufacturing hubs, such as China, to new alternatives. India, for example, has become a major beneficiary of this new configuration, drawing in manufacturers looking to skirt around rising tariff costs. This shift is also evidenced by changing trade patterns, such as the US's trade in goods with China decreasing from 21.2% in 2018 to 13.9% in 2023, and Mexico surpassing China as America's number one trading partner with a 15.4% share. Companies are seeing more of a trend towards "nearshoring" in North America and "reshoring" to the US as well as development of alternative Asian supply bases in countries like India, Malaysia, Thailand, and Vietnam.

Large scale retailers like Walmart, IKEA, and Target have reported in recent SONAR data to have reduced import from China which is a sign of a wide scale strategic response to the issue of tariffs. Also, in this environment we see that these quick changes bring in a set of new issues for business which includes getting to know new regulatory environments, building out relationships with new suppliers and at times dealing with longer lead times and higher production costs.

**Strategic Supply Chain Reconfiguration**

For operations leaders, the difficulty is in striking the right equilibrium between short term tariff evasion and long-term supply chain optimization. Companies must analyse several criteria:

- Possibility of escalating production localization to end-markets
- Cost consequences resulting from changing the production site
- Capability and capacity assessment of alternate places of production
- Impact on logistics networks and transportation costs

The inconsistency of tariff regulations policies adds more challenges. The latest announcement of Trump tariffs, immediately followed by a 90-day suspension, is a case in point of how rapidly policies can be altered creating planning nightmares for operational units. This lack of predictability illustrates the requirement for adaptable supply chains in response to ever-changing trade policies.

**Operational Responses and Risk Mitigation Strategies**

As trade is restructured by tariffs companies are seeing a range of operational responses from which they try to mitigate risk and maintain competitive position. A key issue is that of Third-Party Risk Management (TPRM) which they are using to identify vulnerabilities in new supply chains. This includes performing more in-depth security audits of new suppliers anchecking the authenticity of components which is of great import to industries that play in the sensitive technologies space.

The National Association of Manufactures' Report in 2023 which saw that at the time of the report 86.2% of the respondents had reported they had already implemented measures to de risk their supply chains. Also, at that time companies were into a large scale which we may term as diversification of their purchase strategies in an effort to reduce the impact of tariffs on key regions. Also, beyond the element of diversification we see that companies are working to do better in terms of performance and at the same time reduce costs which in turn see them restructure their total supply networks.

**Practical Risk Mitigation Approaches**

Operations leaders are implementing several tactical approaches:

- Designing multi source plans for critical components.
- Growing stock of basic supplies.

- Deploying agile production methods which quickly respond to disruptions.
- Reconfiguring logistics networks for new trade flows.

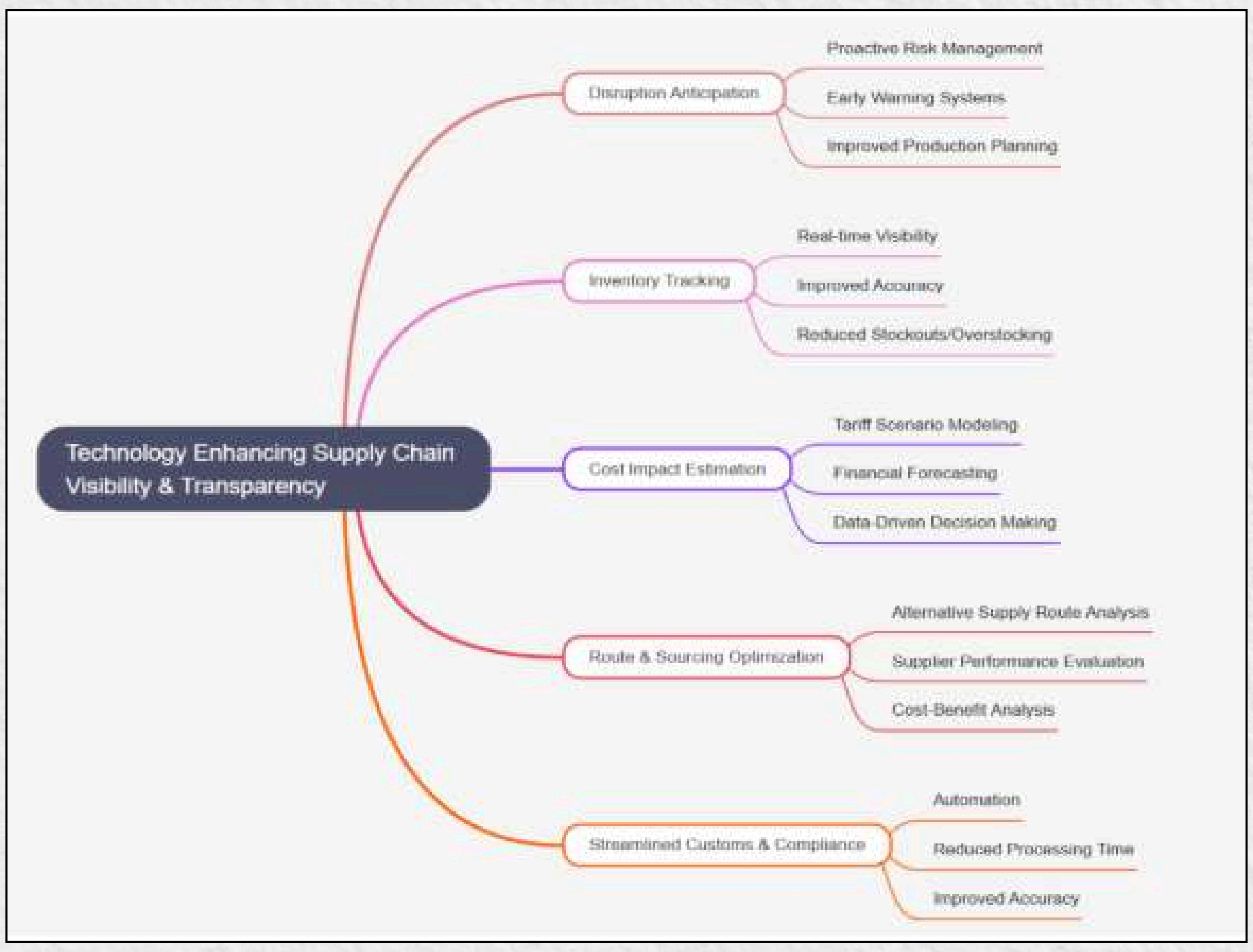
We see a transition away from a sole focus on resilience to a model which balances that with efficiency which is a change in the operational thought process. That which was a trade-off between putting in place wide scale resilient measures at great cost is giving way to more targeted approaches which at the same time protect against risk and also watch the bottom line.

**The Role of Technology in Mitigating Tariff-Induced Disruptions**

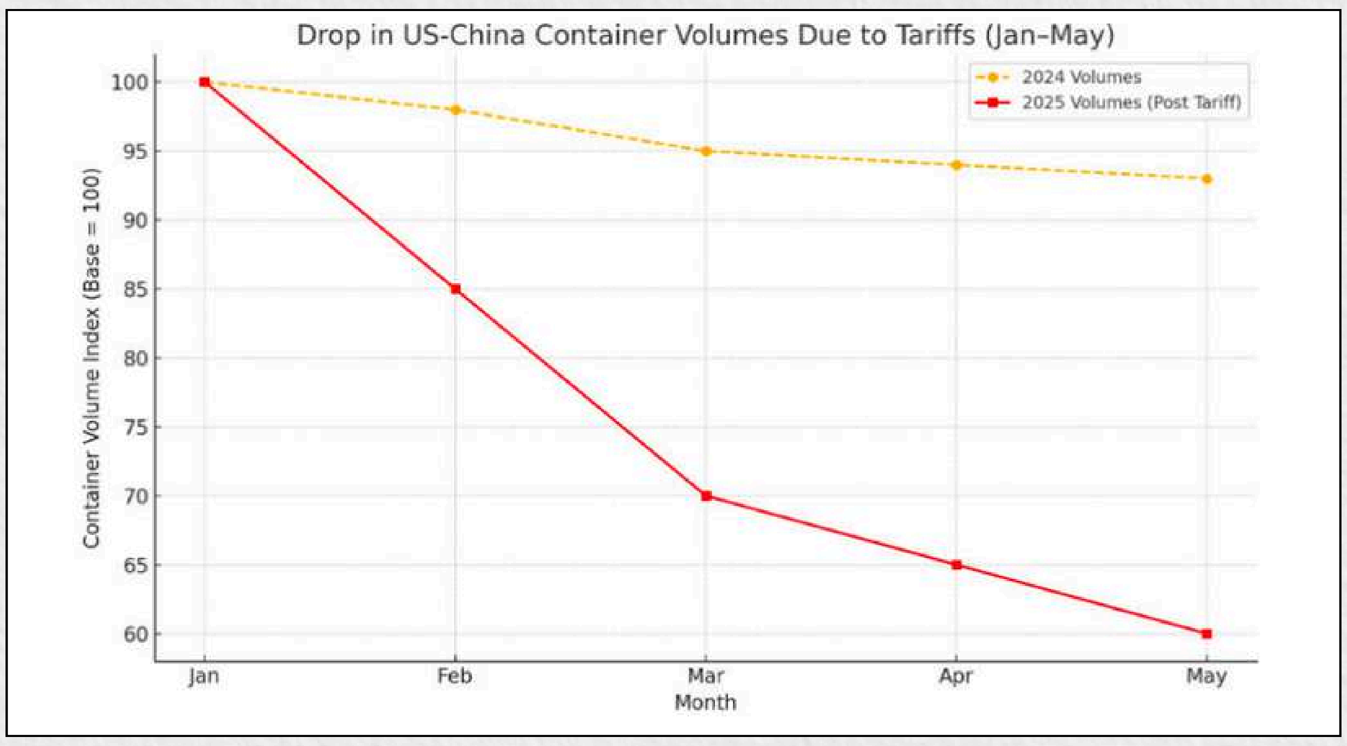
For companies dealing with the complexities of tariff wars, technology has proven to be a crucial differentiator. Advanced business analytics offer powerful capabilities for evaluating the measurements of tariffs within the business operations, forecasting different scenarios, and deciding strategically. With access to real-time trade data, companies can locate new markets, reorganize supply chains, and mitigate reliance on trade-impacted areas. AI, IoT, and IIoT technologies enable self-driving vehicles which aid in logistics, making stock control and transport scheduling more efficient. All these allow business to respond quickly to fluctuating tariffs and trade relations. Digital platforms such as Cargo Community Systems and Digital Trade Corridors offer models which bolster functioning under delayed real-world conditions to the benefit of logistics service providers.

**AI-Driven Solutions for Tariff Management**

Emerging technologies now include AI-powered supply chain systems which specifically deal with tariff challenges. Fictiv, for example, has automated tariff documentation ands affede xpert escalation teams to aid manufacturers in avoidingcostly standstill times. These approaches technological enabled easier compliance with different requirements and lessen the administrative work related to changing business policies.




As global trade wars heat up cybersecurity threats, technology also plays a role in what is being done to prevent them out. In past times of U.S.A.-China trade tension we saw an increase in cyber espionage from state actors in China against American companies and governments. In response to which we are seeing organizations improve their digital fortifications also which in some cases means reevaluating their technology suppliers to minimize weak points




**Building Long-Term Supply Chain Resilience Amid Protectionism**

Balancing immediate reaction to tariff stressors with long-term operational framework adaptations amid trade protectionism is a vital focus area for operations leaders. The sustainable dimension has emerged with particular focus since supply chains that are agile, resilient, and sustainable perform better under enduring disruptions. A truly resilient supply chain goes beyond the frameworks of contingency planning; it demands a transformational approach to resource procurement, value added activities such as waste management, and the holistic management of supplier relations. The concepts of circularity, localization, and transparency have shifted from being ecological concerns towards strategic necessities for sustaining operational continuity.

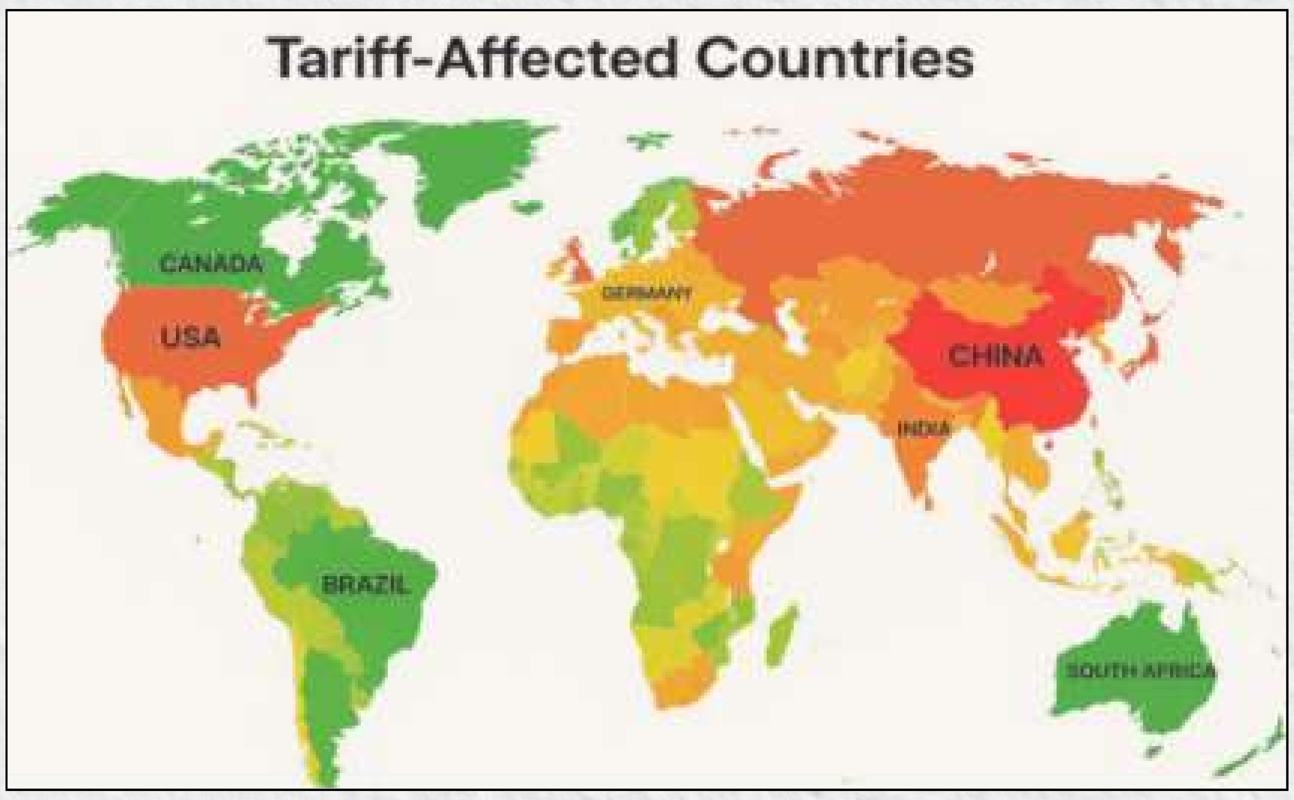
**Sustainable Approaches to Resilience**

The sustainability resilience connection plays out in many of our practices:

- Developing relationships with suppliers that have a common value.
- Implementing resource-efficient production processes.
- Building collaborative supplier relationships based on shared value.
- Creating transparent information flows throughout the supply network.
- Establishing flexible production capabilities that can adapt to changing input availability.

These companies are seeing success with sustainability-based strategies which in turn improve resilience to tariff shocks by which we mean they are reducing their dependence on typical materials or suppliers and at the same time are putting in Place more flexible business models. We see that which companies have invested in Diverse and sustainable supply chains are better able to handle trade disruptions.

For manufacturing industries particularly sensitive to tariffs, the equilibrium between Global sourcing and localization has become particularly important. While near shoring to Mexico offers tariff benefits, firms also need to be careful about indirect exposure, since Mexico's trade with China has grown6. This emphasizes the critical importance of not only understanding direct supply relations, but the entire upstream supply network as well.



**Conclusion**

Most businesses face major difficulties in the current environment of tariff wars, but these conflicts also enable firms to reconfigure their supply networks to be more sustainable and resilient. Success in the new ecosystem requires a combination of strategically restructured supply chains, integrated risk management frameworks, advanced technologies, and sustainable business practices.

As tensions between countries evolve and escalate, flexibility will remain thestrongest element of lasting competitive advantage. Firms that can swiftly and cost-effectively reconfigure operational structures in response to the changing tariff frameworks will be in the advantage position. Firms that adopt technological improvements for greater visibility and enhanced decision-making will manage interruptions more efficiently.Lastly, companies that incorporate sustainable supply chain design principles will be able to withstand trade disruptions, as well as other global challenges.

# Navigating Growth in Emerging Markets Amid Global Protectionism


National Finalist

**Vishesh Chhabra**

Great Lakes Institute of Management, Gurgaon
PGDM (Batch 2024-26)

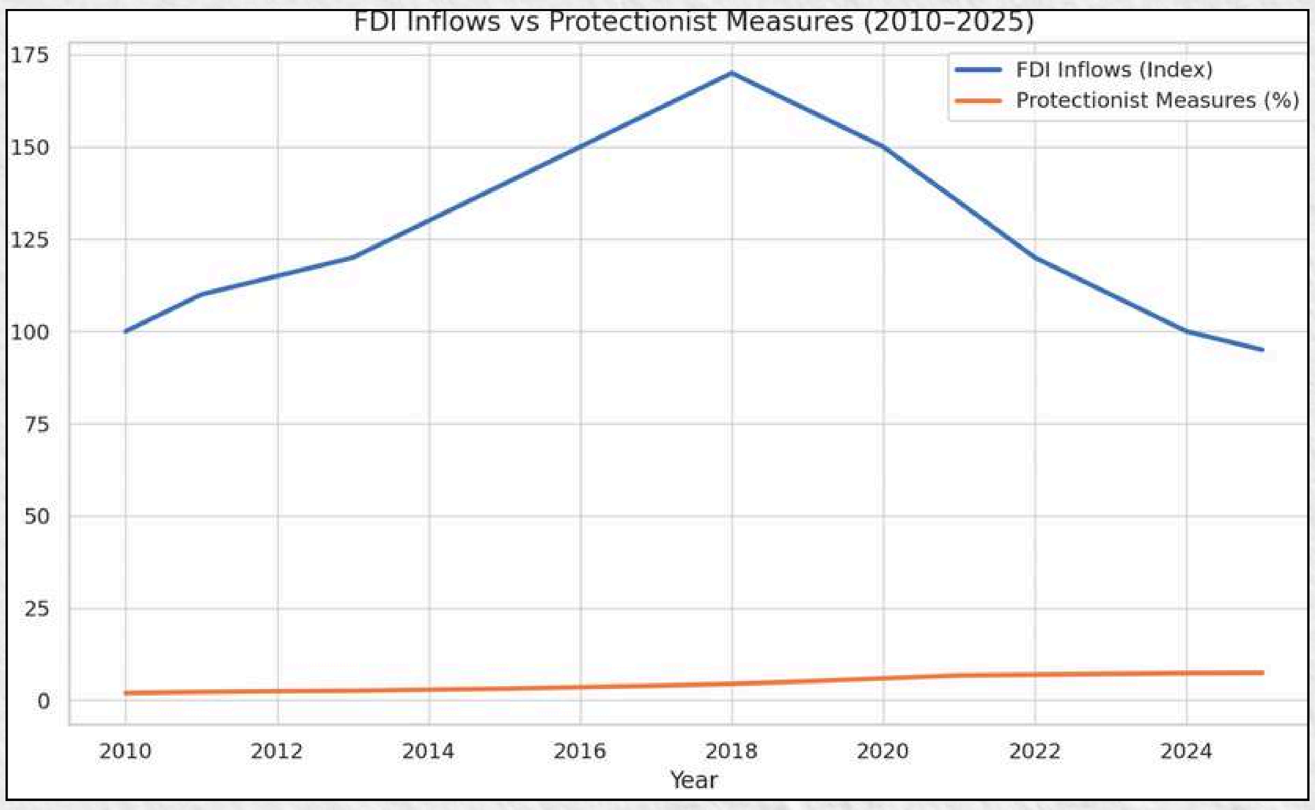

In an era where the rhetoric of open markets is being drowned out by the roar of nationalist economics, emerging markets find themselves at a crossroads. These economies, once buoyed by globalization's rising tide, now must chart a new course through waters muddied by tariffs, trade wars, and fractured alliances.

The early 21st century was defined by an unshakable belief in globalization. Trade liberalization, multilateral cooperation, and integrated value chains enabled emerging markets-from Vietnam to Nigeria-to climb steadily up the development ladder. But since the 2010s, and more acutely after the pandemic and geopolitical rifts like the U.S.–China rivalry and the Russia–Ukraine war, the tide has shifted. Protectionism has returned-not as a blip, but as a structural shift.

**"Over 75% of G20 trade measures in recent years have been discriminatory." -Global Trade Alert.**

The clearest manifestation has been in trade policy. According to the Global Trade Alert database, over 75% of G20 trade interventions in recent years have been discriminatory in nature. Tariffs, export bans, and local content requirements are rising across the board. Even traditionally liberal economies like the U.S. and EU are adopting measures to protect "strategic sectors" like semiconductors, energy, and pharmaceuticals.

For emerging markets, this isn't just an external shock-it's a strategic dilemma. Their historical growth models-export-led industrialization, FDI inflows, and commodity exports-now face real limitations. The question is no longer just how to grow, but how to grow when the world is turning inward.



- World Bank: FDI to emerging markets dropped by 18% between 2018–2023.
- IMF: Global tariff coverage rose from 2% (2010) to 7.5% (2023).

**Adapting to the New Normal**

To survive and thrive, emerging markets must pivot in several ways:

**1. Domestic Market Development**

Building robust domestic demand is no longer optional-it’s essential. Countries like Indonesia and India are increasingly focusing on consumer-driven growth. Rising middle classes, urbanization, and digital access offer a chance to anchor economies internally rather than externally.

**2. Regionalism over Globalism**

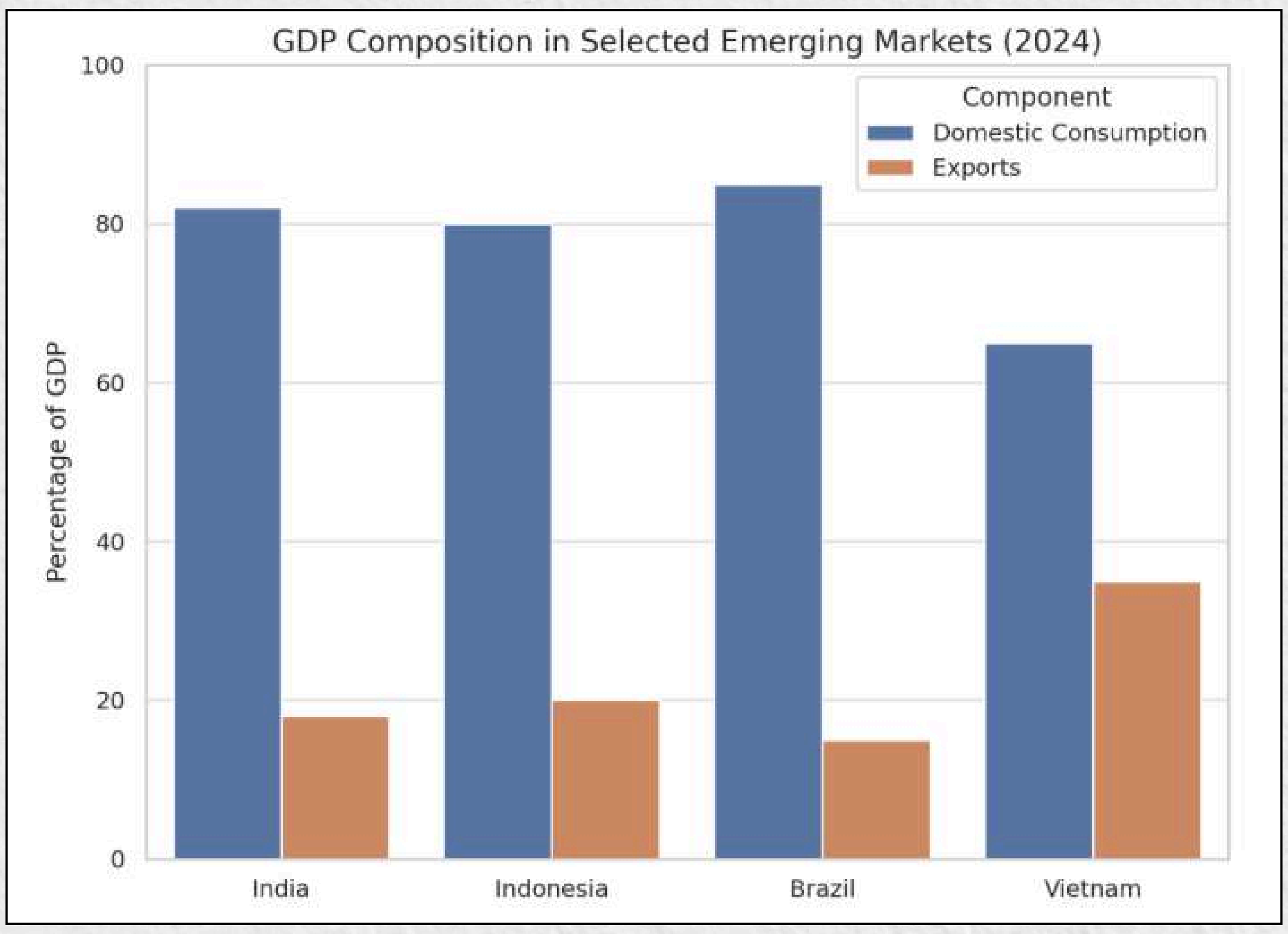
With multilateral deals faltering, regional trade agreements are gaining traction. Africa’s AfCFTA, ASEAN’s internal market, and Latin America's Pacific Alliance represent new avenues for trade resilience. These agreements reduce reliance on volatile global partners and foster South-South cooperation.

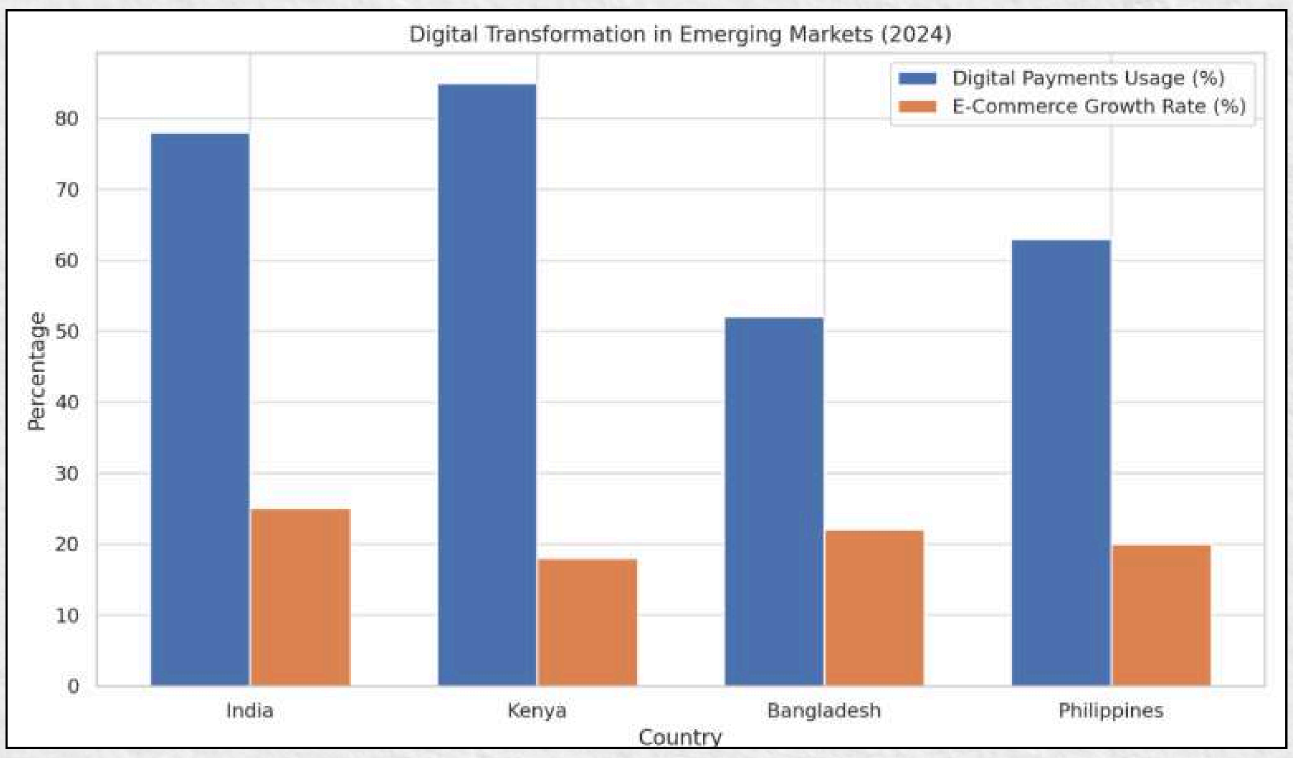
**3. Smart Industrial Policy**

Emerging economies must now walk a fine line: supporting domestic industries without isolating themselves. Industrial policy is back in vogue, but this time with more nuance-think green technology, strategic subsidies, and tech innovation zones. Vietnam’s success in attracting electronicsmanufacturing shows that with the right incentives and stability, selective sectors can thrive even amid protectionist headwinds.

**4. Digital Transformation**

Digital leapfrogging is not a buzzword-it’s a necessity. From fintech in Kenya to e-commerce inBangladesh, tech-driven services offer a way to bypass traditional bottlenecks. Moreover, digital trade is harder to tariff or restrict-making it a natural hedge against physical trade barriers.




**The Geopolitical Tightrope:**

But growth is not just an economic equation-it’s geopolitical. The U.S.–China split has created a new kind of Cold War, forcing emerging markets to choose sides-or, ideally, avoid doing so altogether. Countries like Vietnam, Mexico, and the UAE are positioning themselves as “geostrategic balancers,” attracting investment from both power blocs while maintaining neutrality.It’s a delicate act, but one that offers high rewards if executed wisely.

Meanwhile, institutions like the World Trade Organization and the IMF face an existential question: Can they remain relevant in a world where rules are increasingly bent by national interest? For now, emerging markets must hedge their bets-engaging multilaterally where possible, but build bilateral and regional cushions for when the system fails.

**Resilience, Not Reliance**

Perhaps the most profound lesson is this: resilience must replace reliance. The old model- depending on global capital, cheap exports, and hopes for trickle-down benefits- is broken. Today's emerging markets must think more like systems architects than assembly lines.

This means investing in education and innovation, building cross-border infrastructure, enforcing fiscal discipline, and above all, crafting long-term visions beyond election cycles. Rwanda's focus on governance, Costa Rica's investment in green economy, and India's push for self-reliance ("Atmanirbhar Bharat") are early glimpses into what this new model might look like.

**Conclusion: The Unwritten Chapter**

The age of global protectionism is not a temporary storm-it's a shift in climate. But protectionism doesn't have to mean stagnation. Emerging markets still hold thedemographicdividend, entrepreneurial energy, and untapped potential that made them attractive to begin with.The world may be fragmenting, but in fragmentation lies opportunity. The next chapter of growth won't be written in global boardrooms or G7 summits, but in how emerging markets respond-with agility, resilience, and a bold reimagining of their place in a changing world.

## Runner Up
## Event: Marketing Sorcerer

**Jaskirat singh , Malita Coutino, Sanchali Bhogaonkar**

**Could you give us a brief overview of this competition along with challenges faced by the team and how did you'll overcome them?**

The marketing reel competition was about a forgotten brand assigned to us (Naturals ice-cream) and how we can bring people to remember the brand and find their way back to it. Therefore, the study and approach revolved around how different approaches can benefit the company's reintroduction.

The competition consisted of two rounds in total.

1. First round- Online Quiz held on 15th March,2025.
2. Second round- Reel making and uploading held on 16th March, 2025.

Our team ranked 2nd in the overall competition after competing in the top 10 shortlisted teams out of 40.

**Participating in such prestigious competitions demands a competitive edge. What strategies did you implement to set yourself apart from the other participants?**

To differentiate ourselves, we focused on authenticity. While most teams aimed for polished reels, we chose a raw and grounded approach, showcasing how Naturals Ice Cream still holds emotional and nostalgic value for many. Instead of flashy visuals, we captured genuine reactions and candid storytelling to make the content relatable. We emphasized taste and tradition, bringing out the simplicity and purity of the brand's essence. Our strategy was to connect with audiences emotionally rather than just visually. This helped us stand out and resonated well with the judges, as we managed to make a lasting impression with minimal resources but strong storytelling.

**Balancing academics, personal life, and additional opportunities can be challenging. How did you effectively manage your time?**

Managing time during this competition was challenging as it coincided with multiple lectures, project submissions, and personal commitments. To ensure nothing was compromised, our team adopted a structured schedule. We stayed back after college hours and even worked on Sundays to ensure tasks were completed. We split our work efficiently—some handled editing while others focused on scripting and research—so that parallel progress could be made. Google Docs and shared folders kept us aligned, and daily catch-ups helped in managing timelines. Despite academic pressure, it was our dedication and mutual support that allowed us to strike a balance and deliver quality work under tight deadlines.

# TEAM SAMVAD

## EDITORIAL TEAM

Jeel Jain
Chief Editor

Anjali Jha
Co-Editor

## CONTENT CURATORS

Rudhira Patankar
Head

Shraddha Sangol
Deputy Head

Pavni Sharma
Member

Sanal Santhosh
Member

## CREATIVE MINDS

Akanksha Tingare
Head


Neeleshwari Singh
Member

Srishti Mishra
Member

## PUBLIC RELATIONS PROS

Nidhi
Head

Aditya Todade
Deputy Head

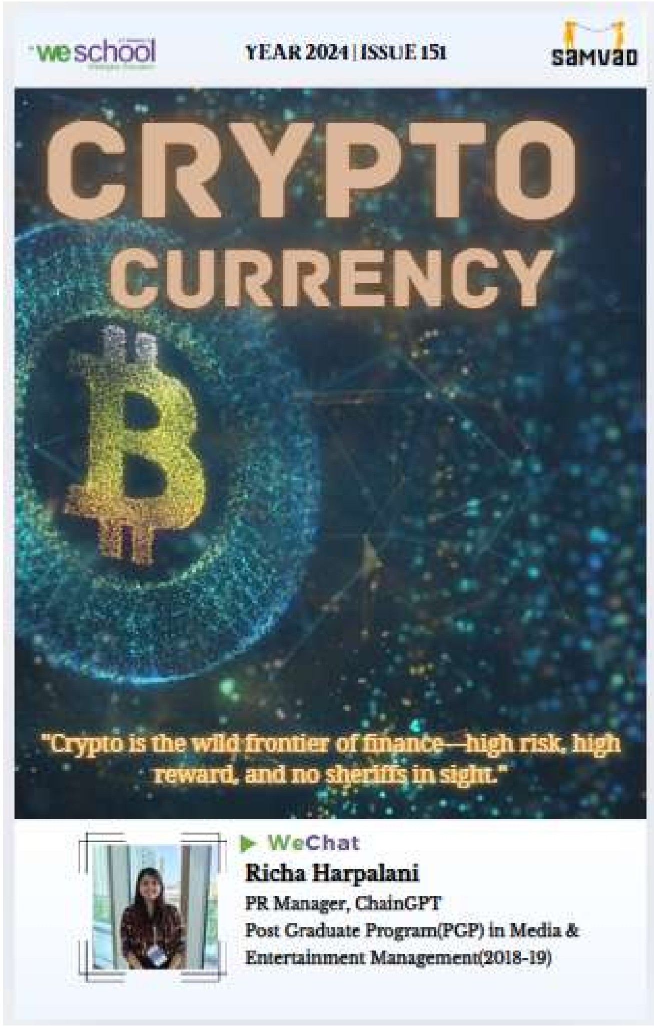
Vaishnavi Chinchansure
Member

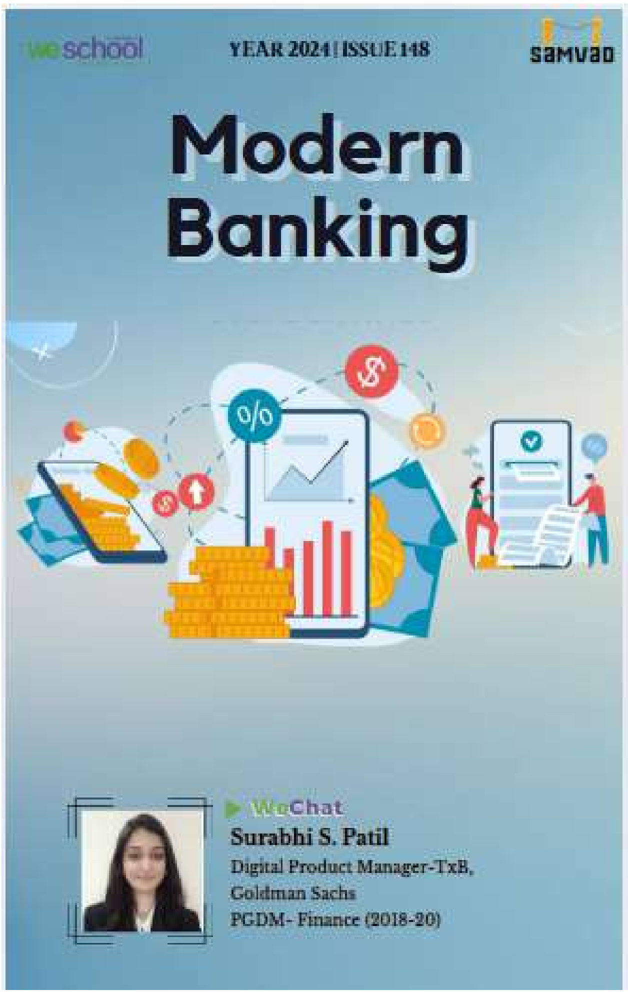
## WECHAT MASTERS

Shruti Tawade
Head

Jishnu Dewan
Member

# PREVIOUS MAGAZINES




# Follow us on

@samvad.weschool

Samvad WeSchool

SamvadWE

@samvad_we

Contact Us: samvad.we@gmail.com