REUTERS

Trump gets tariffs; Americans get price hikes

David Gaffen and Marleen Kaesebier
Updated Tue, July 29, 2025 at 2:28 PM EDT • 3 min read

In This Article:

PG -0.70% ☆ WMT +0.82% ☆

By David Gaffen and Marleen Kaesebier

(Reuters) -U.S. President Donald Trump is getting his tariffs. Companies are making it clear how they intend to deal with it - passing them on to American consumers.

Throughout the spring, big retailers and consumer product makers warned that levies on imported goods would squeeze their operations, forcing them to choose between lower earnings and passing on higher costs to customers.

In the case of Procter & Gamble (PG) and others, it is both of those things.

On Tuesday, the packaging giant, which makes household basics spanning from Bounty paper towel to Tide detergent, issued a sour outlook for 2025 and sent a message to big retailers like Walmart that it would have to raise prices on some U.S. goods from next week.

This challenge facing companies in coming quarters will likely feed through to everyday consumers. P&G said it would raise prices on about a quarter of its products in the U.S. to help offset the cost of new tariffs.

Price hikes are in the mid-single digits across categories, a spokesperson for the company said.

While U.S. stock indexes have soared to record highs this year, built on massive investment in technology shares, many consumer bellwethers have struggled.

Since Trump's April 2 "Liberation Day" tariff announcements, P&G shares have declined 19%; Nestle (NSRGY) is down 20%; Kimberly-Clark (KMB) has lost 11%, and PepsiCo (PEP) is off nearly 7%, while the benchmark S&P 500 stock index has gained more than 13%.

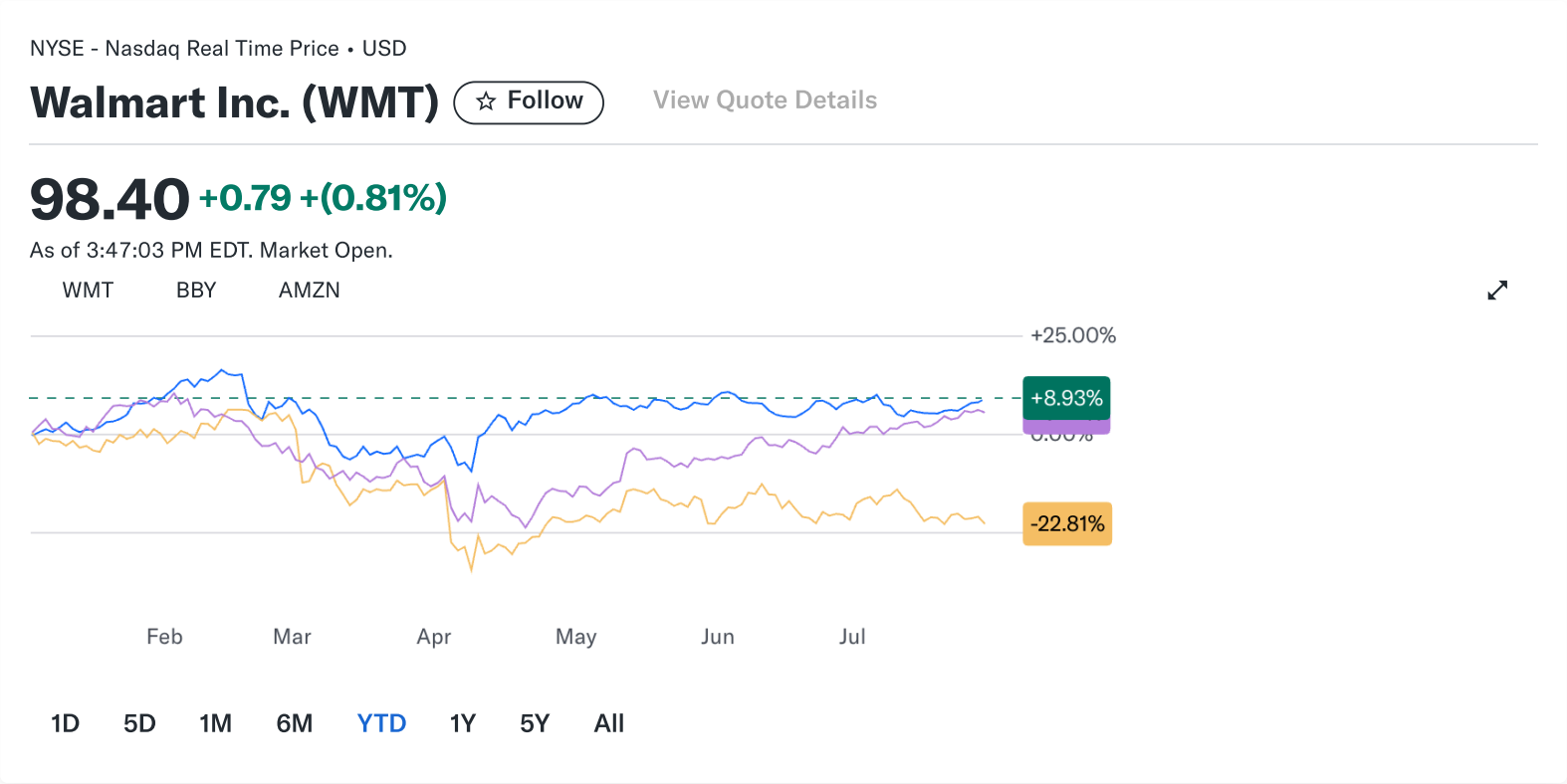
Consumer goods, food and drink companies have struggled with lackluster sales since the pandemic, as shoppers have balked at increasingly expensive name-brand packaged food. Nestle said last week that consumers in North America remained wary of paying more at the cash register.

More price hikes will deepen investor worries about how big brands are navigating the combined challenge of thrifty consumers and hefty costs created by Trump's trade war.

"You're going to see companies like Walmart (WMT), Amazon (AMZN), and Best Buy (BBY) forced to pass price increases to consumers," said Bill George, former chairman and CEO of Medtronic and executive education fellow at Harvard Business School.

"Main Street has yet to see the fallout from increased tariffs - and they're going to go higher."

Between July 16 and 25, companies in the Reuters global tariff tracker said they expected to lose a combined $7.1 billion to $8.3 billion for the full year.



Story Continues

View Comments (323)

Terms and Privacy Policy Privacy Dashboard

Recommended Stories

yahoo!finance

Copyright © 2025 Yahoo.
All rights reserved.

What's trending
Dow Jones
S&P 500
DAX Index
Nvidia
Tesla
DJT
Tariffs

Explore more
Mortgages
Credit Cards
Sectors
Crypto Heatmap
Financial News

About
Data Disclaimer
Help
Feedback
Sitemap
Licensing
What's New
About Our Ads
Premium Plans