RISK INTELLIGENCE
INTELLIGENCE • EVIDENCE • IMPACT

GEOPOLITCAL RISK MONITORING

Transatlantic Trade Volatility

Rapid assessment of people, assets, priority risks, decision triggers, disruption exposure, and accountability.

LOCATION / AREA OF CONCERN	WHY IT MATTERS	STATUS	LAST REVIEWED
United States-European Union trade and regulatory corridor	The EU-US framework took effect on 1 Jul 2026 at a 15% all-inclusive ceiling, so the headline rate for this corridor is now set. Exposure has shifted to whether the ceiling holds, how the 1 Sep carve-outs land, and which contracts allow pass-through.	Elevated	17 AUG 2026

PEOPLE AND ASSETS EXPOSED

PERSONNEL	FACILITIES / EQUIPMENT	SUPPLY CHAIN / DATA	CUSTOMERS / COMMITMENTS
Trade, procurement, legal, finance, sales and compliance teams	Inventory, distribution centers, customs processes and production lines	US-EU suppliers, HS codes, origin data, certifications and contract terms	Importers, exporters, distributors, sector workers, investors and end customers

PRIORITY RISK AND BUSINESS EXPOSURE

#	RISK EVENT	WHO ABSORBS IMPACT	LIKELIHOOD	IMPACT	DISRUPTION COST	OPERATIONAL EFFECT
1	Change to the 15% ceiling or its carve-outs alters product-level landed cost	Importers first; suppliers, customers and consumers through repricing	M	H	High | $250K-$1M+	The 15% does not stack, so goods at or above 15% MFN pay MFN only. EU autos fell from 27.5% to 15%. EU steel and aluminum stay at 50% under Section 232. From 1 Sep, aircraft and parts, cork and generic pharmaceuticals move to MFN only.
2	Implementation disputes create customs, origin or contract uncertainty	Brokers, legal, finance, operations and customers	H	M	Moderate-High	Holds and classification disputes delay revenue, distort forecasts and tie up inventory and working capital.
3	Sector measures reshape competitiveness and demand	Manufacturers, workers, suppliers, investors and regional economies	M	H	High-Severe	Trade diversion and retaliation alter orders, capacity use, investment location and long-term supplier viability.
4	Policy reversal strands compliance systems built for the current regime	Trade, compliance, IT and finance teams; suppliers and customers through repricing	M	M	Moderate-High	Systems, classifications and supplier qualifications retooled for one regime carry a cost to unwind. The US declined to renew USMCA on 1 Jul 2026, placing it in annual reviews to a 2036 sunset, which is a documented reversal calendar.

DECISION TRIGGERS

#	OBSERVABLE TRIGGER	THRESHOLD / SOURCE	REQUIRED ACTION
1	US or EU announces new tariff, quota, retaliation or implementation change	USTR, White House, European Commission or Official Journal notice	Identify affected HS codes, origin rules, suppliers, customers and pass-through clauses. Recalculate unit economics by product.
2	Change to the 15% ceiling or a carve-out list, or customs delay exceeding 5 business days	European Commission and Official Journal notices, USTR actions, broker data and shipment records	Escalate commercial review. Reprice, renegotiate, reroute, redesign or qualify alternatives before margin erosion compounds.

ANALYST ASSESSMENT / COST BASIS / KEY GAP

Assessment: Macro tariff headlines do not define exposure. The effect lands at the product, origin, supplier and contract-clause level. Firms unable to pass through costs absorb margin loss, while customers face higher prices, fewer choices or delayed purchases. The 15% ceiling replaced the 10% Section 122 rate for EU goods on 1 Jul 2026. Section 122 expired on 24 Jul and USTR's Section 301 replacement took effect the same moment, a two-tier 10% and 12.5% structure across roughly 60 economies, with EU-origin goods outside it. Reshoring decisions now turn on a policy calendar rather than open-ended uncertainty.

Cost basis: High exposure ($250K-$1M+) is derived from the annual value of affected imports multiplied by the tariff or compliance uplift, then adjusted for customs delays, inventory carrying cost, product redesign, legal review and unrecoverable margin. Sector-wide action can move the result into Severe territory when multiple product lines or markets are exposed.

So what: The decisive issue is not the tariff rate alone, but who bears it under current contracts and how quickly sourcing or pricing can change. Without product-level mapping, management may discover exposure only after margins, orders and supplier viability deteriorate. Re-run every EU landed cost quoted before 1 Jul 2026 and confirm the deal rate was applied on entries filed since.

Key gap: Product-level HS codes, origin determinations, import value, supplier alternatives, customer elasticity, inventory cover and contract pass-through rights.

Sources: European Commission and Council implementing regulations for the EU-US Joint Statement, adopted 25 Jun 2026, in force 1 Jul 2026. USTR Section 301 forced-labor action effective 24 Jul 2026. Section 122 expiry, 24 Jul 2026. USTR statement on the USMCA joint review, 1 Jul 2026. Section 232 schedules for steel, aluminum and autos.