

The impact of Trump's tariffs on the hotel and hospitality industry

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INTRODUCTION



- Global tariffs (2018-2020) disrupted hotel supply chains and costs.
- Trump's trade war raised economic uncertainty worldwide.
- Tourism and business travel impacted by policy volatility.

Hotel RevPAR fell 4.3% in 2019 in tariff-affected cities (The Economist, 2025)

Tariffs reshaped hotel strategy. Resilience became survival (Pisera et al., 2025).

LITERATURE REVIEW

- Supply chain stress: Imports like furniture, linen taxed heavily (Garber, 2025; Ferguson, 2009)
- Tourism confidence dropped: Chinese and US tourists reduced trips (Cohen, 2025)
- Technology as response (Ignacio Garcia Bercero, 2024).

Trump's Tariffs: Biggest Tax Hike Since 1982

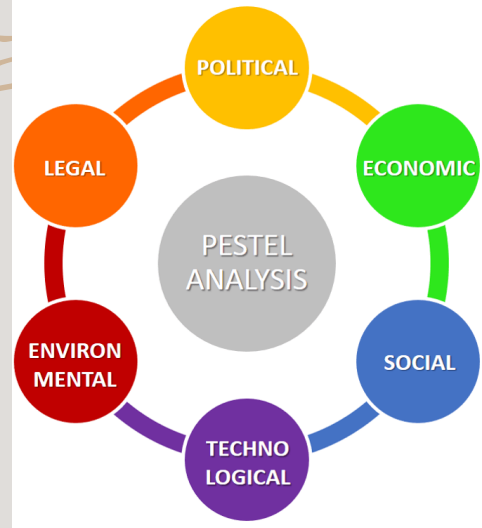
Average annual government revenue change
as a share of GDP, by major tax law/tariff regime



Tariffs reshaped not just costs - they altered strategy (Boussard, 2021; Fetzer and Schwartz, 2021).

METHOD

- Secondary research using peer-reviewed journals, industry data, and government reports.
- PESTLE Framework for structured impact analysis across political, economic, and social dimensions.



- Keyword focused thematic coding revealed cost-related patterns in global hotel chains (e.g., Hilton, Marriott)

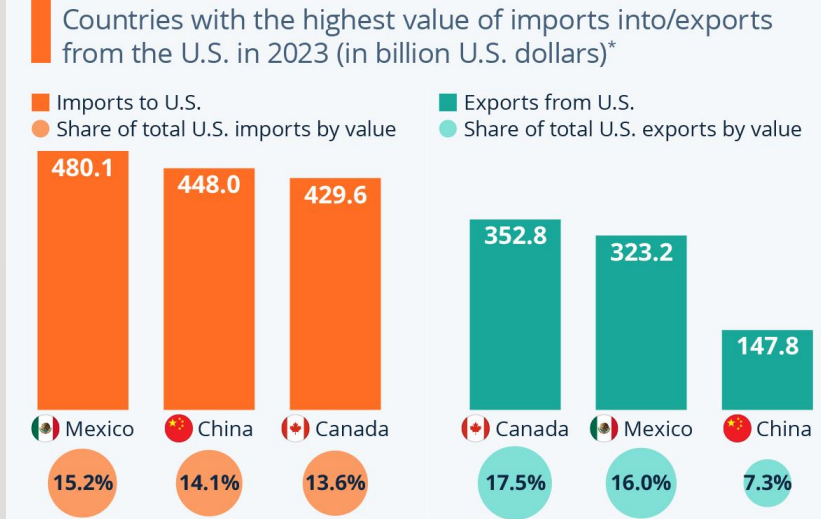
- PESTLE helped capture how tariffs disrupted both supply chains and consumer patterns

THEME IMPACT: POLITICAL AND ECONOMIC

Political Uncertainty:

The US-China trade was upset by the tariffs that Trump imposed under Section 301.

Lodging establishments that rely on Chinese goods went through unstable periods (Giousmpasoglou and Marinakou, 2024).



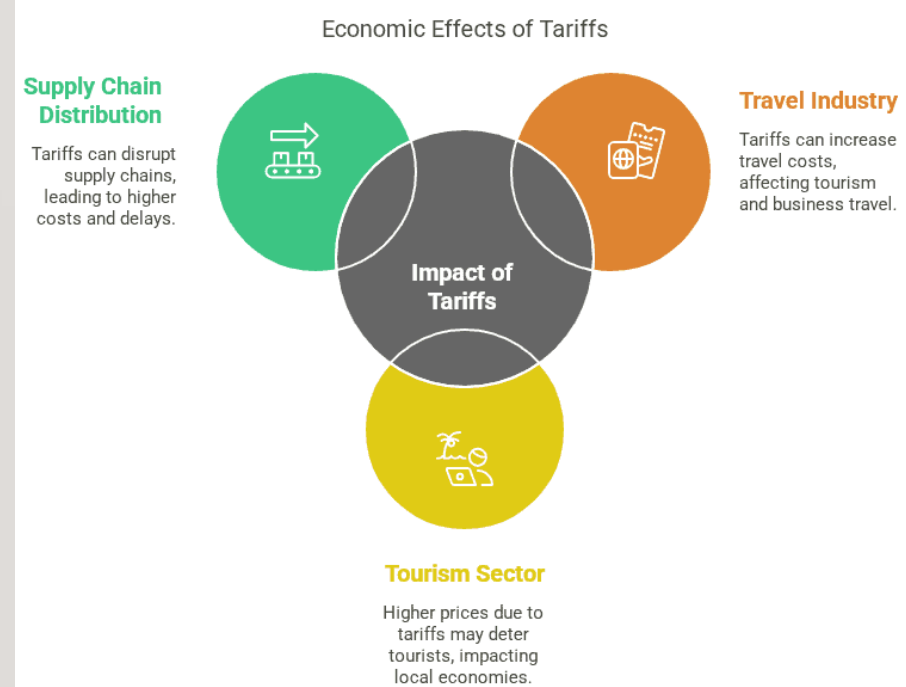
Economic Shockwaves:

- Rising imports pushed up their prices by 3–5% (The Economist, 2025).
- Higher tariffs brought inflation and made hotels decide whether to raise prices or take the loss (Neri-Lainé and Rapoport, 2025).

THEME IMPACT: SOCIAL AND TECHNOLOGICAL

Social impact

- Decline in long-haul tourism from U.S. and China
- Rise of "staycations" and domestic travel to avoid economic risk (Thorn, 2019).



Technological response

- Procurement platforms allowed rapid supplier switching
- Smaller hotels lacked digital capacity to respond fast (Thorn, 2019).

THEME IMPACT: ENVIRONMENTAL AND LEGAL

Environmental impact

- Hotels turned to local suppliers - reduced emissions
- Tariffs unintentionally supported sustainability goals

Legal considerations

- WTO and bilateral trade tensions Global con
- tracts riskier due to tariff unpredictability.



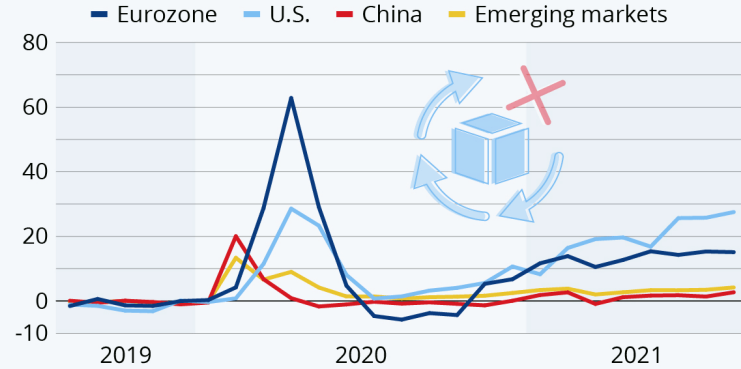
Tariffs helped move towards greener solutions—but they made it more difficult to set up global trade agreements (Diaz-Farina et al., 2025).

CONCLUSION

- New tariffs added extra costs to businesses and led to global delivery disruptions
- Tourism saw a decline.
- Mainstream hotels made good use of technology, but smaller hotels did not lead the way.

Supply Chain Disruptions Make a Comeback

Index of global supply chain disruptions
(100=most disrupted)



Transformation in hotel resilience started with changes in strategy, where sourcing and survival are concerned (Garber, 2025)

RECOMMENDATIONS



- Diversify suppliers -reduce reliance on tariff-sensitive sources.
- Local procurement - support sustainability and reduce risk.
- Transparent communication - build trust with guests during change.
- Scenario planning - prepare for economic and political shocks.

Adaptation must be agile. Strategy must be systemic (Cao et al., 2024).

Sustainable sourcing = lower carbon + higher local engagement

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