JD Sports boss warns of price rises and jobs threat if Trump's China tariffs stay

JD Sports' chairman, Andrew Higginson, has warned that prices will increase if President Donald Trump's tariffs remain at their current levels.

Speaking on the Today programme, Higginson stated it was "unlikely" that shoe production would relocate to the US and criticised the uncertainty caused by Trump's tariff war, as reported by City AM.

Since April 2, the retailer's share price has fallen nearly 11 per cent as investors worry about the impact of tariffs on its Asia-manufactured goods.

JD Sports relies heavily on a global network of manufacturers, including Vietnam – where manufacturing contributes to around a quarter of GDP – as well as China and Cambodia, all of which are affected by tariffs.

Nike, JD Sports' top global partner, also produces its shoes in Asia.

The company, already grappling with low sales before the announcement of the tariffs, has seen its share price decline by 18 per cent since 'Liberation Day.'

Higginson commented that it would take significant effort to change the economic dynamics of a country that has heavily invested in these areas.

He added: "It's an illusion that this is just about cheap labour… these countries have invested a huge amount in the technology and the manufacturing capabilities it goes into making a number of these products."

JD Sports' share price has been hit hard due to its aggressive expansion into the US market, with approximately 40% of its sales coming from the region as of August last year.

"What I think the likely result is that things will just be more expensive if these tariffs stay at these highs," Higginson remarked.

Analysts have cautioned that consumers may not tolerate the resulting price hikes and have pointed out the potential for subsequent inflation in the UK and Europe, despite the UK's relatively modest tariff of 10%.

"Sales could falter while any potential benefit from a lower tariff regime versus other trading partners would be much slower to materialise," commented Rob Morgan, chief investment analyst at Charles Stanley.

In spite of the prevailing uncertainty, Higginson maintained a positive outlook: "I think we're running good businesses that are well founded on strong customer demand, and over time, whatever adjustments will have to be made with supply chains and so on will work their way through and we'll still have a good business at the end of it."

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