

Walmart may have to raise some prices if Trump tariffs take effect, CFO says

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KEY POINTS

Walmart CFO John David Rainey told CNBC that new tariffs could force the retailer to raise prices.

Lowe's CEO Marvin Ellison said the home improvement retailer is concerned about the risk of higher costs and is already having conversations with suppliers about tariffs.

The companies joined other brands and retail trade groups in warning that the tax on imports proposed by President-elect Donald Trump could fuel inflation.



A Walmart store in Martinez, California, US, on Monday, Nov. 18, 2024. Walmart Inc. is scheduled to release earnings figures on November 19.

David Paul Morris | Bloomberg | Getty Images

[Walmart](#)'s CFO, John David Rainey, said the retailer could have to raise prices on some items if President-elect Donald Trump's proposed tariffs take effect.

"We never want to raise prices," he said in an interview with CNBC on Tuesday. "Our model is everyday low prices. But there probably will be cases where prices will go up for consumers."

Rainey added that it's too soon to say which products could cost more due to the tariffs.

Walmart's CFO weighed in on the potential policy change as the largest U.S. retailer [beat Wall Street's earnings and sales expectations](#) and hiked its full-

year forecast. Lowe's also addressed the risk posed by the tariff proposal as [the home improvement company reported earnings](#) on Tuesday.

Walmart's and Lowe's comments are [the latest warnings](#) from U.S. retail leaders about the potential blowback from the duties. During Trump's presidential campaign, he said he would impose a 10% to 20% tariff on all imports, including levies as high as 60% to 100% for goods from China.

On an earnings call, Lowe's CFO Brandon Sink said about 40% of the company's cost of goods sold comes from outside of the U.S., including direct imports and merchandise from national brands. He said tariffs "certainly would add product costs," but added "timing and details remain uncertain at this point."

In an interview with CNBC, CEO Marvin Ellison said like other consumer-facing brands and retailers, Lowe's is concerned about the risk of higher costs. He said it's already having conversations with suppliers about the "what ifs of tariffs," as it waits to see what Trump's policy change will ultimately look like.

"We're not waiting to act," he said. "We've got plans in place. We've got scenarios in place, and we're trying to understand the implications."

The two companies are not the only major retail stakeholders raising concerns.

In a statement earlier this month, National Retail Federation CEO Matthew Shay described across-the-board tariffs as "a tax on American families." He said it "will drive inflation and price increases and will result in job losses."

The prospect of increased prices comes as inflation has moderated in the U.S., after years of stretching consumers' wallets.

Other retailers and brands have also spoken out about the potential drawbacks of the tariffs. E.l.f. Beauty CEO Tarang Amin [told CNBC in an interview earlier this month that](#) the company could be forced to raise prices if the higher duties take effect. Footwear maker [Steve Madden](#) said it will [reduce the goods it imports](#) from China by as much as 45% over the next year to try to avoid the financial impact.

The majority of goods Walmart sells are not at risk of tariffs. Rainey said about two-thirds of the items that Walmart sells are made, grown or assembled in the U.S.

Like other companies, Walmart has tried to import from different parts of the world rather than rely heavily on China or any one country, he said. Rainey added that levies placed during Trump's first administration already caused the company to adjust.

"We've been living under a tariff environment for seven years, so we're pretty familiar with that," he said. "Tariffs, though, are inflationary for customers, so we want to work with suppliers and with our own private brand assortment to try to bring down prices."

— *CNBC's Gabrielle Fonrouge contributed to this report.*