

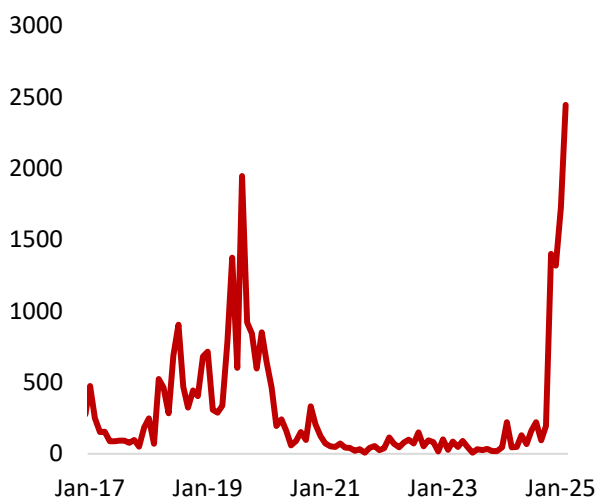
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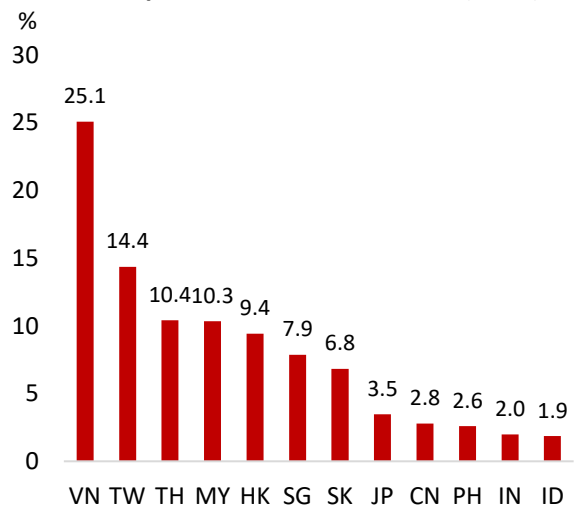
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- We assess the potential impacts of US reciprocal and sectoral tariffs on Asia
- A range of Asian countries will face the challenge of reciprocal tariffs, with Vietnam and Thailand among the most vulnerable
- South Korea is most vulnerable to automobile tariffs
- Malaysia is most susceptible to semiconductor tariffs
- Singapore is most exposed to pharmaceutical tariffs
- Sensitivity to steel, aluminum and copper tariffs is generally low across Asian countries

US: Trade policy uncertainty index



Asia: Exports to US/Nominal GDP (2024)

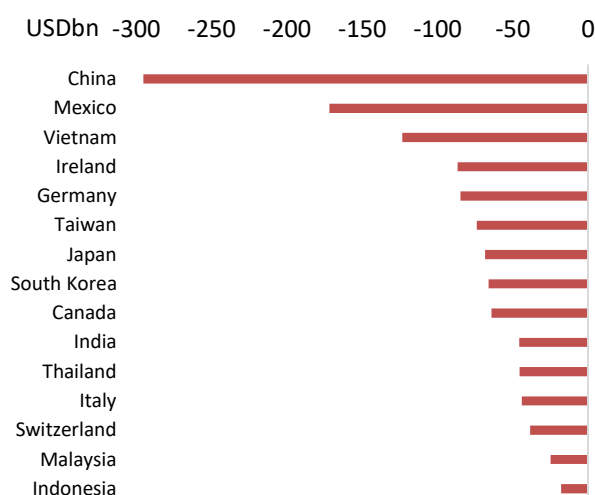


Sources: CEIC, DBS

Reciprocal tariffs

Among the US's top 15 sources of trade deficit, 9 are Asian countries, with China ranked No.1, followed by Vietnam at No.3 and Taiwan at No. 6.

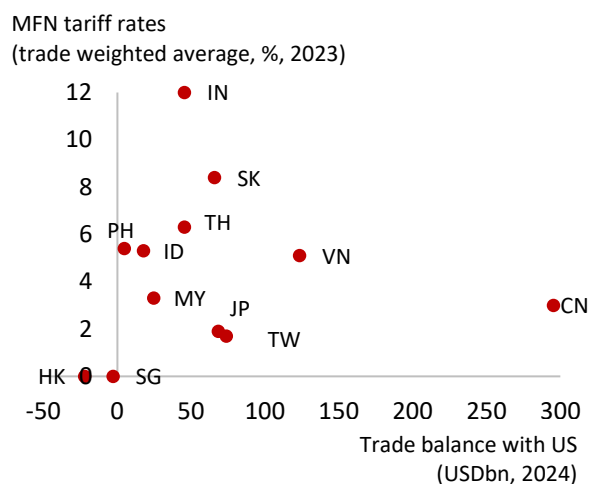
US: Top 15 sources of trade deficit (2024)



Sources: CEIC, DBS

When considering both trade surpluses with the US and MFN tariff rates, China, India, South Korea and Vietnam stand out. Note that China has already experienced significant tariff hikes on its exports to the US since Trump 1.0.

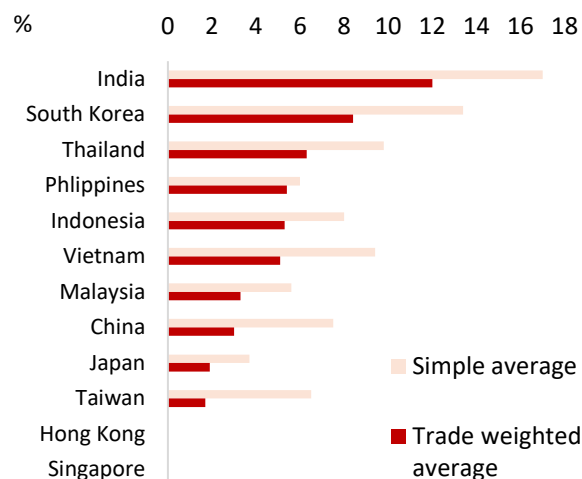
Asia: Tariff rates and trade balance with the US



Sources: WTO, CEIC, DBS

India has the highest Most-Favored-Nation tariff rates among the Asia-12 economies, followed by South Korea and Thailand. Note that South Korea has nearly eliminated its bilateral tariffs on US imports under the KORUS FTA.

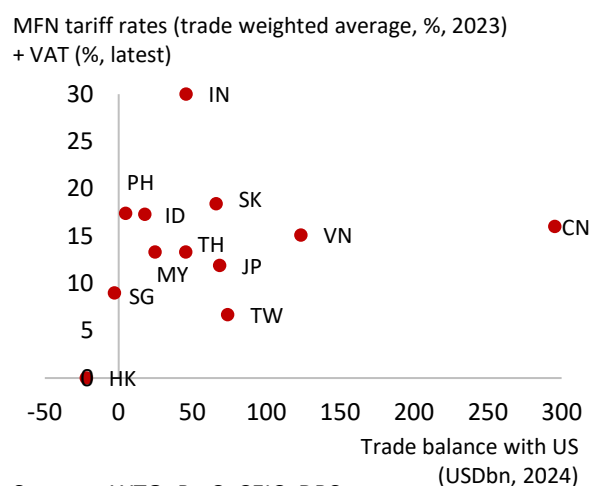
Asia: MFN applied tariff rates (2023)



Sources: WTO, DBS

When factoring in value-added tax rates, China and India become even more prominent. China could remain a potential target for reciprocal tariffs, if the US emphasizes non-tariff trade barriers (such as subsidies and IP protection).

Asia: Tariff rates, VAT, and trade balance with the US

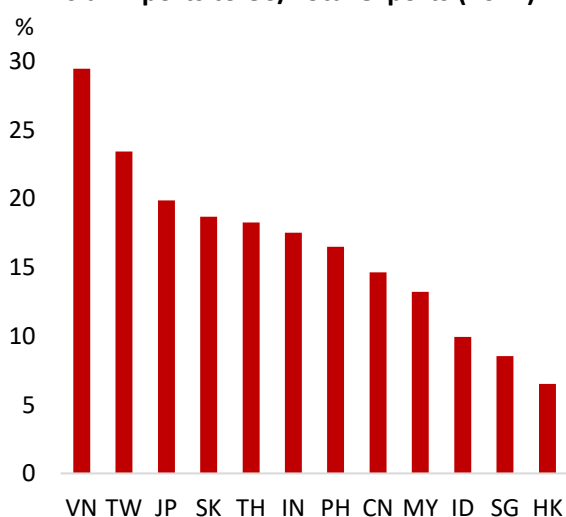


Sources: WTO, PwC, CEIC, DBS

Reciprocal tariffs

Vietnam has the highest export exposure to the US, with US-bound exports accounting for nearly 30% of its total exports; followed by Taiwan and Japan.

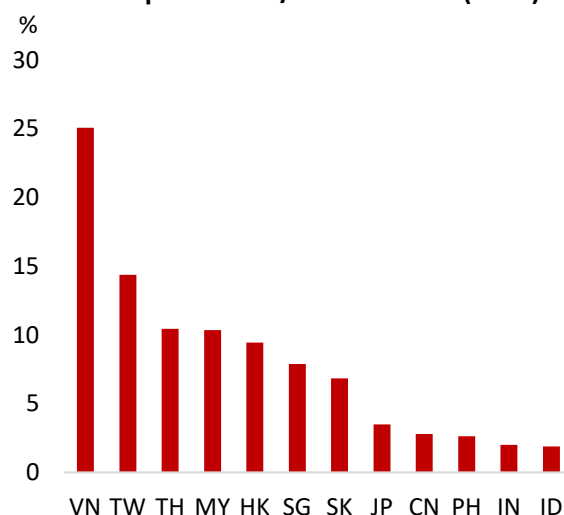
Asia: Exports to US/Total exports (2024)



Sources: CEIC, DBS

When measured by exports to the US as a percentage of nominal GDP, Vietnam is also the most exposed, followed by Taiwan and Thailand.

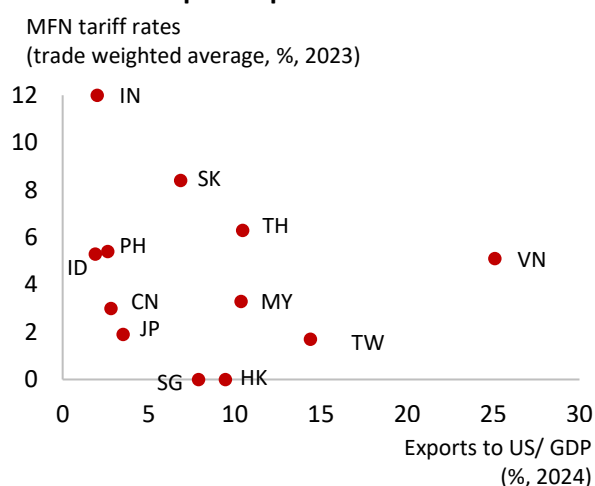
Asia: Exports to US/Nominal GDP (2024)



Sources: CEIC, DBS

Combining MFN tariff rates and export exposure to the US, Vietnam, Thailand and South Korea emerge as particularly vulnerable to the impact of reciprocal tariffs.

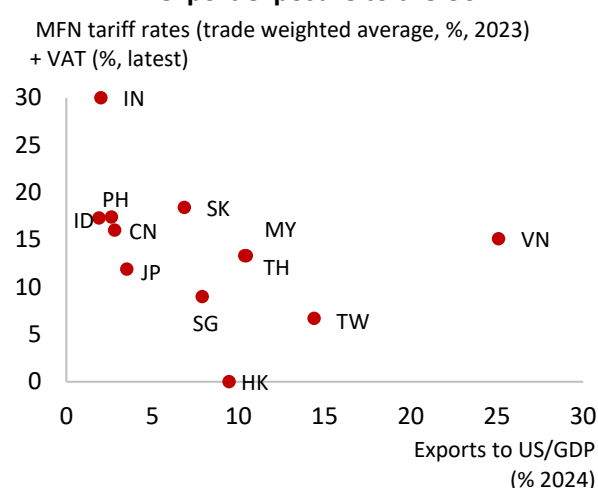
Asia: Tariff rates and export exposure to the US



Sources: WTO, CEIC, DBS

Including the VAT factor, the results remain similar, with Vietnam, Thailand and Malaysia being particularly vulnerable to reciprocal tariffs.

Asia: Tariff rates, VAT, and export exposure to the US



Sources: WTO, PwC, CEIC, DBS

Sectoral tariffs – Automobiles

Japan and South Korea, along with Mexico, are major sources of passenger car imports to the US, each holding nearly 20% of the market share.

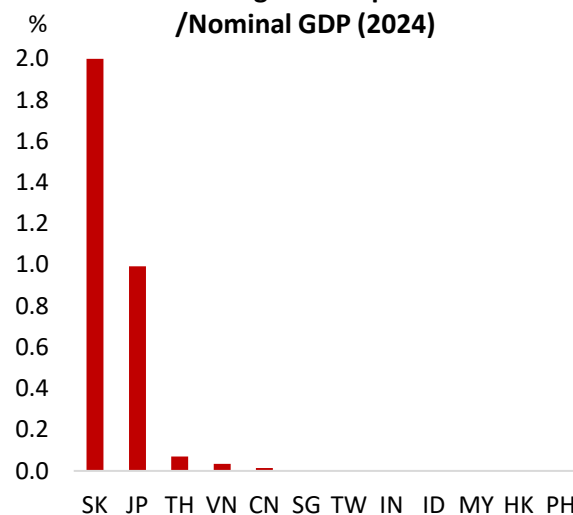
US: Top 10 sources of passenger car imports (2024)

		USD bn	% share
1	Mexico	48.4	22.7
2	Japan	39.9	18.7
3	South Korea	37.4	17.5
4	Canada	27.6	12.9
5	Germany	25.3	11.9
6	UK	9.7	4.5
7	Slovakia	6.3	2.9
8	Italy	3.9	1.8
9	Sweden	3.9	1.8
10	China	2.6	1.2
	World total	213.6	100

Sources: US Census Bureau, DBS

In terms of car exports to the US as a percentage of GDP, South Korea is more vulnerable to automobile tariffs than Japan.

Asia: Passenger car exports to US /Nominal GDP (2024)



Sources: US Census Bureau, CEIC, DBS

Sectoral tariffs - Semiconductors

Asian countries are key suppliers of semiconductors to the US, with Malaysia leading the pack, followed by Taiwan, Vietnam, and South Korea.

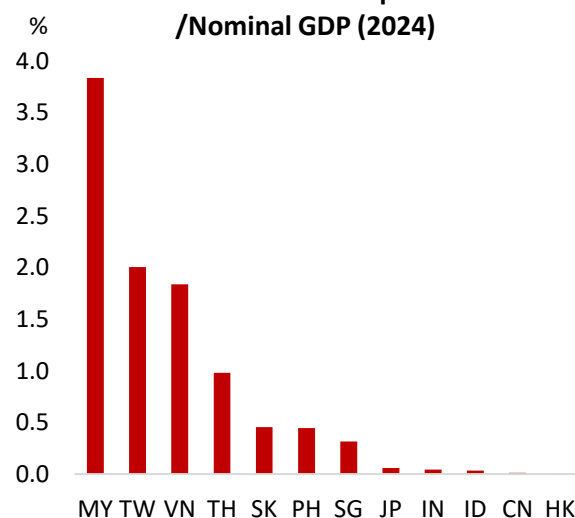
US: Top 10 sources of semiconductor imports (2024)

		USD bn	% share
1	Malaysia	16.2	19.8
2	Taiwan	15.5	19.0
3	Vietnam	8.8	10.7
4	South Korea	8.5	10.4
5	Thailand	5.2	6.3
6	Israel	4.7	5.7
7	Mexico	2.8	3.4
8	China	2.6	3.2
9	Japan	2.5	3.0
10	Ireland	2.2	2.6
	World total	81.9	100

Sources: US Census Bureau, DBS

Malaysia is particularly vulnerable to US semiconductor tariffs, with semiconductor exports to the US accounting for nearly 4% of its GDP.

Asia: Semiconductor exports to US /Nominal GDP (2024)



Sources: US Census Bureau, CEIC, DBS

Sectoral tariffs - Pharmaceuticals

European countries are the primary sources of pharmaceutical imports to the US. Within Asia, Singapore and India are notable contributors, each holding over 5% of the market share.

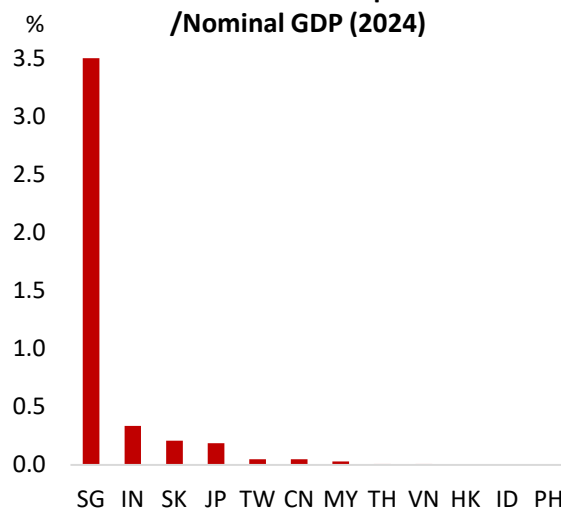
US: Top 10 sources of pharmaceutical imports (2024)

		USD bn	% share
1	Ireland	73.4	29.7
2	Switzerland	21.8	8.8
3	Singapore	19.3	7.8
4	Germany	17.3	7.0
5	India	13.1	5.3
6	Belgium	12.8	5.2
7	Italy	12.2	4.9
8	China	9.2	3.7
9	Japan	7.5	3.0
10	UK	7.4	3.0
	World total	246.8	100

Sources: US Census Bureau, DBS

Singapore, in particular, is exposed to pharmaceutical tariffs, with pharmaceutical exports to the US accounting for more than 3% of its GDP.

Asia: Pharmaceutical exports to US /Nominal GDP (2024)



Sources: US Census Bureau, CEIC, DBS

Sectoral tariffs - Steel, aluminum, copper

For steel, aluminum, and copper, Canada, Brazil, Mexico, and Chile are the US's leading suppliers. Within Asia, South Korea plays a significant role, holding over 5% of the US's steel imports.

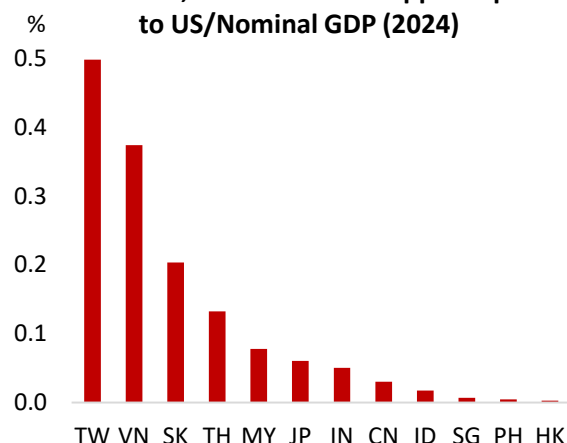
US: Top 10 sources of steel and aluminum imports (2024)

Iron and steel mill products				Bauxite and aluminum				Copper			
		USD bn	% share			USD bn	% share			USD bn	% share
1	Canada	5.6	24.3	Canada	9.5	55.1	Chile	6.1	63.6		
2	Brazil	2.7	11.8	UAE	1.1	6.6	Canada	1.8	19.1		
3	Mexico	2.5	10.7	Mexico	0.7	4.0	Peru	0.6	6.0		
4	South Korea	1.6	7.0	South Korea	0.6	3.7	Mexico	0.5	5.2		
5	Germany	1.3	5.7	China	0.5	2.9	Congo	0.3	3.1		
6	Taiwan	1.0	4.4	Bahrain	0.5	2.8	Germany	0.04	0.4		
7	Japan	1.0	4.4	Argentina	0.5	2.7	Japan	0.03	0.3		
8	Vietnam	0.9	4.0	South Africa	0.4	2.2	Zambia	0.03	0.3		
9	Netherlands	0.8	3.2	Australia	0.3	1.6	UK	0.02	0.2		
10	Trinidad & Tobago	0.6	2.7	India	0.3	1.6	Costa Rica	0.02	0.2		
	World total	23.2	100	World total	17.3	100	World total	9.6	100		

Sources: US Census Bureau, DBS

Overall, Asia's vulnerability to steel, aluminum, and copper tariffs is relatively low, as these exports represent a small percentage of GDP.

Asia: Steel*, aluminum and copper exports to US/Nominal GDP (2024)



*Iron and steel mill products; Iron and steel products, n.e.c. ; Iron and steel, advanced

Sources: US Census Bureau, CEIC, DBS

Appendix

US: Imports from Asia, by country, by product (USDbn, 2024)

US Imports from Asia, by country, by product (2000=100)						
China			Hong Kong SAR		India	
1	Cell phones and other household goods, n.e.c.	64.1	Finished metal shapes	1.2	Pharmaceutical preparations	13.1
2	Computers	34.3	Jewelry	0.7	Cell phones and other household goods, n.e.c.	7.5
3	Toys, games, and sporting goods	30.8	Gem diamonds	0.2	Gem diamonds	6.7
4	Electric apparatus	26.4	Cell phones and other household goods, n.e.c.	0.2	Apparel, household goods - cotton	5.9
5	Apparel, textiles, nonwool or cotton	20.3	Gem stones, other	0.2	Jewelry	3.5
6	Computer accessories	16.2	Toys, games, and sporting goods	0.1	Petroleum products, other	3.0
7	Other parts and accessories of vehicles	15.5	Nonmonetary gold	0.1	Industrial machines, other	2.6
8	Household appliances	14.8	Minimum value shipments	0.1	Fish and shellfish	2.5
9	Telecommunications equipment	13.0	Other foods	0.0	Other parts and accessories of vehicles	2.3
10	Furniture, household goods, etc.	12.0	Other (movies, miscellaneous imports, and special transactions)	0.0	Chemicals-organic	2.3
	All products	438.9	All products	6.0	All products	87.4
Indonesia			Japan		Malaysia	
1	Apparel, textiles, nonwool or cotton	2.6	Passenger cars, new and used	39.9	Semiconductors	16.2
2	Camping apparel and gear	2.0	Industrial machines, other	9.9	Computer accessories	6.9
3	Food oils, oilseeds	2.0	Other parts and accessories of vehicles	9.9	Telecommunications equipment	5.8
4	Fish and shellfish	1.9	Pharmaceutical preparations	7.5	Electric apparatus	3.1
5	Apparel, household goods - cotton	1.8	Electric apparatus	6.0	Medicinal equipment	2.6
6	Electric apparatus	1.7	Excavating machinery	5.9	Industrial machines, other	1.7
7	Furniture, household goods, etc.	1.4	Engines and engine parts (carburetors, pistons, rings, and valves)	3.7	Measuring, testing, control instruments	1.3
8	Telecommunications equipment	1.2	Generators, accessories	3.6	Furniture, household goods, etc.	1.3
9	Footwear	0.8	Computer accessories	3.3	Other parts and accessories of vehicles	1.0
10	Automotive tires and tubes	0.8	Medicinal equipment	3.1	Household appliances	0.9
	All products	28.1	All products	148.2	All products	52.5
Philippines			Singapore		South Korea	
1	Computer accessories	3.1	Pharmaceutical preparations	19.3	Passenger cars, new and used	37.4
2	Semiconductors	2.1	Other foods	2.7	Other parts and accessories of vehicles	9.3
3	Other parts and accessories of vehicles	1.0	Medicinal equipment	2.5	Semiconductors	8.5
4	Telecommunications equipment	0.9	Industrial machines, other	2.4	Computer accessories	7.4
5	Electric apparatus	0.8	Petroleum products, other	2.0	Petroleum products, other	6.1
6	Food oils, oilseeds	0.6	Semiconductors	1.7	Industrial machines, other	6.1
7	Cell phones and other household goods, n.e.c.	0.6	Cell phones and other household goods, n.e.c.	1.5	Electric apparatus	4.7
8	Apparel, textiles, nonwool or cotton	0.4	Electric apparatus	0.7	Pharmaceutical preparations	3.9
9	Fruits, frozen juices	0.4	Chemicals-other, n.e.c.	0.6	Household appliances	3.2
10	Generators, accessories	0.3	Laboratory testing instruments	0.5	Generators, accessories	2.3
	All products	14.2	All products	43.2	All products	131.5
Taiwan			Thailand		Vietnam	
1	Computer accessories	32.9	Telecommunications equipment	9.6	Computers	14.6
2	Computers	19.1	Computer accessories	8.7	Telecommunications equipment	14.6
3	Semiconductors	15.5	Semiconductors	5.2	Furniture, household goods, etc.	11.8
4	Telecommunications equipment	8.8	Automotive tires and tubes	3.4	Computer accessories	9.4
5	Electric apparatus	3.3	Electric apparatus	2.8	Apparel, textiles, nonwool or cotton	9.3
6	Other parts and accessories of vehicles	3.3	Household appliances	2.6	Semiconductors	8.8
7	Iron and steel, advanced	2.5	Other parts and accessories of vehicles	2.1	Apparel, household goods - cotton	5.7
8	Industrial machines, other	2.2	Generators, accessories	1.9	Camping apparel and gear	5.7
9	Toys, games, and sporting goods	1.9	Feedstuff and foodgrains	1.6	Cell phones and other household goods, n.e.c.	5.2
10	Industrial supplies, other	1.9	Computers	1.6	Stereo equipment, etc	4.4
	All products	116.3	All products	63.3	All products	136.6

Sources: US Census Bureau, DBS

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