



Trade in ASEAN: Impact of US Tariffs

Briefing Note

15th April 2025

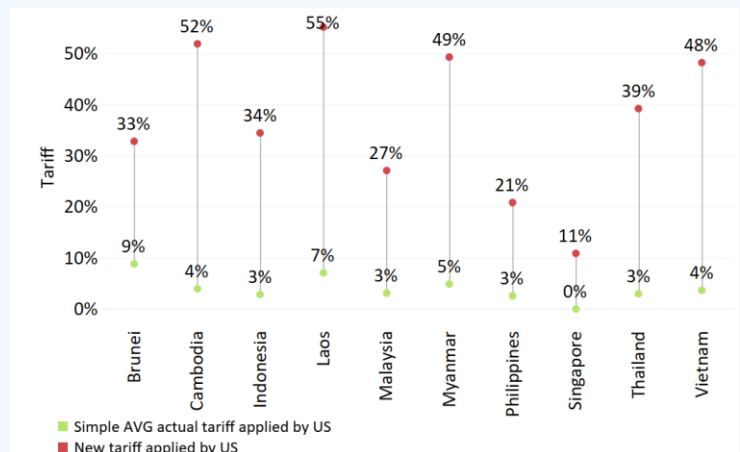
On April 2nd, 2025, the United States (US) announced a new trade policy that introduces “reciprocal tariffs” ranging from **11% to 55%** on all imported goods from the ASEAN region as from 9th April. However, on that same day, the US declared a 90-day suspension on applying tariffs, for all countries except China, which faces a 125% tariff increase. The analysis presented in this brief utilises a Trade Simulation Model to explore the potential impact of “reciprocal” tariffs announced on ASEAN trade.

ASEAN’s trade exposure to US tariffs

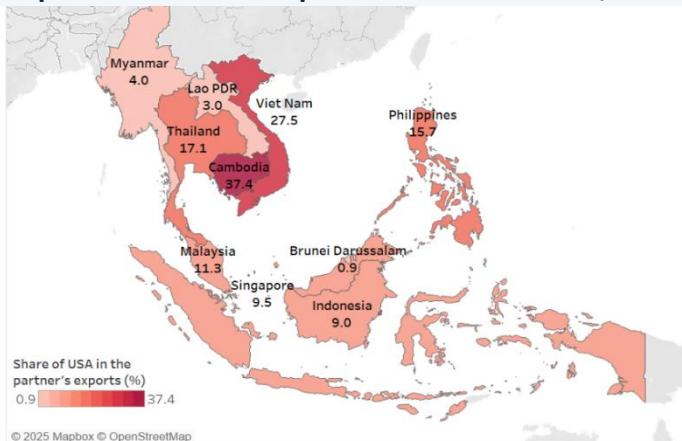
ASEAN economies, known for their significant exports in electronics, textiles, and agricultural products, face potential setbacks due to these increasing tariffs. The introduction of higher export costs could diminish their competitiveness and reduce trade volumes with the US.

In terms of exposure, these tariffs imposed on ASEAN threaten almost **14.8% of ASEAN exports** which are directed towards the US.

Current vs projected average tariff rates (applied by the US on ASEAN exports)



Exposure of ASEAN Exports to the US market, 2023



Note: New tariff is calculated by adding the existing tariff and retaliatory tariff; Source: IEC Calculations; White House Executives Order, April 2, 2025; ITC MacMap

Greatest exposure across ASEAN member states are:

- **Cambodia**, where **37.4%** of the country’s total exports were destined for the US market.
- **Viet Nam**, with **27.5%** of exports to the US, and
- **Thailand** with **17.1%** exports to the US.

Note: Exposure is calculated as the share of the country’s exports to the US market; Source: IEC Calculations; ITC TradeMap

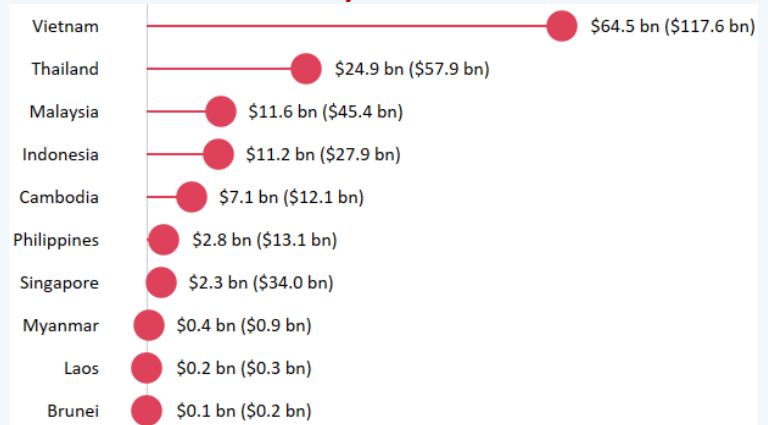
The simulation was conducted using applied tariffs and projected tariffs as of 9 April, using a partial equilibrium model in two-stages. The first stage calculates the impact of bilateral tariffs applied to all partners to estimate trade creation and diversion effects. The trade diversion effects were then allocated the tariffs that would be faced by those suppliers, to calculate the adjusted trade diversion values. Final flows are estimated using the total trade effects. See the [Methodology](#). Access the [Trade Simulation Tool](#).



Impact of US tariff rate increase on ASEAN Member States

- ✚ Viet Nam's exports to the US fall the most, by **US\$ 64.5 billion**.
- ✚ Thailand's trade losses to the US amount to **US\$24.9 billion** and Malaysia's exports fall by **US\$ 11.6 billion**.
- ✚ ASEAN members Myanmar, Lao PDR and Brunei Darussalam face minimal impact due to their relatively low trade volumes with US.

Simulated trade loss by ASEAN countries to the US



Note: Number in bracket is total country exports to US in 2024

Source: International Economics Consulting [Trade Simulation Tool](#)

Product level impacts

- **Electrical machinery such as electronics and electrical products** contract the most, by **US\$ 50.9 billion**.
- **Mechanical machinery such as computers and data-processing machines, semiconductor equipment, jet engines** follow with **US\$ 18.3 billion** lost.
- Other impacted products are **Furniture, Knitted and unknitted Apparel and Clothing, and Footwear**.

Simulated trade loss by product (HS2) from US tariff increase – ASEAN

<p>Electrical machinery and equipment and parts thereof; sound recorders and reproducers; television image and sound recorders and reproducers, parts and accessories of such articles HS 85 Exports fall by \$50.9 bn USA Imports: \$89.7 bn</p>	<p>Machinery and mechanical appliances, boilers, nuclear reactors; parts thereof HS 84 Exports fall by \$18.3 bn USA Imports: \$44.2 bn</p>	<p>Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, n.e.c.; illuminated signs, illuminated name-plates and the like; prefabricated buildings HS 94</p>
<p>Apparel and clothing accessories; knitted or crocheted HS 61 Exports fall by \$5.6 bn USA Imports: \$13.6 bn</p>	<p>Footwear; gaiters and the like; parts of such articles HS 64 Exports fall by \$4.3 bn USA Imports: \$11.1</p>	<p>Rubber and articles thereof HS 40 Exports fall by \$3.8 bn USA Imports: \$9.4 bn</p>
<p>Apparel and clothing accessories; not knitted or crocheted HS 62 Exports fall by \$4.9 bn USA Imports: \$10.5 bn</p>	<p>Toys, games and sports requisites; parts and accessories thereof</p>	<p>Optical, photographic, cinematographic, measuring, checking, medical</p>

Note: USA imports include all imports from ASEAN in that category in 2024

Source: International Economics Consulting [Trade Simulation Tool](#)

\$2.8 bn \$50.9 bn

Implications

Reduced exports to US, especially in electronics, and apparel; Higher production costs; Disruption of GVCs; Trade diversion; Slowdown in FDI; Factory closures/job losses; Currency volatility; Depressed global prices.

Way Forward

Diversify trade partners; Boost regional integration; Promote domestic value addition; Support exposed sectors and SMEs; Enhance trade facilitation; Leverage ASEAN policy dialogue instead of bilateral channels.

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