

FROST & SULLIVAN

GEOPOLITICS, TRADE WAR AND ITS IMPACT ON SEA COUNTRIES

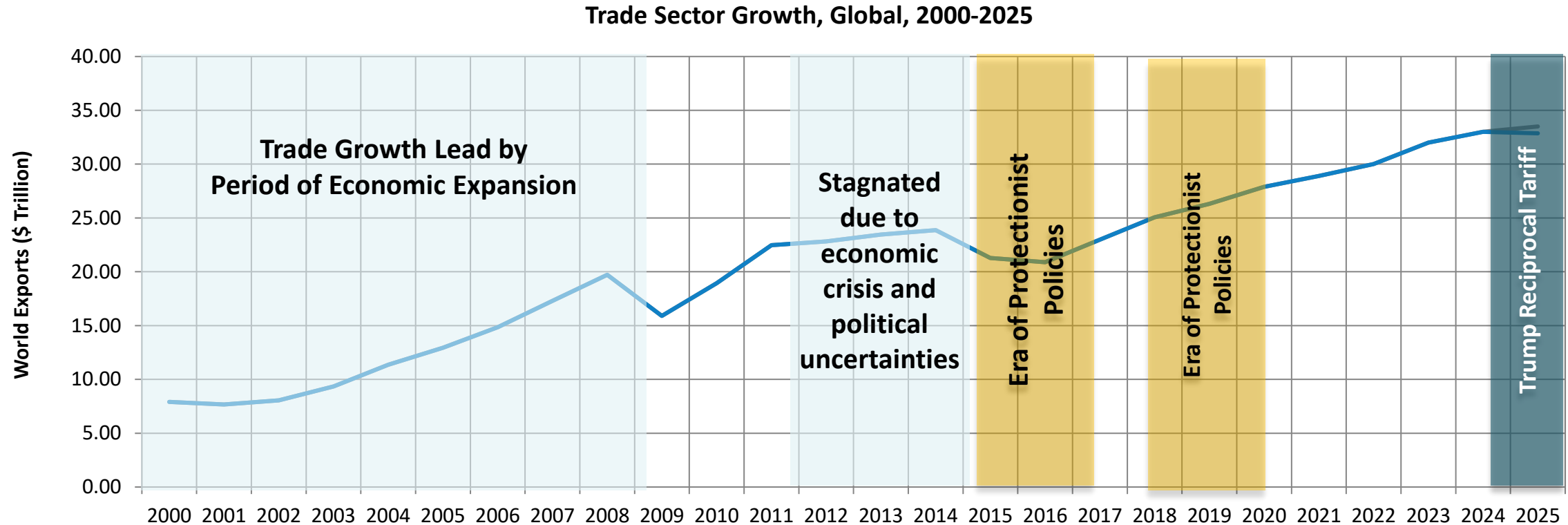
NAVIGATING TARIFFS & GLOBAL SHIFTS

Jeff Tan
Supply Chain & Logistics Practice
Growth Advisory



GLOBAL TRADE PROJECTED GROWTH AT 0.2 % IN 2025

North American trade expected to slow down due to reciprocal tariff announcements



- The outlook for global trade has deteriorated sharply due to a surge in tariffs and trade policy uncertainty (TPU).
- Volume of world merchandise trade is now expected to decline by 0.2% in 2025 before posting a modest recovery of 2.5% in 2026.

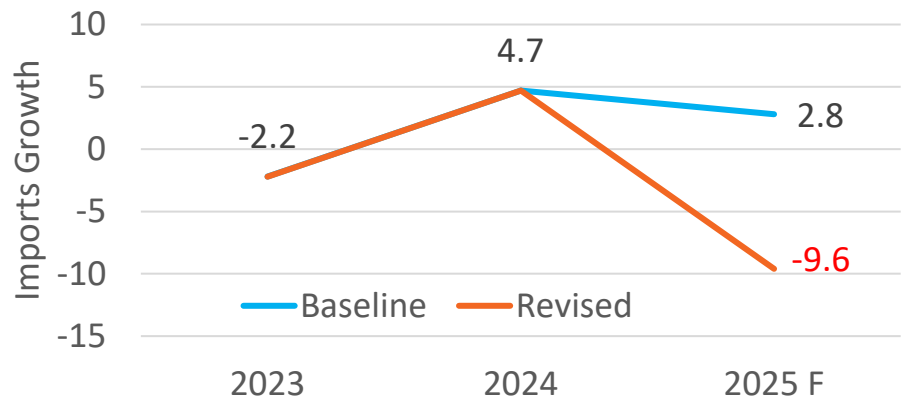
Note: Baseline numbers refer to forecasts before tariff announcement . Global Trade Outlook 2022 April

Sources: WTO; Frost & Sullivan

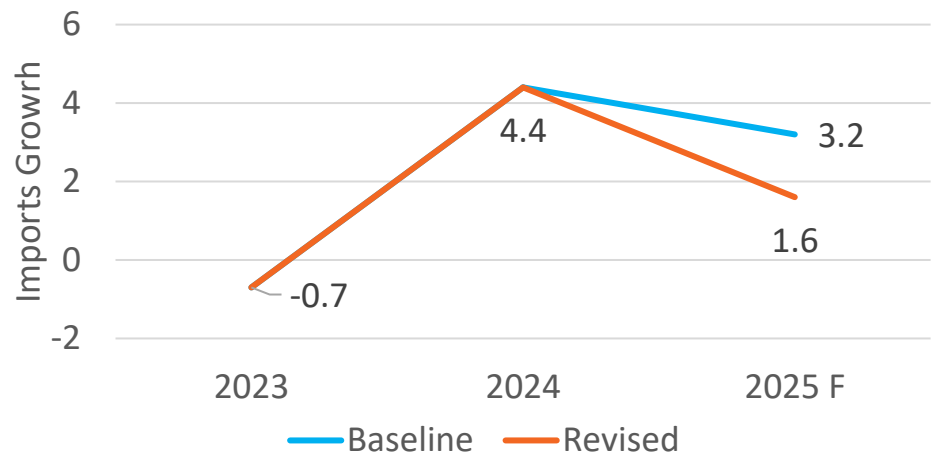
TRADE – IMPORTS & EXPORTS GROWTH BY REGION

Outlook for North America revised significantly; Asia maintains positive growth trajectory.

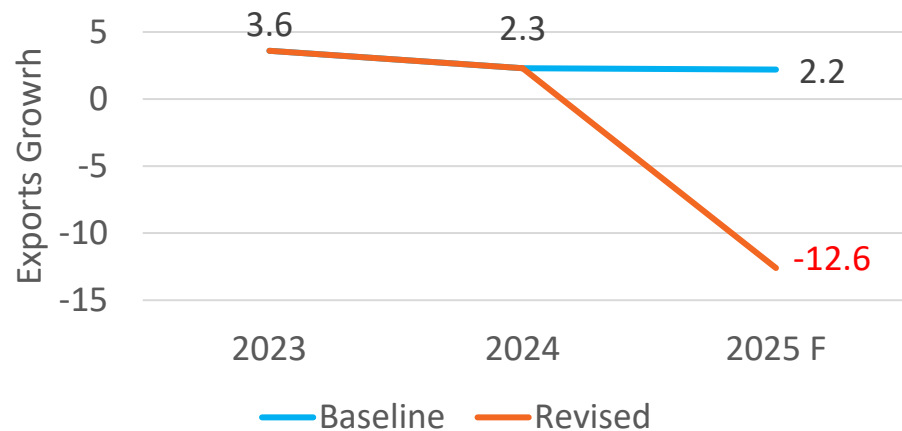
Trade – Imports Growth, North America, 2023-2025 (F)



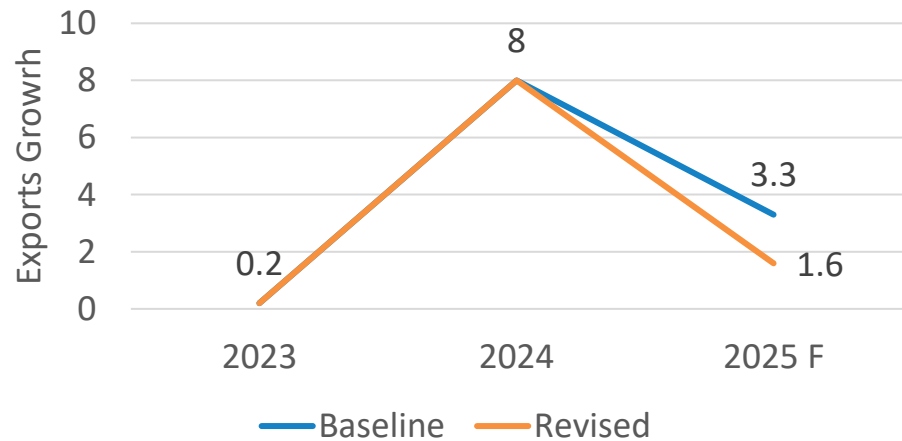
Trade -Imports Growth, Asia, 2023-2025 (F)



Trade - Exports Growth, North America, 2023-2025 (F)



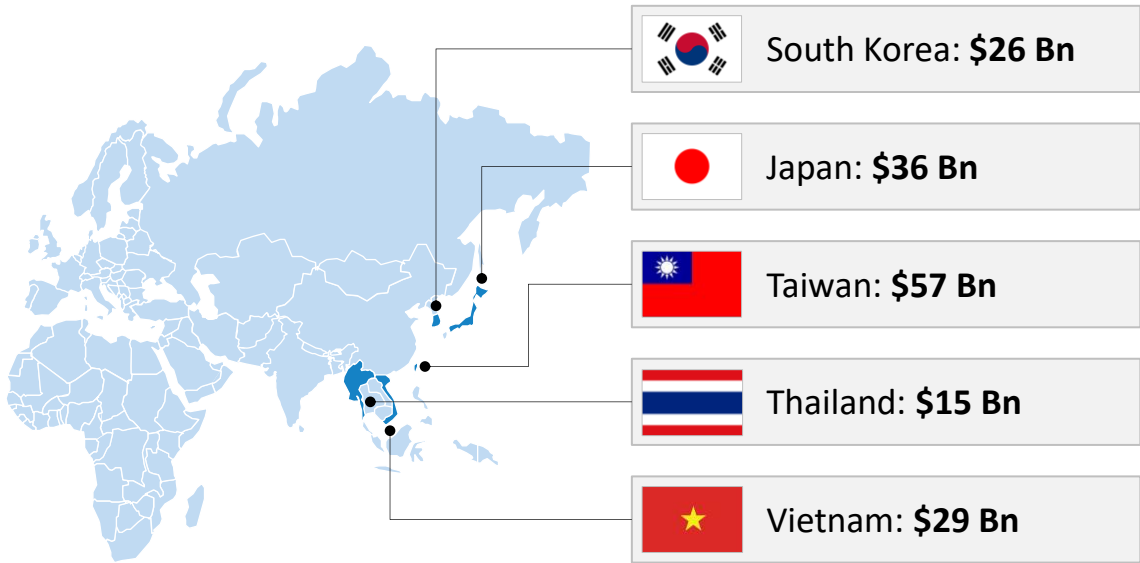
Trade - Exports Growth, Asia, 2023-2025 (F)



Note: Baseline numbers refer to forecasts before tariff announcement .
Sources: Global Trade Outlook April 2025, WTO; Frost & Sullivan

SECTOR LEVEL SUPPLY CHAIN IMPACT (1/2)

Tariff Developments To Influence Sourcing Trends



Key Observations:

- China is US’s top electronics supplier (16% share) —a clear pressure point in global tech supply chain.
- Vietnam’s 11% of US imports of Electronics — cost advantage erodes, triggering urgency around re-routing.
- Tariffs on Japan and S.Korea endanger over \$1T in US auto imports — expect OEMs to accelerate EU-based output or ASEAN reassembly to shield margins.

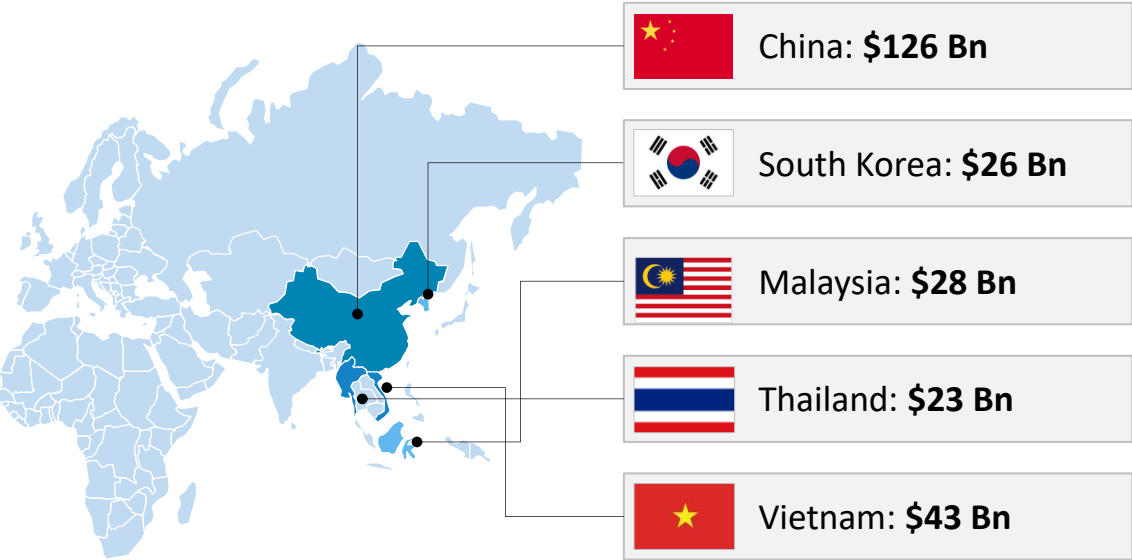
Electronics (HS Code 84)			Total Import Value: \$531.15 Bn
#	Countries	*New Tariffs	Imports to US as % of Total US Imports
1	China	145%	16.03%
2	Vietnam	46%	10.9%
3	Japan	24%	6.79%
4	Germany	36%	6.47%
5	South Korea	25%	4.99%

Automotive (HS Code 87)			Total Import Value: \$391.46 Bn
#	Countries	*New Tariffs	Imports to US as % of Total US Imports
1	Japan	24%	13.10%
2	South Korea	25%	11.59%
3	Germany	2.4%	8.91%
4	China	145%	4.6%
5	United Kingdom	10%	2.98 %

Export Values of 84 & 87 to US 2024 * Rates as of 10th May 2025 Source: Frost & Sullivan

SECTOR LEVEL SUPPLY CHAIN IMPACT (2/2)

Tariff Developments To Influence Sourcing Trends



Key Observations:

- Machinery tariffs hit over a quarter of US imports — this is a high-risk node likely to drive sourcing reallocation across Southeast Asia.
- Malaysia and Thailand offer viable alternatives for machinery due to lower tariffs and established export capacity.
- In pharmaceuticals, Singapore remains a top supplier with low tariffs, while high tariffs on China and Canada may shift U.S. demand to Japan or others.

Machinery (HS Code 85)

Total Import Value: \$485.88 Bn

#	Countries	*New Tariffs	Imports to US as % of Total US Imports
1	China	145%	26.1%
2	Vietnam	46%	8.8%
3	Malaysia	24%	5.9%
4	Thailand	36%	4.7%
5	South Korea	25%	4.3%

Pharmaceutical (HS Code 30)

Total Import Value: \$212.66 Bn

#	Countries	*New Tariffs	Imports to US as % of Total US Imports
1	Singapore	10%	7.17%
2	China	145%	3.68%
3	Japan	10%	3.49%
4	Canada	25%	2.51%
5	South Korea	25%	1.87%

Export Values of 85 & 30 to US 2024 * Rates as of 10th May 2025 Source: Frost & Sullivan

REGULATORY & TRADE LANDSCAPE IMPACTING SUPPLY CHAINS – APAC REGION

APAC countries are becoming pivotal in global supply chain restructuring. Strategic trade agreements, streamlined customs processes, and targeted industrial policies are enabling the region to redefine how companies source, manufacture, and distribute goods worldwide.



Tariff Impact

Thailand



- Access to ASEAN-China, ASEAN-Japan, and RCEP agreements
- Eastern Economic Corridor (EEC) as logistics innovation hub
- Developed highway and customs infrastructure

Malaysia



- Tariff exemptions on ICT, electronics, automotive parts
- Fast customs clearance under National Single Window (NSW)
- Strong last-mile networks.

Singapore



- No import tariffs on nearly all goods
- Seamless digital customs and bonded warehouse options
- Leading third-party logistics providers

Indonesia



- Access to ASEAN-China, ASEAN-India, ASEAN-Japan, and RCEP agreements
- National Logistics Ecosystem (NLE) for digital trade facilitation
- Major infrastructure projects under the National Strategic Projects initiative

Japan



- Access to ASEAN-Japan, EU-Japan EPA, CPTPP, and RCEP agreements
- Advanced trade facilitation systems (e.g., NACCS)
- High-speed freight and multimodal networks

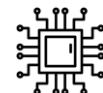
Key Sectors



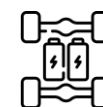
- Automotive & Auto Parts
- Electronics



- Electronics & Semiconductors
- Palm Oil & Agro-Processing
- Machinery



- Electronics & Semiconductors
- Financial Services & Logistics



- Nickel & EV Battery Supply Chain
- Textile/ Apparel / Footwear
- Electronics



- Automotive Industry
- Electronics & Semiconductors

Supply Chain Enablers

- Eastern Economic Corridor (EEC) integrates smart logistics, high-speed rail, and incentives to attract high-tech, value-added industries.

- Malaysia excels in semiconductors, medical devices, electronics with strong supply networks and Industry 4.0 adoption.

- High-value manufacturing thrives on strong R&D, skilled talent, and advanced infrastructure in key tech sectors.

- Indonesia's large consumer base and ASEAN-RCEP ties drive strong supply chains and manufacturing integration.

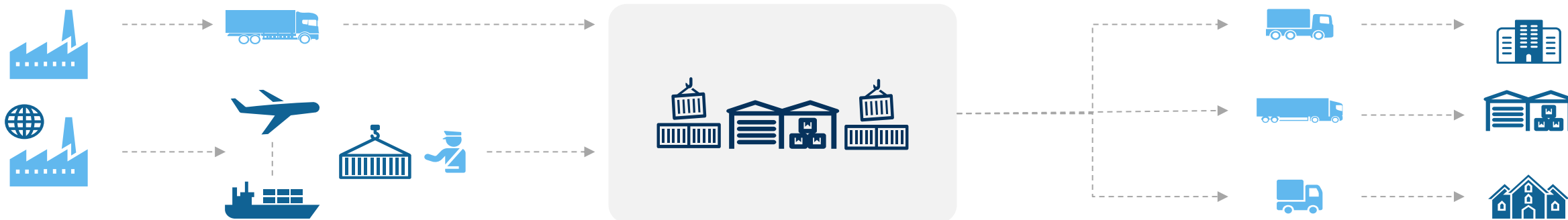
- Japan's innovation and precision manufacturing anchor its role in high-value, tech-driven global supply chains.

Source: Frost & Sullivan

EVOLVING TARIFFS RESHAPE TRADE AND LOGISTICS SUPPLY CHAIN

Implications To Be Observed Across Logistics, Storage, And Delivery

Tariff Impact across Supply Chain Nodes



Outbound and Trade Logistics

- 1 Trade Lane Rerouting
- 2 Freight Volatility
- 3 Capacity Imbalance

Warehousing/ Bonded Warehouses

- 1 Pre-Tariff Stockpiling
- 2 Storage Gridlock
- 3 Compliance Bottlenecks

Distribution and Delivery

- 1 Alternative Route Activation
- 2 De-risked Sourcing Models
- 3 Regional Distribution Gains

Source: Frost & Sullivan Analysis

Thank you