CHART
OF THE WEEK

SOUTHEAST ASIAN COUNTRIES ARE GAINING MARKET SHARE DESPITE HIGHER U.S. TARIFFS

Johanna Melka

Asian economies, excluding China, have experienced minimal disruption to their global trade shares despite higher US tariffs. This resilience stems from their export composition, which remains concentrated in electronics, a sector largely spared by US tariff increases and buoyed by AI-driven demand. While the strategy of redirecting Chinese exports from the United States to Asia and other global markets has intensified, it has not been sufficient to fully compensate for China's decline in U.S. market share.

CHINA'S SLIGHT DECLINE IN GLOBAL MARKET SHARE BENEFITS OTHER ASIAN COUNTRIES

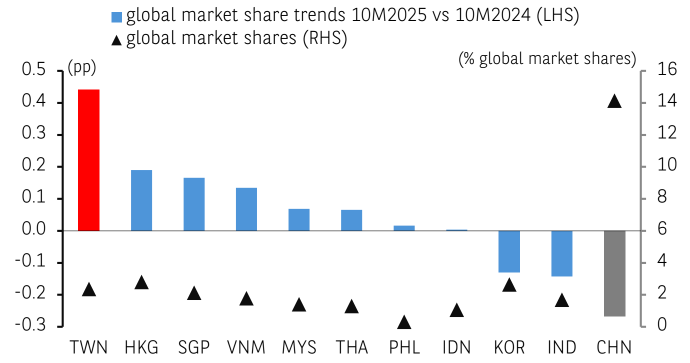

CHART 1

SOURCE: IMF, BNP PARIBAS

THE RISE IN SOUTHEAST ASIAN MARKET SHARES IN THE U.S. IS PARTLY DRIVEN BY AI

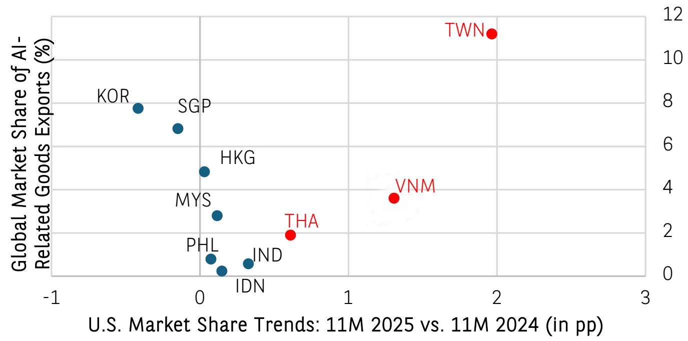

CHART 2

SOURCE: IMF, OXFORD ECONOMICS, BNP PARIBAS

Southeast Asian countries are gaining market share globally, while China is losing it

In the first ten months of 2025[1], China's global market share declined by 0.3 percentage points (pp) (to 14.1% of global exports) compared to the same period in 2024. In contrast, that of other Asian countries[2], excluding Japan, rose by 0.8pp to 17.5%, according to the IMF. Their market share fell slightly in the European Union (-0.2pp over the first 11 months of 2025, representing 10.8% of total EU imports) but surged in the United States (+4pp) despite the rise in U.S. tariffs. As a result, 24.7% of U.S. imports came from Asia, excluding China and Japan, in the first 11 months of 2025. The ASEAN-6 countries collectively increased their market share by 0.4pp (to 8% of global exports). However, Taiwan recorded the most significant individual gains (+0.4pp, reaching 2.8% of global exports). In contrast, the market shares of India and South Korea each fell by 0.1pp (see *Chart 1*).

Market share gains concentrated in the United States thanks to artificial intelligence

Gains in the U.S. market were especially significant. Taiwan saw its market share increase the most (+2pp, bringing it to 5.5% of U.S. imports), followed by Vietnam (+1.3pp), Thailand (+0.6pp), and—to a lesser extent—India (+0.3pp). These gains can be attributed to the sharp rise in U.S. demand for AI-related products (see *Chart 2*). The only exceptions to this trend were Singapore and South Korea—both strategic players in the AI sector—whose U.S. market shares declined (-0.1pp and -0.4pp, respectively). This is because their exports are primarily aimed at Asia (the United States ranks as Korea's fifth-largest export market and Singapore's eighth largest for integrated electronic circuits). Furthermore, higher U.S. tariffs on automobiles have significantly impacted Korean exports[3]. India, on the other hand, benefited from a sharp increase in U.S. smartphone imports during the first seven months of 2025. This offset the decline recorded from August 2025 onwards, following the increase in U.S. tariffs on its products (the average effective rate rose from 2.4% in 2024 to 35.1% in August 2025).

China is failing to offset its lost U.S. market share

China's U.S. market share fell by 4pp in the first 11 months of 2025 (to 9.5% of U.S. imports). In an effort to offset this decline, China has continued to increase its exports to Asia (+11.5% in 2025), which accounted for 35.4% of its total exports (compared to 34.5% in 2024).

As a consequence, while the bilateral trade surplus of Asian countries with the U.S. grew by USD 154 billion (to USD 485.3 billion), their trade deficit with China widened by USD 113.7 billion (to USD 330.4 billion).

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1 Global trade data only covers the period ending in October 2025, whereas U.S. national data extends to November. The period studied therefore varies depending on the destination market.
2 The Asian countries included in this study are: China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Vietnam.
3 The average effective tariff rate imposed by the United States on Korean goods was raised to 13.2% (compared to 8.4% for Taiwan and 10.9% for Malaysia). Among the Asian countries that gained U.S. market share despite higher tariffs were Vietnam (with an effective rate of 19%) and India, whose electronics exports saw significant growth. Indonesia, however, was penalised by higher U.S. tariffs on steel and aluminium (its average effective rate was raised to 22.7%).

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