

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

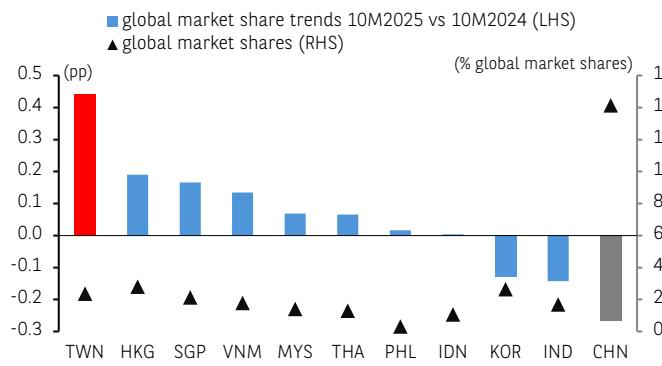


CHART 1

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

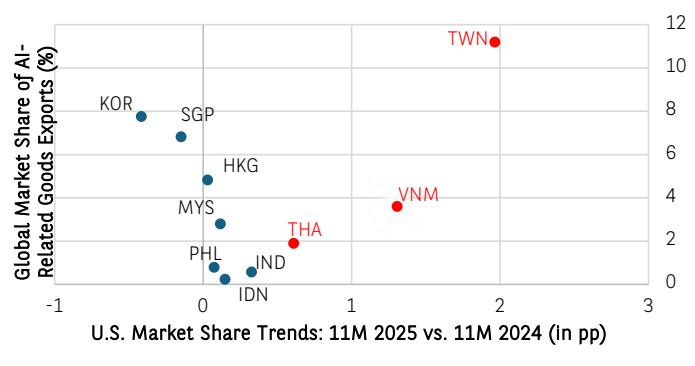


CHART 2

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

In the first ten months of 2025¹, 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 countries², 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 exports³. 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).

Johanna Melka

johanna.melka@bpnparrabis.com

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%).

ECONOMIC RESEARCH



BNP PARIBAS

The bank
for a changing
world

GROUP ECONOMIC RESEARCH

ECOINSIGHT

Structural or thematic topics

ECOPERSPECTIVES

Analyses and forecasts with a focus on developed and emerging economies.

ECOFLASH

Data releases, major economic events

ECOWEEK

Recent economic and policy developments, data comments, economic calendar, forecasts

ECOPULSE

Easy-to-read monthly overview of inflation dynamics

ECOCHARTS

Monthly barometer of key economic indicators of the main OECD countries.

ECOTV

What is the key event of the month?

You will find the answer in our economy broadcast.

MACROWAVES

Our economic podcast

HOW TO RECEIVE OUR PUBLICATIONS

SUBSCRIBE ON OUR WEBSITE
see the Economic Research website

&

FOLLOW US ON LINKEDIN
see the Economic Research linkedin page

OR TWITTER
see the Economic Research Twitter page



Published by BNP PARIBAS Economic Research

Head office: 16 boulevard des Italiens - 75009 Paris France / Phone : +33 (0) 1 42 98 12 34

Internet: www.group.bnpparibas - www.economic-research.bnpparibas.com

Head of publication : Jean Lemierre

Chief editor: Isabelle Mateos y Lago

The information and opinions contained in this document have been obtained from, or are based on, public sources believed to be reliable, but there is no guarantee of the accuracy, completeness or fitness for any particular purpose of such information and such information may not have been independently verified by BNPP or by any person. None of BNPP or any of its subsidiary undertakings or affiliates or its members, directors, officers, agents or employees accepts any responsibility or liability whatsoever or makes any representation or warranty, express or implied, as to the accuracy and completeness of the information or any opinions based thereon and contained in this document and it should not be relied upon as such. This document does not constitute research, as defined under MiFID II, or form any part of any offer to sell or issue and is not a solicitation of any offer to purchase any financial instrument, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on, in connection with any contract or investment decision. Information and opinions contained in this document are published for the information of recipients, but are not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient, are subject to change without notice. In providing this document, BNPP does not offer investment, financial, legal, tax or any other type of advice to, nor has any fiduciary duties towards, recipients. Any reference to past performance is not indicative of future performance, which may be better or worse than prior results. Any hypothetical, past performance simulations are the result of estimates made by BNPP, as of a given moment, on the basis of parameters, market conditions, and historical data selected by BNPP, and should not be used as guidance, in any way, of future performance. To the fullest extent permitted by law, no BNPP group company accepts any liability whatsoever (including in negligence) for any direct or consequential loss arising from any use of or reliance on material contained in this document even when advised of the possibility of such losses. All estimates and opinions included in this document are made as of the date of this document. Unless otherwise indicated in this document there is no intention to update this document. BNPP may make a market in, or may, as principal or agent, buy or sell securities of any issuer or person mentioned in this document or derivatives thereon. Prices, yields and other similar information included in this document are included for information purposes however numerous factors will affect market pricing at any particular time, such information may be subject to rapid change and there is no certainty that transactions could be executed at any specified price. BNPP may have a financial interest in any issuer or person mentioned in this document, including a long or short position in their securities and/or options, futures or other derivative instruments based thereon, or vice versa. BNPP, including its officers and employees, may serve or have served as an officer, director or in an advisory capacity for any person mentioned in this document. BNPP may, from time to time, solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) within the last 12 months for any person referred to in this document. BNPP may be a party to an agreement with any person relating to the production of this document. BNPP may to the extent permitted by law, have acted upon or used the information contained herein or in the document, or the analysis on which it was based, before the document was published. BNPP may receive or intend to seek compensation for investment banking services in the next three months from or in relation to any person mentioned in this document. Any person mentioned in this document may have been provided with relevant sections of this document prior to its publication in order to verify its factual accuracy.

This document was produced by a BNPP group company. This document is for the use of intended recipients and may not be reproduced (in whole or in part) or delivered or transmitted to any other person without the prior written consent of BNPP. By accepting or accessing this document you agree to this.

BNP Paribas is a société anonyme incorporated in France, licensed and supervised as a credit institution by the European Central Bank (ECB) and as an investment services provider by the Autorité de contrôle prudentiel et de résolution (ACPR) and Autorité des marchés financiers (AMF), and having its registered office at 16, boulevard des Italiens, 75009 Paris, France. Some or all of the information contained in this document may already have been published on <https://globalmarkets.bnpparibas.com>.

For country-specific disclaimers (United States, Canada, United Kingdom, Germany, Belgium, Ireland, Italy, Netherlands, Portugal, Spain, Switzerland, Brazil, Turkey, Israel, Bahrain, South Africa, Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore, South Korea, Taiwan, Thailand, Vietnam) please type the following URL to access the applicable legal notices: https://globalmarkets.bnpparibas.com/gm/home/Markets_360_Country_Specific_Notices.pdf

© BNP Paribas (2025). All rights reserved.

Subscribe to our publications:

ECONOMIC RESEARCH



BNP PARIBAS

La banque
d'un monde
qui change