AmChamSG

NAVIGATING TARIFFS

Insights from AmChamSG Flash Survey

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EXECUTIVE SUMMARY

Global trade tensions, particularly between the United States and major trading partners such as Canada, China, the European Union and Mexico, have escalated over the past year. These tensions have resulted in new rounds of tariffs, reciprocal measures, and regulatory uncertainty. Businesses operating in Singapore — a global trade hub — are directly affected, not only due to their exposure to U.S.-China trade relations but also because many regional operations are tightly linked to global supply chains.

Given Singapore's position as a key logistical and business node for multinational corporations, the implementation of tariffs carries wide-ranging implications for cost structures, supply chain management, and future investment strategies. Companies are increasingly required to adapt quickly to regulatory changes while balancing cost management, customer expectations, and market competitiveness.

The American Chamber of Commerce in Singapore (AmChamSG), in collaboration with knowledge partner BowerGroupAsia Singapore, conducted an online survey of AmChamSG members to better understand the impact of the implementation of tariffs on their operations, the business environment and investment decisions. Responses were collected from March 3 to 10, 2025.

TARIFF-IED? YES AND NO.

By Frank Debets, Asia Pacific Customs and Trade Leader, PwC Singapore

For people tasked with navigating their company's product movements into (or out of) the U.S., these are both exciting and stressful times. Exciting, because they may be some of the most visible and important people in their organization. Stressful, because any decision they make on one day may well be suboptimal, if not worse, the next.

The second Trump administration's approach to tariffs as a preferred means to achieve policy objectives - be they economic or geopolitical, short-term or long-term, temporary or permanent - leaves many to throw up their arms in frustration, if not simply hope the situation will self-correct.

Against that backdrop, the results of AmCham Singapore's flash survey are not surprising, but they do bring out some interesting points.

Firstly, 20% of respondents indicate that new U.S. tariffs have no impact on them. Although that may be true directly (i.e. those companies won't be paying the tariffs), it would be surprising, to say the least, if they were fully shielded from the impact. Their suppliers and customers may be impacted, affecting their ability to buy or sell products or services. They may be confronted with a different competitive landscape outside of the U.S. They may be caught by retaliatory measures elsewhere. The list goes on. It would be wise for anyone who believes the tariffs do not impact them to perform the necessary due diligence to ensure that their belief is well founded.

A second point of note is that nearly half (45%) of respondents plan to simply pass - at least some of - the tariff costs on to their customers in the U.S. Clearly, that is not possible for all companies, but the proportion who feel that it is possible is surprisingly large. It also suggests that, as a measure to reduce imports and rebalance trade balances, the tariffs may not be the best way to achieve those objectives. Perhaps some of these companies expect the tariffs to be withdrawn soon after they are put in place. That would be a dangerous assumption, as all indications from U.S. policy makers are that such tariffs would be here to stay for a significant period of time. Historically, it is also clear that both tariff and non-tariff barriers to trade tend to linger about once they have been introduced. Many of the tariffs introduced in the first Trump administration are still in force today.

Thirdly, very few respondents (less than 5%) are planning to expand production in the U.S. or even move production around. There is also no consensus between respondents as to what the tariffs may mean for their operations in the U.S. In a way, that may be expected at this point in time, given the extreme uncertainty surrounding the scale and timeframe of new tariffs. Moving or expanding production is a costly and time-consuming exercise. Decisions to do so are not arrived at lightly or quickly. Commercial reality dictates that companies that can pass the tariff increases, at least substantially, to their customers would not move their manufacturing to the U.S. Consequently, a "wait and see" approach, looking for other short-term options to mitigate the tariff impact, appears to be preferred. Again, the stated objective of attracting more manufacturing investment into the U.S. may not be best served by tariffs, judging by the survey results.

Fourthly, quite a few companies (about 40%) are seriously looking into other potential markets to diversify their sales. This aligns with our experience from talking to many companies that feel compelled to at least consider what a "world without the U.S." would look like for them. It may well be that it turns out to be much harder than expected to find new markets and new customers elsewhere, especially at similar levels of supply chain profitability. However, that cannot be taken for granted by importers in the U.S., be they companies or individuals, who may suddenly find it harder to find willing suppliers for the products they need or want.

Clearly, few people (8% of respondents) believe new tariffs are positive for business, whether in Singapore, in ASEAN or in the U.S. Nevertheless, it would be imprudent not to plan for them. That starts with having good trade flow data to map the impact possible measures, in the U.S. or – in retaliation – elsewhere, would have on their supply chains. That will make it easier to identify mitigating options and be ready to react quickly as and when the regulatory landscape changes. In our experience, many companies in Singapore and around Asia are lagging well behind their counterparts in the U.S. in this respect. They should consider acting with more urgency. After all, doing nothing is only a strategy if it is an informed decision, not a default indecision.

Note to readers: This content in this article is for general information purposes only, and should not be used as a substitute for consultation with professional advisors. For an in-depth discussion of the topic, connect with the author Frank.

KEY FINDINGS

Impact on Business

Companies perceive tariffs to have clear negative impacts, although there may be some divergence in views (Figure 1.) A majority of companies reported that U.S. tariffs are having a negative impact on their operations, with more than two-thirds citing increased costs and operational complexities. Companies that view tariffs more positively tend to be in the services sector, likely due to less direct exposure to traded goods and potential opportunities to advise or support affected industries.

Figure 1. Does the implementation of U.S. tariffs have an impact on your company? (n=36)

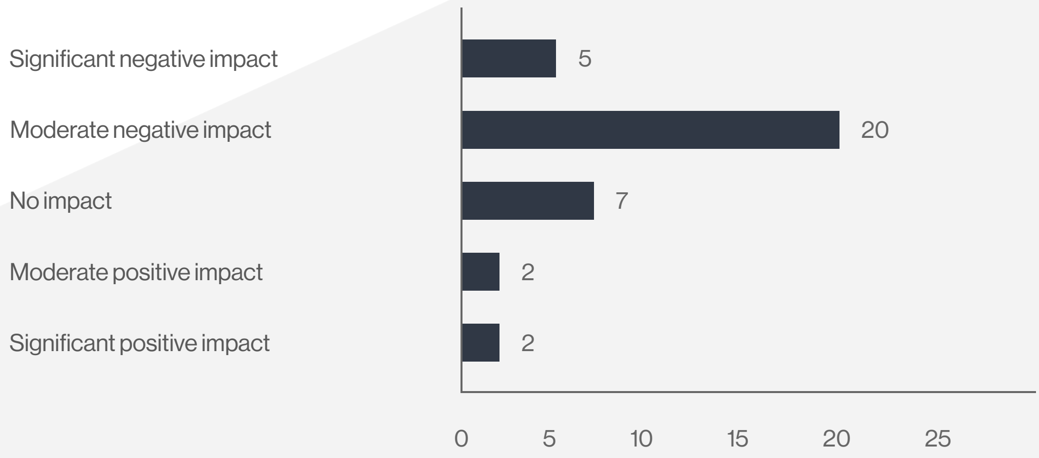


Figure 2.How does U.S. tariffs impact your company? Select all that apply. (n=36)

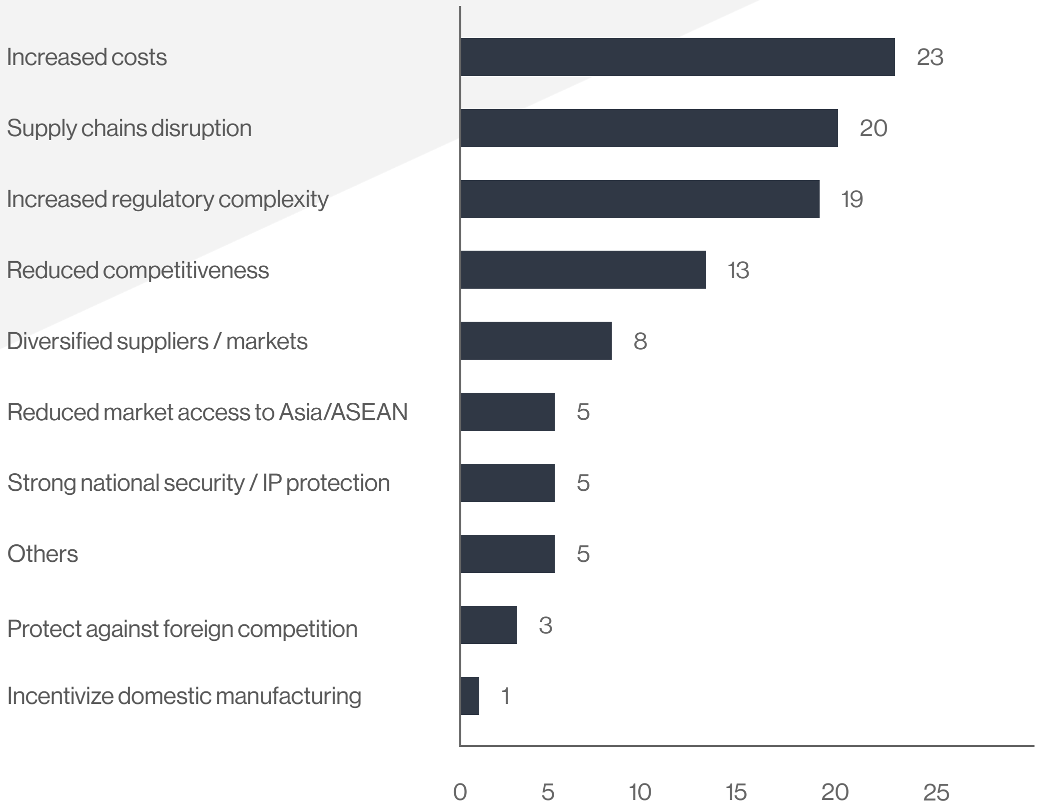
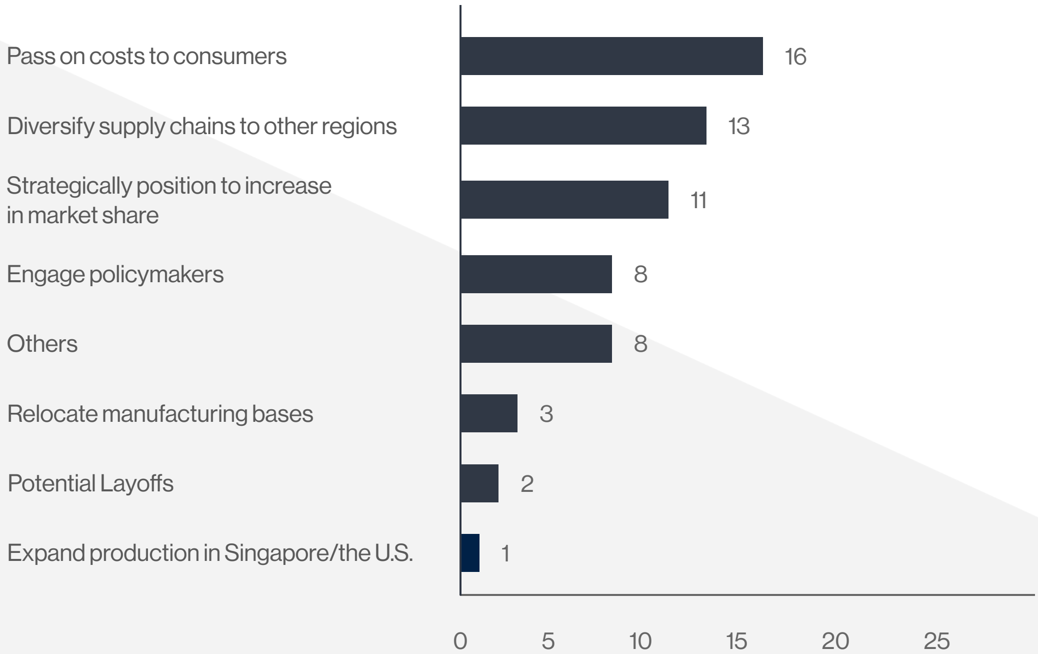
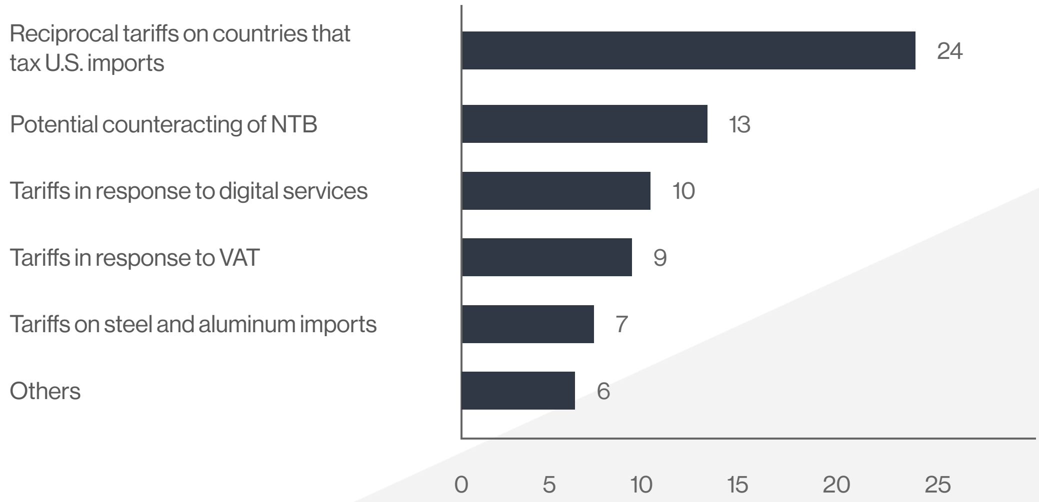


Figure 3.How is your company planning to address these tariffs? Select all that may apply. (n=36)



Cost increases, supply chain disruptions, and increased regulatory complexities are companies' primary concerns. (Figure 2) Only one company saw tariffs as a potential catalyst for incentivizing domestic manufacturing — highlighting that for most, the burdens outweigh the benefits. In this regard, Figure 3 shows that **passing costs to consumers is the most common response**, with 45% of companies planning to pass these increased costs to consumers. Other strategies include diversifying supply chains to reduce dependence on high-tariff markets and leveraging these disruptions to increase market share where competitors are slower to adapt. Notably, only two companies are currently considering workforce reductions, suggesting that layoffs are seen as a last resort.

Figure 4. Which of the following impacts your company the most? Select all that may apply? (n=36)



Reciprocal tariffs present greater concerns than existing measures. Companies expressed that potential reciprocal tariffs on countries taxing U.S. imports would have the most significant impact on their business, overshadowing concerns about existing steel and aluminum tariffs, which affect only about one-quarter of respondents (Figure 4). Other potential impacts mentioned by responding companies include increased market costs related to tariffs on goods manufactured in China, underscoring the global ripple effect of U.S.-China trade tensions.

Impact on Business Environment

Figure 5. Does your company believe that tariffs will be harmful to the business environment? (n=36)

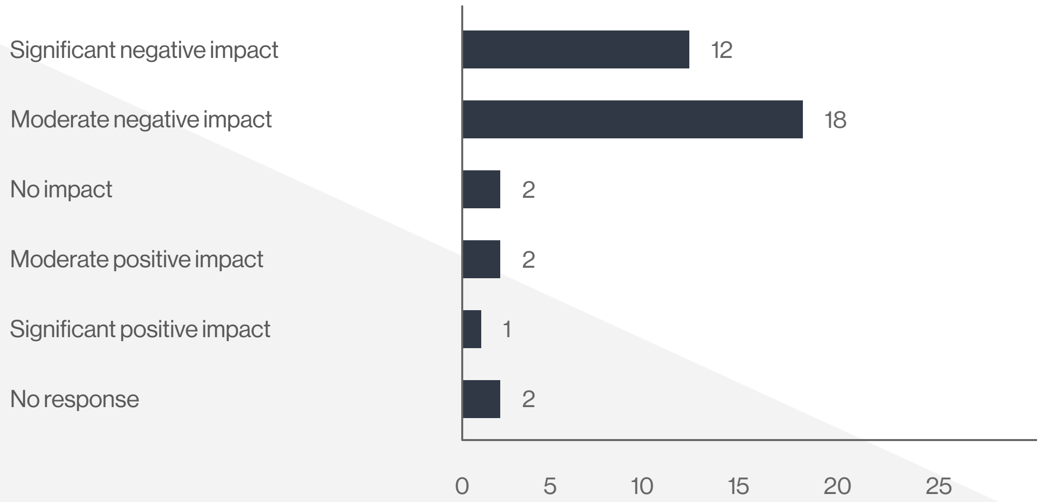
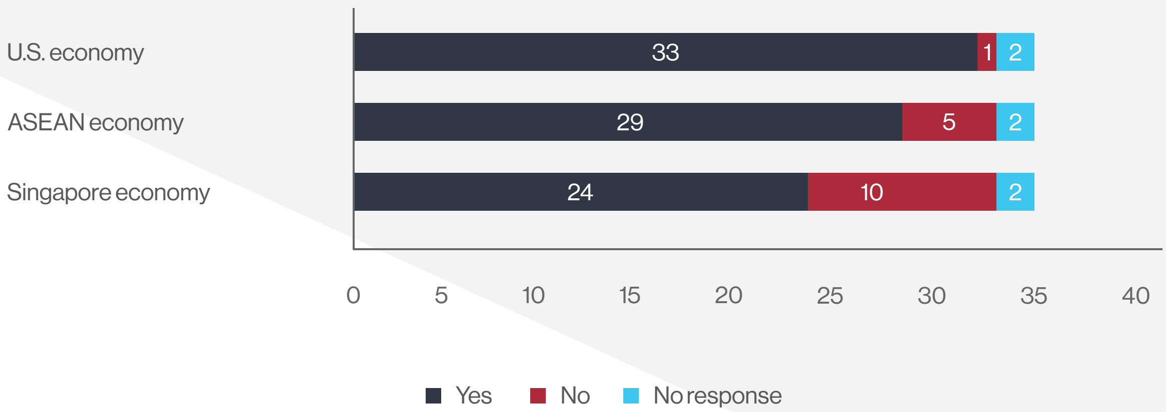
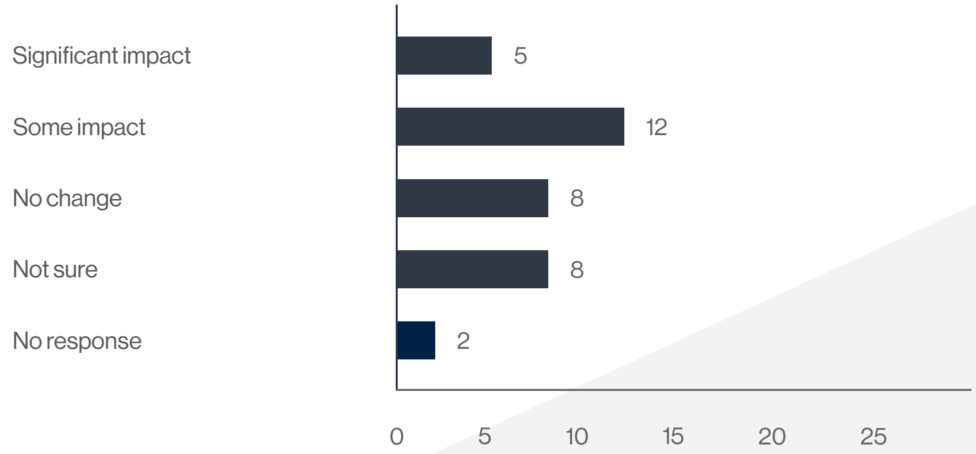


Figure 6. Do you think that the tariffs will harm the: (n=36)



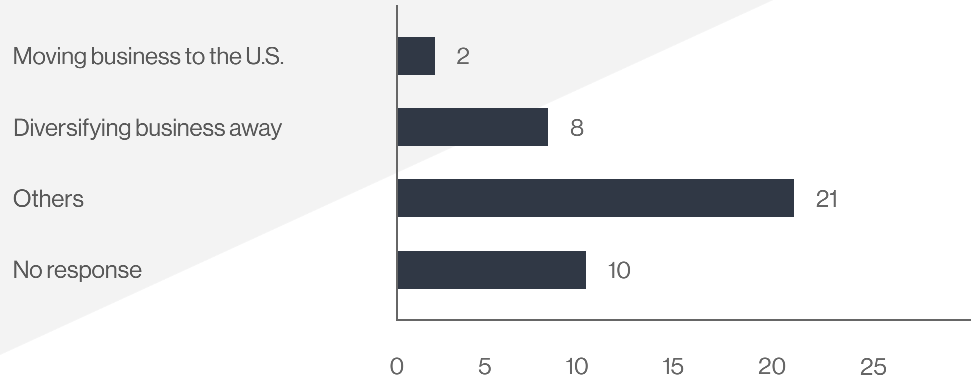
Companies believe that tariffs harm the U.S. economy the most. 83% of respondents believe that tariffs will have a negative impact on the overall business environment, with over 90% believing that these tariffs will hurt the U.S. economy more than they will affect ASEAN or Singapore in Figure 6. Still, two-thirds of companies agree that these tariffs will harm all economies to varying degrees, indicating widespread recognition of the global interconnectedness of trade.

Figure 7. Have or will the U.S. tariffs impact your company's business operations and investments in the U.S.? (n=36)



Uncertainty and Lack of Consensus on Impact. While 47% of companies believe that tariffs will impact their business operations and investments in the U.S., 44% remain unsure or expect no change. The nearly even split highlight the deep uncertainty and lack of consensus within the business community on the impact of these tariffs on corporate strategies. This unpredictability has led many companies to adopt a cautious, wait-and-see approach. Figure 8 shows how a notable proportion of respondents selected "others" when asked about mitigation strategies, indicating hesitation or incomplete plans. Some respondents are considering potential outsourcing to regional markets but are holding off on major decisions until there is more clarity.

Figure 8. Is your company considering any of the following in response to tariffs? (n=36)



CONCLUSION

The survey results reveal a complex picture of concern, caution, and strategic hesitation among companies operating in Singapore. While most respondents are already grappling with rising costs, supply chain disruptions, and regulatory complexity, uncertainty remains high. The nearly even split between companies anticipating operational impacts and those unsure or expecting no change underscores the lack of consensus on the long-term implications of these tariffs.

This uncertainty has prompted many companies to adopt a wait-and-see approach. While understandable, this cautious stance could leave them vulnerable if competitors act more swiftly to diversify supply chains or reposition themselves in more resilient markets. Companies that proactively assess their exposure and develop contingency plans will likely be better positioned to navigate future disruptions.

At the same time, Singapore's strategic role as a regional hub provides both stability and opportunity. While tariffs may not immediately disrupt Singapore-based operations, shifting trade flows and rising costs will inevitably influence investment decisions and regional supply chain strategies. Some forward-looking companies are already leveraging this moment to explore opportunities for diversification within ASEAN — markets that offer both lower costs and favorable trade frameworks.

In short, the survey highlights not just the challenges of tariffs but also the potential for companies to turn disruption into competitive advantage. Those that remain agile, forward-thinking, and decisive are best positioned to weather ongoing trade tensions and emerge stronger in the evolving global landscape.

SURVEY DEMOGRAPHICS

Professional Services	
Banking and Finance	11.1%
Consulting	8.3%
Education	2.8%
Food and Beverage	5.6%
Healthcare	5.6%
Human Resources	2.8%
Legal	2.8%
Software, IT and Telecommunications	8.3%
Sustainability	2.8%
Transportation and Logistics	5.6%
Wholesale and Retail	8.3%
Manufacturing	
Aerospace and Defense	5.6%
Consumer Goods	5.6%
Electronics	8.3%
Machinery and Equipment	2.8%
Oil and petrochemicals	2.8%
Pharmaceuticals/Medical Devices or Equipment	8.3%
Other	2.6%

Company Size in Singapore

50 people or less	38.9%
51 – 200 people	27.8%
201 – 1,000 people	13.9%
1,001 – 5,000 people	11.1%
5,001 or more people	8.3%

Geographic Coverage

Asia Pacific + one or more countries in other regions	69.4%
ASEAN + one or more Asia Pacific countries	13.9%
Singapore + one or more ASEAN countries	11.1%
Singapore only	5.6%

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