

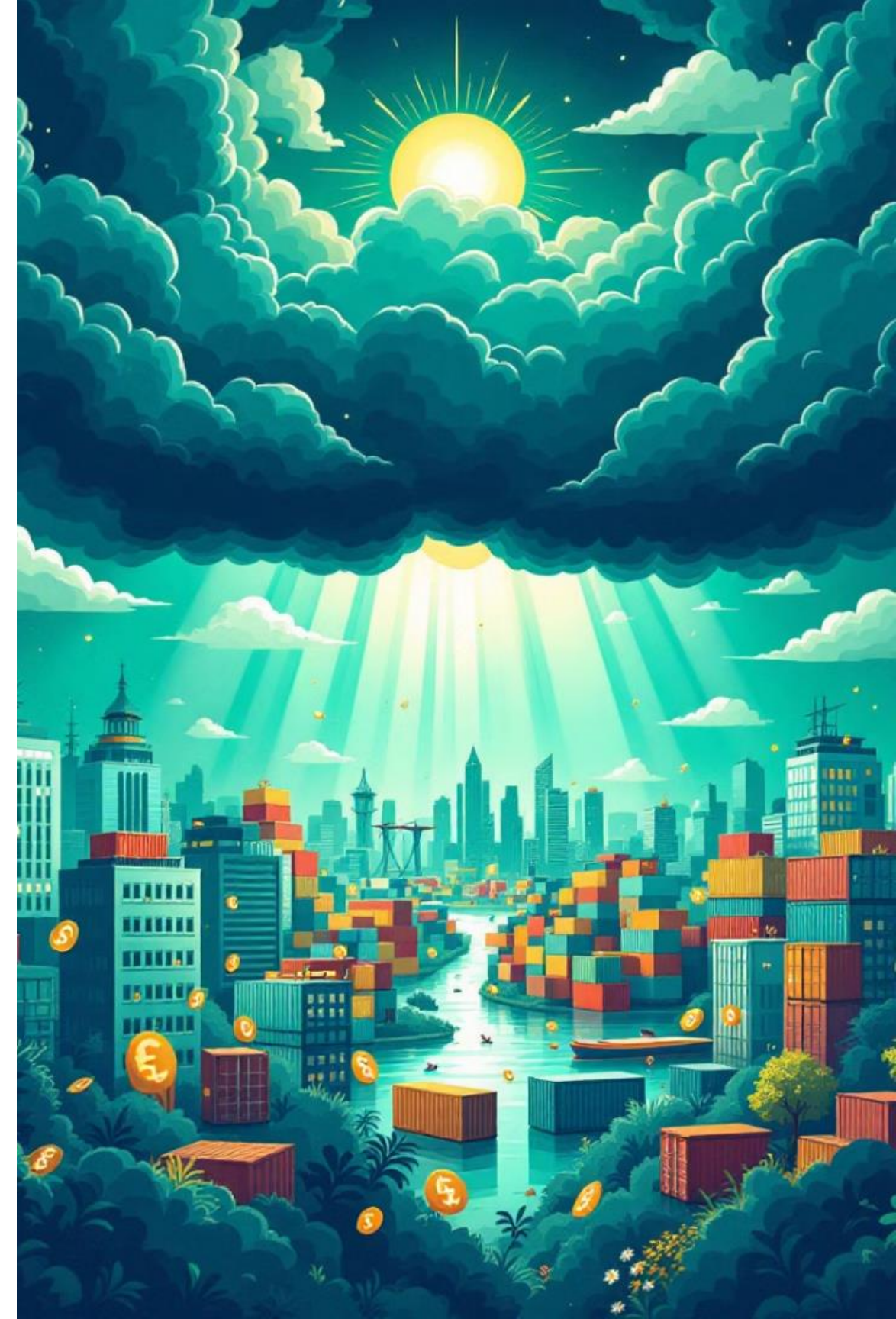
Stormy or Sunny? What's Next for Trade, Currencies & Business

The global economic landscape in 2025 faces heightened uncertainty as US-China tensions and policy shifts reshape international trade.

Singapore stands at the crossroads of these economic shifts as Trump's policies impact global supply chains and trade flows.

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Trump's Trade Tariff Timeline



February 2025

Trump announces 25% tariff on non-energy imports from Canada and Mexico

Increases existing China tariffs from 10% to 20%



March 2025

Tariffs on Canada, Mexico, and China take effect March 4

25% tariff on steel and aluminium imports effective March 12



April 2025

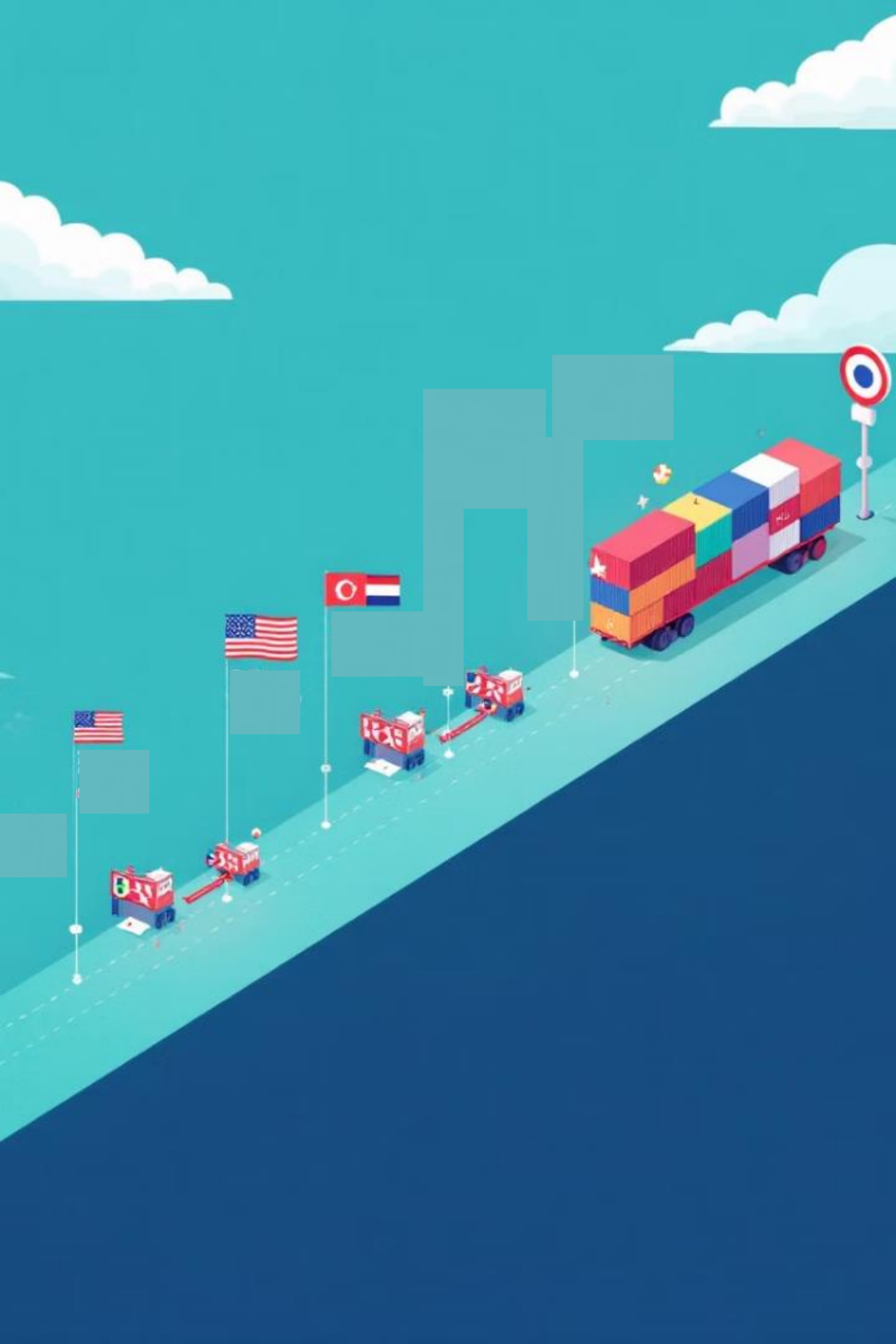
25% tariff on autos and auto parts (\$307B) effective April 2

25% tariff on EU imports (\$598B) begins April 1 and April 13

“Liberation Day” – 10% universal import duty announced on April 2

10% baseline tariff takes effect across all imports on April 5

Higher tariff rates begin for 60 targeted nations on April 9, including 54% on China and 46% on Vietnam



Trumponomics 2.0 : Key Considerations



Tariffs as Central Policy

Companies balance profit with political considerations, leading to friend-shoring and reduced cross-border investment.



Policy Uncertainty

Trump's clearer, more aggressive agenda has driven global policy uncertainty higher.



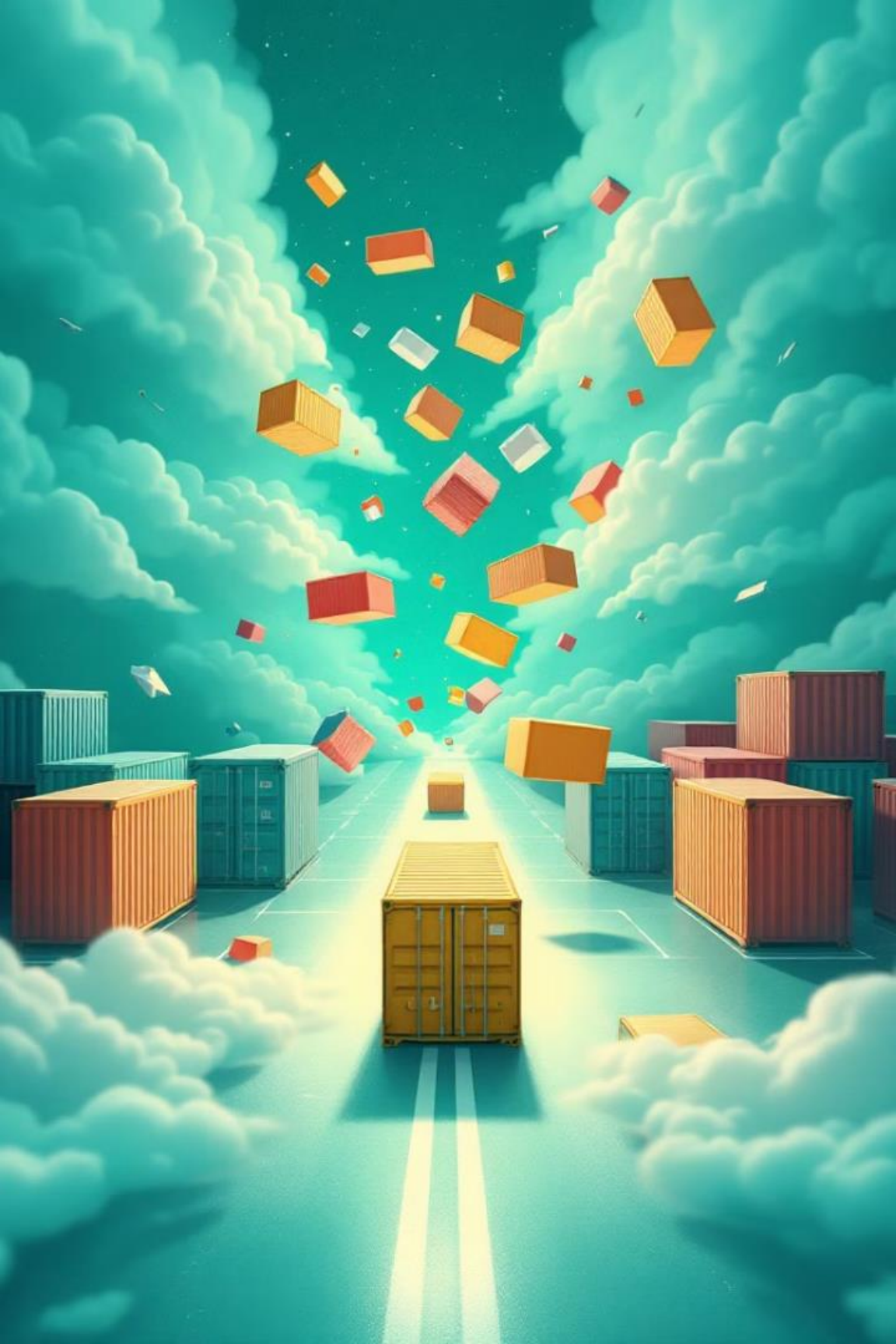
China's Manufacturing Dominance

China has doubled down on manufacturing, exceeding the next nine largest countries combined.



US-China Decoupling

Evolving trade flows: China's export surge, impacting regional economies.



The Stagnation of Globalization

1

Record Trade Volume

Global trade remains near record highs despite policy shifts.

2

Political Decision-Making

Profit maximisation gives way to companies making political choices.

3

Friend-Shoring Rise

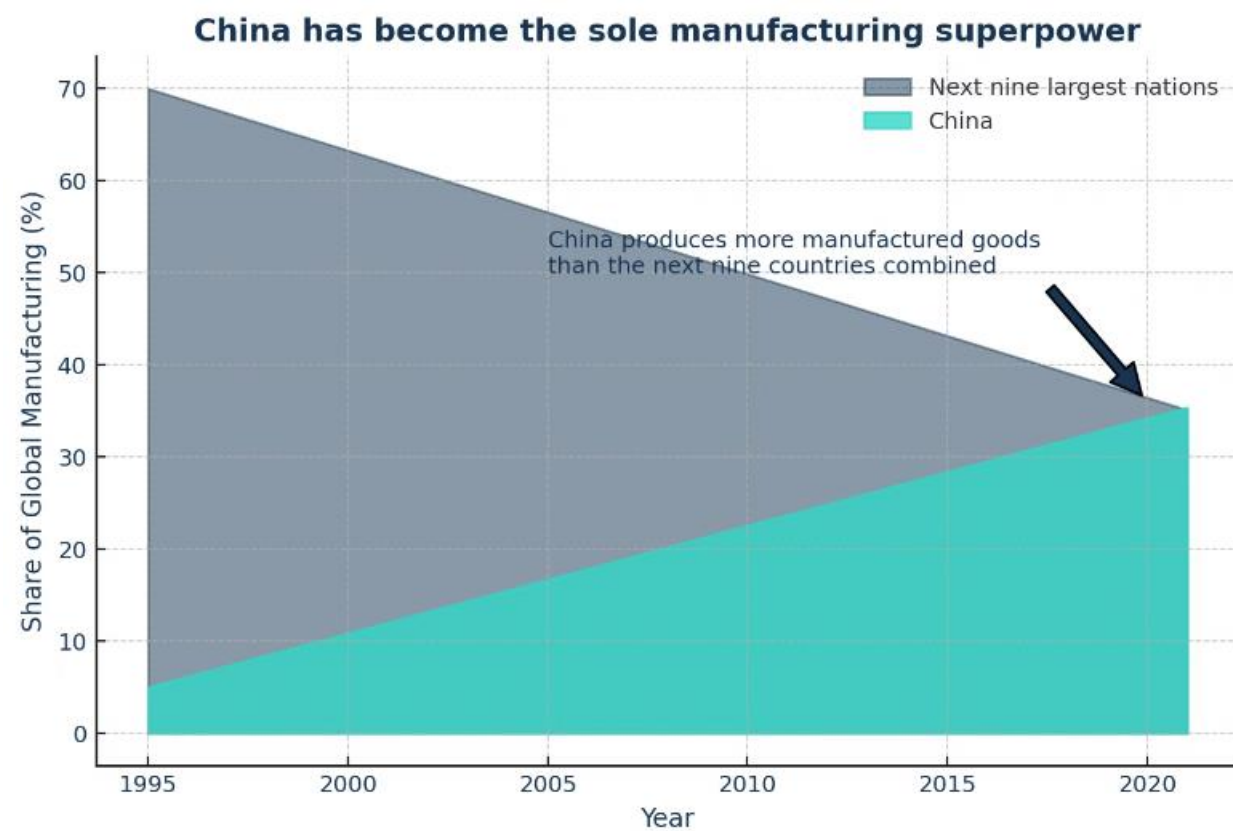
Businesses relocate production to allied or friendly nations.

4

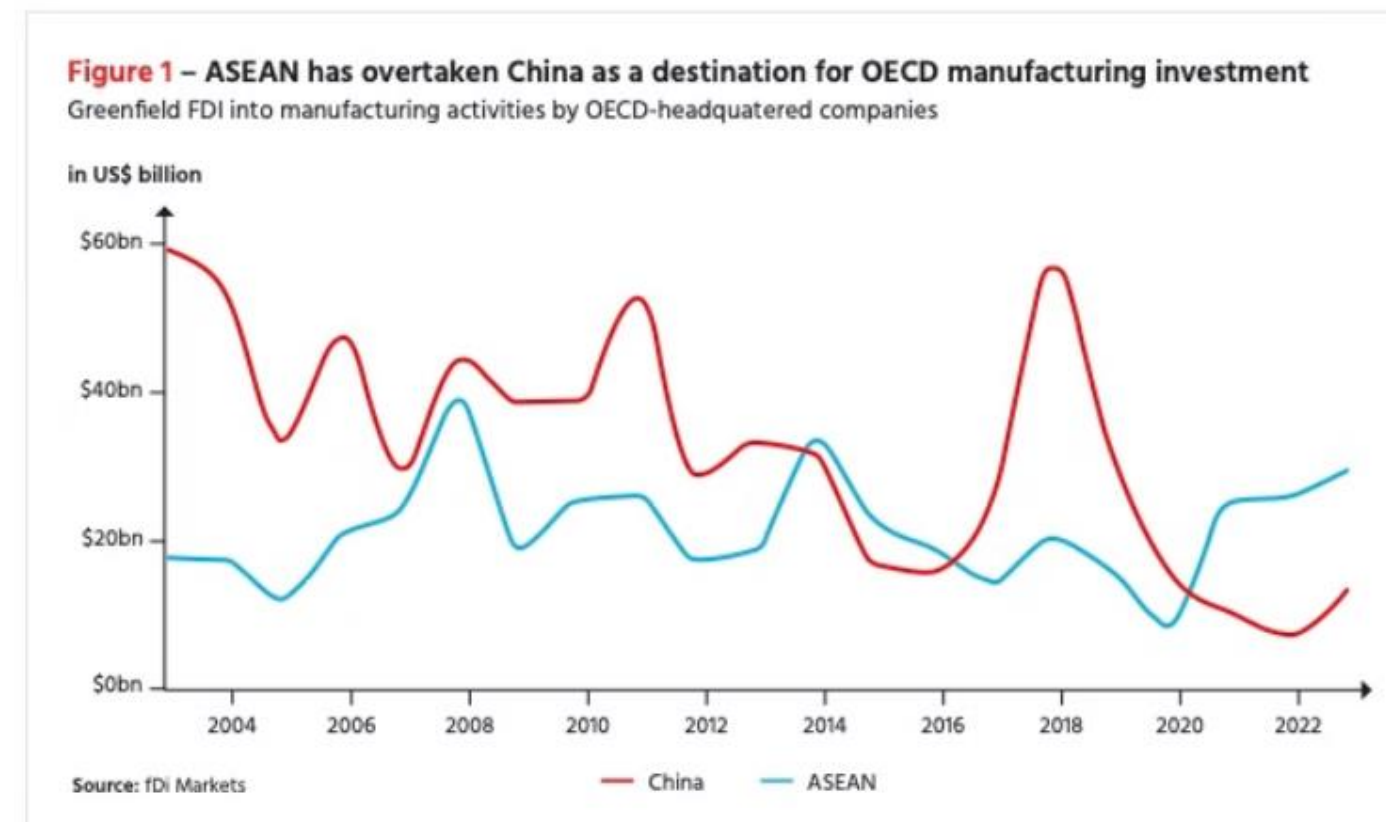
Uncertainty Dominates

Clear global trade rules replaced by unpredictable national policies.

China Shock 1.0 vs. 2.0



Triggered by China joining WTO in 2001



Driven by China's slowing growth and geopolitical tensions

Impact on ASEAN: Initial Benefits

China+1 Strategy Emergence

Companies retained Chinese operations while diversifying into ASEAN countries.

Manufacturing Shift

Vietnam, Thailand, and Malaysia saw increased factory development.

Investment Flow

Capital poured into Southeast Asian economies creating jobs.

Supply Chain Reconfigurations

ASEAN became integral to multinational production networks.



ASEAN Challenges Under New Tariffs

Chinese Export Flood

Increased Chinese competition in ASEAN, threatening local businesses.



Economic Slowdown

Tensions could reduce demand for ASEAN exports.

Direct Tariff Risk

Most ASEAN nations sell more to US than they buy.

With Trump's tariffs active, ASEAN's trade imbalances pose a greater risk.

Trans-shipment Concerns

ASEAN countries suspected of relabeling Chinese goods.

Malaysia has warned Chinese firms against this practice.



Singapore's Unique Position



Balanced Trade

Reduced direct tariff risk.
Still impacted by regional shifts.



Hub Vulnerability

Logistics and trade flow
disrupted.
Amplified regional impact.



Regional Integration

Affected by neighbours'
economic stability.
Regional downturn impacts
Singapore's trade.



Financial Center

Exposed to global currency
volatility.
Investment uncertainty.

Business Strategies for Uncertain Times

Currency Hedging

Protect against currency volatility with forward contracts and options. Maintain cash reserves in multiple currencies.

Strategic Partnerships

Navigate regulations and access markets by forming alliances with companies in stable trade areas.

Diversify Supply Chains

Reduce reliance on single countries or regions. Consider multi-sourcing and nearshoring strategies.

Innovation Focus

Invest in technology to improve visibility across operations. Enable rapid response to disruptions.



Protecting Margins Amidst Market Uncertainty

Locking in Costs or Revenue



FX hedges shield businesses against currency volatility, allowing for reliable cost and revenue predictions.

Improving Cashflow Predictability

Hedging provides financial predictability by mitigating cash flow disruptions from tariffs and currency fluctuations.



Reducing FX-Related Losses



FX risk management stabilises earnings, enhancing credibility with banks and investors, supporting growth and expansion plans.

Building Institutional Discipline

Effective FX management involves using automated tools, providing real-time visibility of financial exposures.



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Convert and pay in 47 currencies, collect in 35 via virtual accounts, and hold funds through the Wallex Global Business Account.

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