

NEWS RELEASE



For immediate release: 10 April 2025

APAC automakers face uncertainty as US tariffs trigger strategic recalibration, finds GlobalData

The 25% US tariff on foreign automobiles and parts has created deep uncertainty for Asia-Pacific (APAC) automakers. With significant exposure to the US market, they now face rising costs, strained supply chains, and pressure to shift production. The temporary 90-day hold on the updated tariff, announced on 09 April 2025, offers a brief respite while negotiations with trade partner countries continue. As negotiations continue, the APAC automakers brace for long-term changes to global trade and manufacturing strategies, observes [GlobalData](#), a leading data and analytics company.

Hyundai's exports to the US account for 16% of its total export volume, while Subaru's exports represent 32%, and Toyota's exports make up 5%. This substantial exposure to the US market means that these manufacturers are particularly vulnerable to the repercussions of the tariff increase.

Madhuchhanda Palit, [Automotive](#) Analyst at GlobalData, comments: "While major automakers like Toyota Motor have reported record profits, small and medium-sized suppliers are expressing concerns. Rising raw material and labor costs have made it increasingly challenging for these firms to pass expenses onto clients, particularly in light of wage increases.

"The impending tariffs could exacerbate these challenges, as larger manufacturers may consider relocating production to the US, potentially jeopardizing the livelihoods of local suppliers. The automotive ecosystem, particularly in countries such as Japan, is at risk, with small businesses reliant on larger automakers facing heightened instability."

In response, Subaru has already alerted its dealers that current pricing cannot be guaranteed and may be subject to change. Conversely, Hyundai has launched a Customer Assurance program to alleviate consumer concerns about the uncertainty. Meanwhile, Toyota, which already has a significant production presence in the US, has announced no intention to raise vehicle prices and is focusing on reducing fixed costs.

In a strategic move, Nissan, initially reconsidering its EV production timeline in the US prior to the tariff announcement, has now confirmed plans to relocate part of its production to the US. This mirrors a broader trend, with Hyundai committing \$21 billion, including a \$5.8 billion steel plant in Louisiana, and Toyota investing \$14 billion in its first in-house battery plant outside Japan, located in North Carolina.

Palit explains: "While the US automotive market and manufacturers may face turbulence in the short-run due to the tariffs, increased investments in domestic production are likely to strengthen the US economy over time and could prove beneficial for both manufacturers and consumers alike."

As manufacturers explore various strategies to navigate this turbulent landscape—including potential production shifts and price guarantees for consumers—the broader consequences for the automotive sector and its ecosystem remain to be seen.

Palit concludes: “The temporary hold on the tariffs provides a crucial window for negotiations that could ease the current situation. However, the ongoing discussions and evolving trade dynamics will play a critical role in determining the future stability and profitability of the APAC automotive industry. As the industry adapts to these changes, the focus will remain on innovation and maintaining a competitive stance in the global automotive market.”

ENDS

For expert analysis on developments in your industry, please connect with us on:

[GlobalData](#) | [LinkedIn](#) | [X](#)

Notes to Editors

- Quotes provided by Madhuchhanda Palit, Automotive Analyst at GlobalData
- This press release was written using data and information sourced from proprietary databases, primary and secondary research, and in-house analysis conducted by GlobalData’s team of industry experts.

About GlobalData

4,000 of the world’s largest companies, including over 70% of FTSE 100 and 60% of Fortune 100 companies, make more timely and better business decisions thanks to GlobalData’s unique data, expert analysis, and innovative solutions, all in one platform. GlobalData’s mission is to help our clients decode the future to be more successful and innovative across a range of industries, including the healthcare, consumer, retail, financial, technology, and professional services sectors.