

Taiwan's exports outperform forecasts despite tariffs

Export growth accelerated sharply in April despite a slight decrease in exports to the US, as exports to Mainland China and ASEAN surged



Taiwanese exports to the US have slowed since Trump's tariffs were implemented, but have been buoyed by a surge in exports to ASEAN

29.9% YoY

Taiwan's export growth in April

Higher than expected

Exports continued to rebound despite tariff implementation

Taiwan's April export growth accelerated to 29.9% YoY, up from 18.6% YoY, bucking expectations of a slowdown. While base effects played some role in this favourable year-on-year read, the breakdown of the data is generally quite positive.

First, looking at exports to the US, we did see some slowdown as Trump's 10% global tariffs came into effect in April, with growth slowing to 29.5% YoY, down from 39.9% YoY in March. After significantly outperforming headline export growth for Taiwan for much of the past two years,

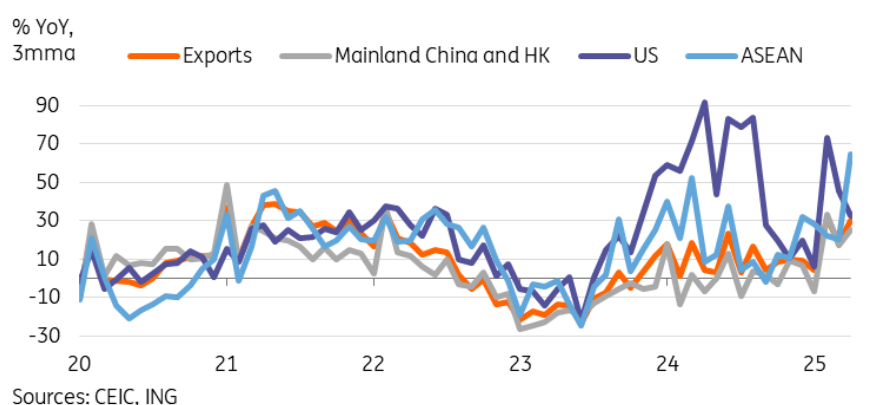
exports to the US aligned with headline growth for April. Nonetheless, this remains a stronger-than-expected result.

The bigger surprise came from Taiwan's exports to other economies. Exports to ASEAN surged to 60.2% YoY from 15.8% YoY, leading the way in April by a significant margin. The YoY export growth to ASEAN was also the fastest since January 2010. We also saw exports to Mainland China and Hong Kong rise to 22.3% YoY, up from 12.6% YoY in March. Exports to China and ASEAN benefited from a more supportive base effect, which should also be reflected in next month's data. Encouragingly, exports to Japan also bounced back to 13.3% YoY after contracting by -4.0% YoY in March.

These better-than-expected developments helped offset what was actually a contraction of -17.4% YoY in exports to Europe.

By product breakdown, exports of semiconductors rose to 28.2% YoY, up from 20.6% YoY. The overall electronics and communications category, which has accounted for 70% of total exports in the year to date, rose to 42.9% YoY, up from 26.1% YoY.

Exports to ASEAN surged in April



Imports also beat expectations but showed quite uneven growth

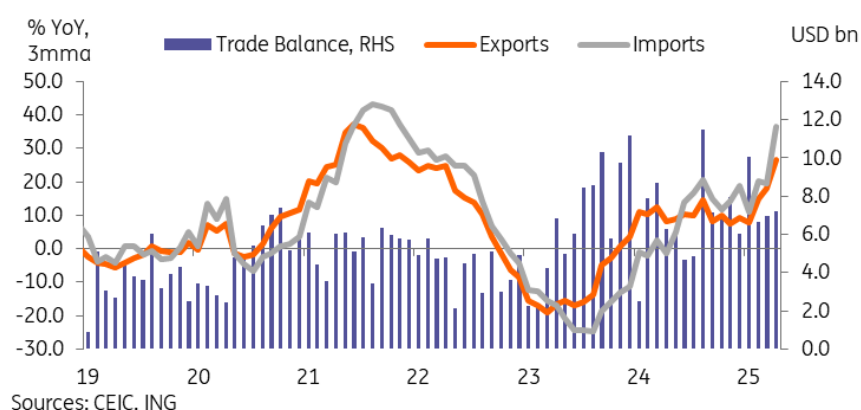
On the other side of the trade equation, Taiwan's imports grew to 33.0% YoY in April. This significantly exceeded consensus forecasts.

However, digging into the minutiae a little more, the strength is very uneven.

Imports of electronic parts and components (31.6%), semiconductor equipment (44.8%), and general machinery (30.1%) were quite strong on the month. Gold imports also surged 173.4% YoY on the month, reflecting strong demand during last month's market volatility, which helped gold hit new record highs.

However, other categories such as minerals (-10.3%), crude oil (-14.6%), ships (-49.4%), and passenger cars (-17.4%) showed that the strong headline growth was not necessarily indicative of strong domestic demand.

Exports, imports, and trade balance all beat forecasts in April



Trade balance beats expectations and continues to present a case for above-consensus GDP growth this year

The trade balance of US\$7.2bn also beat expectations in April.

After a stronger-than-expected contribution from net exports in the first quarter GDP read, the second quarter data is off to a solid start as well. We [revised our Taiwan GDP forecasts higher](#) after the 1Q25 beat, and the April trade data is another generally encouraging data point.

Two main questions remain moving forward:

First, will Taiwan be able to avoid the reciprocal tariffs coming into effect? If so, the April data shows that the global 10% tariffs haven't substantially impacted Taiwan's exports to the US. If not, we could see another possible round of export frontloading in the second quarter of the year, but possibly a bigger slowdown in the second half of 2025.

Second, is the surge in exports to ASEAN and recovery of exports to China and Japan purely a short-term blip assisted by favourable base effects, or could exports to other economies help offset any further slowdown in exports to the US?

We've written about how Taiwan's exports have been [strongly dependent on growth to the US](#) in previous reports. If Taiwan can diversify, this could help further improve the outlook moving forward.

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