

Tariff Buyer Guide

Electronics

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Overview & Introduction

- China is the largest exporter of electronics to the United States, accounting for 24.7% of all US imports of electronics. The previous 90-day tariff exemption for certain electronics imported from China has expired, exposing these imports to applicable China tariffs.
- The de minimis shipping exemption for imports under \$800 from China will be suspended, exposing these imports to all applicable tariffs, starting July 1, 2027. Tariff exemptions are also in place for all USMCA-compliant goods imported from Canada and Mexico.
- The Trump administration announced a 10.0% blanket tariff on all imports from nearly every country it trades with. Currently, the administration has delayed the implementation of country-specific reciprocal tariffs until August 7.
 - These country-specific tariff changes would raise tariff rates on importing electronics from leading producers, putting upward pressure on prices. However, large sources for electronics like Japan, South Korea, and Vietnam have signed trade deals that lower reciprocal tariffs from the previously announced rates.
- Electronics manufacturers can be expected to pass on higher tariffs to buyers. The Consumer Technology Association estimates that 10.0% broad-based tariffs alone would increase laptop computer prices by 45.0% and monitor prices by 31.2%, smartphone prices by 25.8%, lithium-ion batteries by 12.1%, computer accessories by 10.9%, connected devices by 10.2%, televisions by 9.0%, and desktop computers by 6.2%.
 - Yale Budget Lab estimates the cumulative effect of all tariffs will increase computer, electronic, and optical prices by 18.2% in the short run.
- Electronic components originating from China, such as capacitors, resistors, LEDs, switches, or connectors, will raise input costs for domestic manufacturers reliant on these products. The tariff on semiconductor imports from China is now 60.0%, increasing the cost of this key input and resulting in higher-end prices for many kinds of electronics.

Country	Tariff Rate	Trade Deal Info	Start Date
China	54.9	No trade deal	In effect
Mexico	25.0	90-day pause	In effect
South Korea	15.0	Signed	8/7/2025
Vietnam	20.0	Signed	8/7/2025
Taiwan	20.0	Signed	8/7/2025





Key Takeaways

- Upstream suppliers of products impacted by tariffs on electronics are expecting significant disruptions to the supply chain as component cost, supply, and shipping times all experience shocks due to tariffs.
- Many suppliers and experts have stated that contingency plans and stockpiled supplies should help mitigate immediate impacts from tariffs; however, should tariffs persist beyond a few weeks, significant impacts, including additional price increases, declining profits, and further damaged supply chains, would be expected.
- Price increases are expected across many products impacted by tariffs on electronics, including laptops, monitors, smartphones, and other accessories.
- Shipping and lead times may be impacted by several weeks as tariffs remain in place for more extended periods, as global supply chains will need to be rerouted to new markets.
- Experts predict that supply chains may be unstable for between 6 to 12 months as a result of ongoing tariffs.

Risk & Import Assessment

- Overall Risk Level: **High**
- China is the top source of many electronics products, including computers, lithium-ion batteries, smartphones, and televisions.
- Due to proximity and previously favorable trade relations, Mexico and Canada also account for a significant share of imports for many electronic products.
- As China, Mexico, and Canada command a large share of imports for many electronic products, the overall risk associated with imports is high.
- The tables below highlight the top ten countries by share of imports for a variety of products impacted by tariffs on electronic goods.
- Buyers can look to other top-sourcing destinations to procure goods from to mitigate rising costs of goods from China, Canada, Mexico, and other impacted nations.





Share of US Electronics Imports by Origin Country

Computers – % of Total US Imports

Country	Import Share
Mexico	34.9%
China	25.6%
Taiwan	18.6%
Vietnam	11.0%
Thailand	4.9%
Malaysia	0.6%
Germany	0.6%
Philippines	0.5%
Netherlands	0.4%
Canada	0.4%

Computer Accessories – % of Total US Imports

Country	Import Share
Taiwan	47.9%
South Korea	13.5%
Vietnam	11.7%
China	8.8%
Malaysia	7.4%
Mexico	3.2%
Thailand	3.0%
Philippines	2.1%
Canada	0.6%
Germany	0.3%

Lithium-Ion Batteries – % of Total US Imports

Country	Import Share
China	57.7%
South Korea	7.0%
Japan	6.2%
Mexico	5.0%
Hungary	4.0%
South Korea	2.8%
Vietnam	2.7%
Malaysia	2.6%
Canada	2.5%
Poland	2.0%

Smartphones – % of Total US Imports

Country	Import Share
China	42.1%
Vietnam	17.1%
Mexico	8.9%
India	7.4%
Thailand	7.3%
Taiwan	6.0%
Malaysia	3.8%
Israel	1.0%
Canada	0.9%
Indonesia	0.8%



Monitors – % of Total US Imports

Country	Import Share
Mexico	45.2%
China	32.6%
Vietnam	9.4%
Taiwan	2.2%
South Korea	1.9%
Malaysia	1.6%
Thailand	1.5%
Philippines	1.2%
Japan	0.9%
Belgium	0.7%

Televisions – % of Total US Imports

Country	Import Share
China	19.8%
Mexico	14.3%
Canada	8.9%
South Korea	6.2%
Vietnam	5.8%
Taiwan	5.7%
United Kingdom	4.6%
Japan	4.1%
Malaysia	4.0%
Germany	3.4%

Supply Chain Risk – Best Practices & Overview

Upstream Suppliers	Risk Before Tariffs	Risk After Tariffs	Tariff Impact
Semiconductor & Circuit Manufacturers	High	High	- Manufacturers of semiconductors are anticipating further complications to supply chains after dealing with significant disruptions in previous years. - The global supply chain is easily disrupted by tariffs, which may cause extensions in component lead times and additional shortages of inputs, which will negatively impact global supply and demand. - Global semiconductor manufacturers are preparing for a highly disruptive period in which profit and sales may be reduced.





Tariff Buyer Guide – Electronics

Upstream Suppliers	Risk Before Tariffs	Risk After Tariffs	Tariff Impact
Wire & Cable Manufacturers	Medium	High	• Wire and cable manufacturers are preparing for extreme complications as a result of tariffs on critical components. • Top suppliers in the market have begun to plan for altered supply chains amidst disruptions brought on by tariffs. • Suppliers are expecting months-long delays in production as tariffs become prolonged. • New markets, routes, and shippers must be identified, which will come with higher shipping prices and warehousing storage fees.
Glass Product & Screen Manufacturers	Low	Medium	• Glass and screen manufacturers are preparing for further supply chain disruptions, along with reduced demand for products, as consumers and businesses may cut back on purchases of new electronic goods as prices rise, and tariffs are passed on to buyers.

Risk levels are determined based on revenue volatility, reliance on imports, and the expected impact of tariffs on lead times and product availability.

Downstream Buyers	Risk Before Tariffs	Risk After Tariffs	Tariff Impact
Wireless Telecommunication Carriers	Medium	High	• While many telecommunications companies do not currently rely on goods from China, market experts anticipate disruptions to the overall global supply chain. • Impact may be limited due to programs such as Rip and Replace, which has sought to remove insecure devices from US networks, and due to Build America, Buy America. • Market suppliers have been moving away from Chinese tech giants such as Huawei, and the US has pushed to a more secure wireless communications grid, which is why the telecommunications sector is not currently expected to face severe direct impacts from the tariffs. • Buyers in the market are expected to be more directly impacted should potential tariffs be placed on imports from Canada and Mexico, as a large share of products are currently sourced from Mexican manufacturing plants.
Automobile Manufacturers	High	High	• Automobile manufacturers are currently preparing for a significant impact to





Downstream Buyers	Risk Before Tariffs	Risk After Tariffs	Tariff Impact
			operations because of both Chinese tariffs and potential future tariffs on Canada and Mexico. Major players have stated that they are prepared and able to handle a few weeks of tariffs, but the damage would rapidly escalate should the period become prolonged. Automotive leaders are expecting billions of dollars in profit loss, mass layoffs, and surging prices for customers should tariffs on electronics and other components persist beyond a few weeks.
Information Service Providers	Low	Medium	- Information service providers, tech companies, and other corporate workplaces rely heavily on electronics to complete daily tasks. Tariffs on electronics may lead to higher purchasing costs for common goods used in everyday workplace operations, such as laptops, monitors, and other computer accessories. - Rising purchase costs may contribute to dips in profitability for businesses, leading to significant increases in risk for buyers at a time when economic uncertainty remains high.
Colleges & Universities	Low	Low	- Increased tariffs on electronics may result in universities limiting purchases of new technologies such as laptops, computers, and other equipment. - While overall university operations are expected to be largely unaffected, tech budgets will likely be cut as a result of rising prices.

Risk levels are determined based on revenue volatility, reliance on imports, and the expected impact of tariffs on lead times and product availability.

Creative Procurement Strategies

- In the face of rapidly escalating tariffs on electronics and related products from major exporting nations, buyers should seek out **alternative goods or unique strategies** to mitigate risks associated with supply chain integrity and rising costs.





- Buyers can attempt to form partnerships with suppliers offering open-source hardware, which can allow the customization of products using locally sourced components to avoid tariffs on imported final products.
 - Buyers can attempt to condense purchases and shift to multi-functional electronics that combine multiple capabilities into one to reduce the number of imported goods.
- When conducting business with top suppliers based in countries targeted by tariffs, such as China, buyers should look to diversify their supplier base by **expanding supplier networks** to include vendors from less common sourcing locations. Procuring goods from alternate locations can help reduce additional costs passed on in the form of tariffs.
 - To avoid tariffs from top importing nations such as China, Canada, and Mexico, buyers can look to source electronic products from Vietnam and South Korea, which are commonly in the top 10 share of US imports for goods such as computers, computer accessories, and monitors.
 - Emerging nations that own a smaller share of US imports include Thailand and Malaysia, but these nations still face a 19.0% tariff. In addition, buyers may find a less competitive landscape in these nations due to their status as a less common source of market products.
- Buyers should leverage pre-established relationships with suppliers in alternate sourcing destinations or attempt to **form strategic partnerships** to enhance new relationships. As many buyers will be looking to source from alternate destinations, promoting a mutually beneficial relationship can help provide easier access to goods from non-tariff regions amidst surging demand.
- Buyers can improve inventory management systems and **leverage emerging technologies**, such as AI solutions, to help reduce production costs and ensure that buyers are equipped with the appropriate amount of stock. An accurate inventory count is critical to minimize the impact of the sudden repeal of tariffs, as well, as excess supply may also result in significant additional costs.
- Buyers can attempt to **redesign products** to rely on components not included in the tariff or that utilize more readily available local products. While this strategy may be more costly and time-consuming upfront, it can help limit potential impacts should tariffs remain in place for an extended period.

Contract Clauses

- **Implement price-adjustment clauses to account for tariff fluctuations:**
 - Buyers should include clauses that allow for price adjustments based on changes in input and component costs due to tariffs.
 - Price-adjustment clauses ensure that both parties have transparent expectations for cost fluctuations, protecting buyers from unforeseen expenses.





- Adjustment clauses should outline clear thresholds for triggering price changes.
- Price adjustment clauses provide a safety net against cost surges that result from tariff implementations. Clear additional clauses can help maintain financial stability.
- **Implement liquidating agreements to mitigate risk:**
 - Employing liquidating agreements enables businesses to mitigate liability linked to increases in costs due to tariffs.
 - Liquidating agreements offer a way for companies to minimize risk from escalating expenses by distributing the responsibility for these costs among all involved parties.
 - Through liquidating agreements, companies can handle claims without incurring undue financial strain, resulting in efficient resolution.
 - Clear and precise language is crucial for safeguarding companies, ensuring timely claims resolution, managing risks, and supporting seamless operations and continuous business activities.
- **Lock-in rates and prices with long-term agreements:**
 - To ensure stable pricing for essential materials, buyers are encouraged to enter long-term contracts with suppliers, which can prevent sudden cost increases for both suppliers and manufacturers of final goods.
 - Fixed pricing can reduce the risks tied to market volatility, particularly during periods affected by tariffs.
 - Establishing long-term contracts can strengthen relationships with suppliers, resulting in improved service quality and priority access to crucial components that may be scarce due to global supply chain disruptions.

Negotiation Questions

1. How do current tariffs impact the pricing structure of your products?
2. What contingency plans do you have to manage supply chain disruptions caused by tariffs?
3. Can you provide a breakdown of what percentage of your components are sourced internationally, particularly those subject to tariffs? Are you planning to reallocate sourcing to different destinations? If so, where?
4. How are you managing inventory levels to ensure product availability despite potential delays from tariffs?
5. Are there any anticipated changes to your lead times due to tariffs, and how do you intend to communicate these?
6. Can you offer alternative sourcing options or product adaptations to minimize tariff impacts?





7. How do you manage currency fluctuations and tariff impacts when setting prices for contracts?
8. What are the terms and conditions for pricing adjustments if tariffs increase or decrease?
9. How are you assisting other clients in similar industries in adapting to tariff-related challenges?
10. What guarantees do you offer regarding quality and compliance amid changes in the supply chain due to tariffs?

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