Developed by the Centre for the Future of Trade & Investment (CFOTI) in collaboration with

NAVIGATING

U.S. TARIFFS

PLAYBOOK

Make Sense, Take Action, Plan Ahead

Contents

SBF

Acknowledgement

This playbook was made possible through the collaborative efforts of multiple partners committed to strengthening Singapore's trade resilience and economic adaptability in response to the evolving global landscape.

We wish to express our sincere appreciation to the valuable partners of CFOTI in the development of this playbook.

We also thank the many Singapore businesses who provided valuable insights through our polls and consultations. Your feedback shaped the core of this playbook and helped identify the priorities for action.

Together, we remain committed to enabling the business community to make sense of the disruption, take meaningful action, and plan ahead for a more resilient future.

Executive Summary

The Navigating US Tariffs Playbook is designed to help Singaporean businesses respond decisively to the evolving trade landscape following the United States' introduction of a baseline 10% tariff on all imports and higher tariffs (11%–50%) for 57 countries, under the "Liberation Day" initiative announced in April 2025.

For Singapore, an open economy with deep trade linkages, this shift presents significant cost, supply chain, and strategic challenges. While Singapore faces a lower tariff than many regional counterparts, the impact is broad-based, affecting companies embedded in US- and China-linked supply chains. To support the business community, this playbook outlines a practical, time-phased strategy under **three pillars**:

0–3 months

Make Sense

Conduct risk mapping, financial assessments, and contractual reviews to stabilise operations and clarify exposures.

4–12 months

Take Action

Reconfigure supply chains, tap on Singapore's Free Trade Agreements (FTAs), secure financing, and adapt commercial strategies.

12+ months

Plan Ahead

Build long-term resilience through digitalisation, innovation, market diversification, and business model transformation.

The playbook is developed by the CFOTI under the Singapore Business Federation, in collaboration with our partners. It draws on ground sentiments, real business cases, and policy feedback to deliver practical guidance.

This playbook serves as a structured overview of key considerations that businesses can reflect on and act upon, to navigate near-term disruptions, realign for mid-term competitiveness, and future-proof their operations in an increasingly uncertain global environment.

Introduction

In April 2025, the United States introduced sweeping tariffs under the "Liberation Day" initiative, imposing a baseline 10% tariff on all imports, with higher rates for specific countries. For Singapore, a nation with a trade-to-GDP ratio exceeding 300%, these developments present both challenges and opportunities. This guide aims to equip Singaporean companies with actionable strategies to navigate this evolving landscape effectively through informed prioritisation, confident actions and strategic planning in the immediate, medium and long term.

Section 1:
Understanding the New Trade Landscape

Overview of "Liberation Day" Tariffs

On April 2, 2025, the U.S. administration announced "reciprocal tariffs" under the International Emergency Economic Powers Act (IEEPA), citing the need to address persistent trade deficits. Key aspects include:

- Baseline Tariff: A 10% tariff on all imports into the U.S., effective April 5, 2025.
- Country-Specific Tariffs: Higher tariffs ranging from 11% to 50% for 57 countries, effective April 9, 2025. A 90-day pause from the effective date, on the country-specific tariffs for almost all countries except China was later announced.
- Exemptions: Certain goods which are subjected to Section 301 and Section 232 investigations, such as pharmaceuticals, semiconductors, copper, gold, lumber and energy are exempted from these new tariffs.

Implications for Singapore

While Singapore faces a 10% tariff, which is lower than some neighboring countries (e.g., Malaysia at 24%, Vietnam at 46%), this will still affect our export competitiveness. The government has expressed disappointment over the tariffs, emphasizing the importance of maintaining open and rule-based trade practices. It warned that such measures could lead to a fracturing of the global economy and increase the likelihood of a full-blown global trade war, adversely affecting Singapore's export-reliant economy.

The global trade landscape is undergoing structural and geopolitical realignment. The imposition of U.S. tariffs signals a move away from multilateralism toward a more fragmented, bilateral, and politically-driven trade environment. For Singaporean businesses, this is not the time for passive observation.

To navigate this disruption effectively, companies must **Make Sense** of their trade exposure, financial vulnerabilities, and supply chain risks. They must then **Take Action** to stabilise operations, reconfigure sourcing strategies, and unlock the benefits of Singapore's extensive FTA network. Finally, they must **Plan Ahead** by building long-term business model resilience, investing in digital transformation, product and service innovation, improve productivity and actively shaping the policy frameworks that govern future trade.

"We are at the dawn of a new economic order, and the transition is going to be a complicated one because it is uncertain where the final equilibrium will land. But Singapore's robust economic foundation and strong fiscal reserves give us agency of action. If we work together, Singapore can continue to be the shiny connected red dot even in the new economic order."

Mr. Kok Ping Soon

Chief Executive Officer
Singapore Business Federation

Strategic Roadmap

0–3 months

Immediate risk assessment & stabilisation (Make Sense)

1. Trade Risk Assessment and Exposure Mapping
2. Comprehensive Financial Resilience Evaluation
3. Supply Chain and Operations Cost Optimisation

4–12 months

Structural adjustments & diversification (Take Action)

1. Supply Chain Diversification and Risk Management
2. Strengthen Financial Strategy and Investor Confidence
3. Free Trade Agreements (FTAs) for Market Expansion and Diversification

12+ months

Resilience building & strategic transformation (Plan Ahead)

1. Build Digital Capabilities and Innovation-Driven Talent
2. Strengthen Financial Resilience and Risk Management
3. Business re-modelling

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Section 2:

Make Sense

(0–3 Months)

This section outlines how a company can make sense of the current situation and prioritised immediate strategies for Singaporean companies to respond proactively to U.S. tariff impacts. It integrates trade mapping, financial fortification and operational cost optimisation into an actionable short-term framework.

2.1 Trade Risk Assessment and Exposure Mapping

Identify Exposure and Supply Chain Disruptions > **Analyse Financial Risks and Supplier Risks** > **Check Contractual Obligations and Monitor Ongoing Developments**

Identify Exposure and Supply Chain Disruptions

- Determine whether your products fall under affected Harmonised System[1] (HS) codes, check the originating status of your products and assess the direct tariff impact by customer segment, and shipping destination.
- Map the direct and indirect risks across your end-to-end supply chain, including suppliers, contract manufacturers, and logistics providers, to identify upstream vulnerabilities.
- Review your existing contracts to determine whether you or your counterparty is responsible for bearing the tariffs.
- Analyse how tariffs are altering sourcing strategies, preferred shipping routes, container availability, and port congestion.
- Pinpoint potential chokepoints, customs clearance delays, or regulatory mismatches that may disrupt delivery timelines or increase landed costs.
- Categorise your SKUs by Country of Origin (COO) to facilitate their handling and management. Avoid co-mingling them within the same shipment so as to streamline your customs clearance process.

Analyse Financial Risks and Supplier Risks

- Understand how tariff-induced price hikes or cost disruptions are affecting cash flow, margins, and profitability.
- Conduct scenario modelling to forecast how different tariff bands, currency fluctuations (e.g., USD, RMB), and payment delays may affect working capital, profitability, and overall financial stability.
- Review your suppliers base to identify those affected by U.S. tariffs, and assess how this might impact your cost structure or delivery timelines.
- Rebalance your supply chains to optimise your supplier/customer base in response to the tariffs.

Check Contractual Obligations and Monitor Ongoing Developments

- Review your existing contractual obligations and identify potential risks of contractual breaches in advance (e.g. risk of failing to deliver products on time due to customs clearance delays).
- Keep up to date with ongoing developments (e.g. changes in tariff rates, duration of tariff pauses, types of products subjected to tariffs, etc.), not only from the U.S., but also from other countries in reaction to the U.S. tariffs (e.g. China's retaliatory tariffs).
- Understand and assess the impact of these ongoing developments. Check whether products are in transition when new developments take place as different rules may apply to the products.

[1]The Harmonised Commodity Description and Coding System generally referred to as "Harmonised System" or simply "HS" is a multipurpose international product nomenclature developed by the World Customs Organisation (WCO). It comprises more than 5,000 commodity groups; each identified by a six-digit code, arranged in a legal and logical structure and is supported by well-defined rules to achieve uniform classification. The system is used by more than 200 countries and economies as a basis for their Customs tariffs and for the collection of international trade statistics. Over 98 % of the merchandise in international trade is classified in terms of the HS.

2.1 Trade Risk Assessment and Exposure Mapping

Desired Outcome:

Conduct a comprehensive review of your supplier network, especially Tier-1 and Tier-2 vendors, to identify those directly or indirectly affected by U.S. tariffs. Assess exposure based on country of origin, component classification, and reliance on high-tariff inputs. Evaluate how disruptions to these suppliers may affect your cost structure, production continuity, lead times, and ability to fulfil customer commitments. Establish contingency plans or dual sourcing arrangements to mitigate these risks. Monitor ongoing developments and adapt accordingly.

2.2 Comprehensive Financial Resilience Evaluation

Forecast Cash Flow and Receivables Risk → Assess Liquidity and Review Default Risks → Review Cost Structure

Forecast Cash Flow and Receivables Risk

- Prepare a 13-week rolling forecast to understand cash flow and liquidity needs. Evaluate the company's exposure to fluctuations in currencies, particularly for USD and RMB.
- Assess the risk of payment delays or defaults from customers, particularly those exposed to U.S. tariffs, and the impact on cash flow and liquidity.
- Mitigate foreign currency risk by exploring financial instruments like securing FX rates or hedging to provide more certainty and visibility into your cash flow.
- Actively manage your receivables. Explore options such as credit insurance to manage supply chain risk.

Assess Liquidity and Review Default Risks

- Review and consider credit lines and borrowings to manage your business and risk of call ins by financiers, reviewing contractual obligations and potential need for renegotiations.
- Look into trade-related working capital instruments like letters of credit and sales invoice financing to manage additional working capital needs.
- Identify available credit facilities and assess if you need additional working capital to cover operational gaps caused by tariff hikes.
- Understand if your buyers have existing supply-chain financing programs that you can tap into.
- Explore relevant government assistance schemes and grants that can help ease short-term cash flow pressures or co-fund business adjustments.

Review Cost Structure

- Identify cost hotspots (logistics, materials, etc.) impacted by tariffs and examine potential cost-reduction opportunities in the short term.
- Consider the quantification of "non-dutiable" costs that have been included in original product pricing and retaining only reasonable "dutiable" costs in new pricing.

Desired Outcome:

Ensure liquidity and financial flexibility by understanding cash flow dynamics and securing access to credit lines or financing as needed to support ongoing operations.

2.3 Supply Chain and Operations Cost Optimisation

Analyse Fixed vs. Variable Costs → Review Existing Contracts and Future-Proof New Contracts → Monitor Supply Chain Costs

Analyse Fixed vs. Variable Costs

- Analyse fixed versus variable costs in your operations and assess which costs are more vulnerable to tariff increases.
- Review your Bill of Materials (BOMs) and determine which are the costs that are invariably related and non-related to production of goods. Reallocate such non-related costs appropriately.

Review Existing Contracts and Future-Proof New Contracts

- Check the contractual terms in your existing contracts to determine if there are any contractual mechanisms (e.g. force majeure, price adjustment, etc.) that can be used to mitigate the impact of tariffs.
- Review termination clauses or other exit clauses in existing contracts to identify potential obstacles (e.g. termination fees, long notice periods, post-termination obligations, etc.) that may impede you from pivoting parts of your supply chain.
- When negotiating new contracts, ensure contract clauses (e.g., force majeure, price adjustment, cost pass-through, cost allocation, etc.) are up-to-date and sufficiently robust to provide protection against global economic uncertainty and mitigate the impact of tariffs.

Monitor Supply Chain Costs

- Review logistics and procurement strategies to minimise tariff impact and reduce operating expenses.

Desired Outcome:

Optimise operational costs to maintain profitability and reduce the immediate financial impact of tariffs.

Strategic Checklist

0–3 months

Immediate risk assessment & stabilisation
(Make Sense)

1. Trade Risk Assessment and Exposure Mapping

- [ ] Identify Exposure and Supply Chain Disruptions
- [ ] Analyse Financial Risks and Supplier Risks
- [ ] Check Contractual Obligations and Monitor Ongoing Developments

2. Comprehensive Financial Resilience Evaluation

- [ ] Forecast Cash Flow and Receivables Risk
- [ ] Assess Liquidity and Review Default Risks
- [ ] Review Cost Structure

3. Supply Chain and Operations Cost Optimisation

- [ ] Analyse Fixed vs. Variable Costs
- [ ] Review Existing Contracts and Future-Proof New Contracts
- [ ] Monitor Supply Chain Costs

Section 3:

Take Action

(4–12 Months)

This section outlines intermediate strategies for Singaporean companies to take sensible and pragmatic business actions with structural adjustments & strategic diversification.

3.1 Supply Chain Diversification and Risk Management

Strengthen Supply Chain Intelligence and Traceability → Improve Supply Chain Agility → Reconfigure Supply Chains for Strategic Flexibility

Strengthen Supply Chain Intelligence and Traceability

- Invest in tools and processes that enhance end-to-end visibility across your supply network. Real-time insights into inventory management, supplier dependencies, component origin, and logistics status help anticipate disruptions, ensure accurate origin declaration, and support compliance with evolving trade rules. Integrate supply chain data into your financial systems to enhance cash flow forecasting.

Improve Supply Chain Agility

- Implement strategies like buffer inventory and regional warehousing to mitigate logistics delays caused by geopolitical bifurcation.
- Consider supplier diversification through adoption of new suppliers into approved supplier list and diversifying procurements over more suppliers.
- Engage with your supply chain stakeholders to understand the changes they plan to make. Re-evaluate your inventory based on their needs and requirements.
- Outsource for suppliers and quality control early as this takes time. When diversifying your supply chain to additional locations, make sure to maintain inter-operability across these sites where your inventories are stocked, or you may face challenges such as inventory visibility across your sites.

Reconfigure Supply Chains for Strategic Flexibility

- Shift from single-source dependency to a tiered supply chain model that possibly separates U.S.-bound production from Rest-of-World flows, if sensible.
- Consider whether such an approach is required for any other third country as well. Consider dual-track or multi-track manufacturing or late-stage assembly in tariff-neutral or tariff-minimal hubs to optimise cost and market access.
- Identify strategic components or final assembly steps that can be localised in Singapore or tariff-neutral or tariff-minimal locations to preserve origin flexibility, reduce compliance complexity, and enhance control over supply timelines.

Desired Outcome:

Increase supply chain flexibility by reducing dependence on high-risk regions and building more resilient sourcing and logistics strategies.

3.2 Strengthen Financial Strategy and Investor Confidence

Secure Flexible Financing for Strategic Moves › Reinforce Investor and Stakeholder Confidence › Optimise Cost Structures to Support Strategic Shifts

Secure Flexible Financing for Strategic Moves

- Initiate discussions with banks and financial institutions to expand credit limits, extend repayment terms, or refinance existing facilities.
- Ensure access to capital that supports critical business adjustments such as regional warehousing, dual sourcing, or capacity expansion.
- Beyond short-term working capital trade instruments, explore structured trade facilities or formal supply chain programs that can systematically free up working capital and add financing flexibility.

Reinforce Investor and Stakeholder Confidence

- Communicate your forward strategy clearly to investors, shareholders, and partners.
- Provide timely updates on financial health, strategic shifts, and how the business is positioning for resilience and long-term growth.

Optimise Cost Structures to Support Strategic Shifts

- Go beyond immediate cost containment by reassessing operational models.
- Reallocate resources, explore leaner regional setups, and restructure cost centres to align with your reconfigured supply chain and market focus.

Desired Outcome:

Secure the financial latitude and internal buy-in needed to support adaptive measures in a volatile trade environment.

3.3 Free Trade Agreements (FTAs) for Market Expansion and Diversification

Leverage on FTA Market Opportunities › Ensure FTA Compliance and Product Qualification › Strengthen Internal Capabilities and Pricing Agility

Leverage on FTA Market Opportunities

- Review Singapore's network of FTAs (e.g., ATIGA, CPTPP, RCEP, EUSFTA) to identify export markets with lower or zero tariffs.
- Focus on high-growth, low-tariff regions and recalibrate your export strategy to capture demand in these markets.

Ensure FTA Compliance and Product Qualification

- Understand the Rules of Origin (ROO) for each relevant FTA and assess whether your products meet the necessary criteria to benefit from preferential tariffs, particularly where products come from various other jurisdictions.
- Consider pivoting and reorganising supply chains and sourcing arrangements to meet ROO requirements and criteria.
- Update documentation processes and contract terms accordingly.

Strengthen Internal Capabilities and Pricing Agility

- Adopt a fair and flexible pricing model that balances competitiveness with margin protection under volatile tariff conditions.
- Upskill your trade and logistics teams through targeted training (e.g., CFOTI's trade specialist workshop) to enhance internal FTA compliance and operational readiness.

Desired Outcome:

Maximise market access by utilizing FTAs to reduce tariff exposure and position your products in fast-growing, low-tariff regions.

Strategic Checklist

4-12 months

Structural adjustments & diversification
(Take Action)

1. Supply Chain Diversification and Risk Management

- [ ] Reconfigure Supply Chains for Strategic Flexibility
- [ ] Strengthen Supply Chain Intelligence and Traceability
- [ ] Improve Supply Chain Agility

2. Strengthen Financial Strategy and Investor Confidence

- [ ] Secure Flexible Financing for Strategic Moves
- [ ] Reinforce Investor and Stakeholder Confidence
- [ ] Optimise Cost Structures to Support Strategic Shifts

3. Free Trade Agreements (FTAs) for Market Expansion and Diversification

- [ ] Leverage on FTA Market Opportunities
- [ ] Ensure FTA Compliance and Product Qualification
- [ ] Strengthen Internal Capabilities and Pricing Agility

Section 4:

Plan Ahead

(12+ months)

This section outlines structured guide for Singaporean companies to build long-term resilience and adapt strategically in response to global trade disruptions. It integrates geographic expansion, productivity, product & service innovation, digital transformation, financial restructuring, and ecosystem.

4.1 Build Digital Capabilities and Innovation-Driven Talent

Accelerate Digital Transformation and Automation → Digitise Compliance and Trade Processes → Invest in Talent, Innovation Culture and Change Management

Accelerate Digital Transformation and Automation

- Adopt supply chain and trade management tools (e.g., SAP, Kinaxis) for real-time visibility, faster decision-making, and predictive risk planning.
- Invest in automation technologies such as robotic process automation and predictive analytics to streamline operations, manage capacity constraints in inventory and reduce manual dependencies.

Digitise Compliance and Trade Processes

- Implement digital trade platforms and e-documentation systems to improve regulatory compliance, reduce errors, and expedite cross-border operations, especially in complex FTA environments.

Invest in Talent, Innovation Culture and Change Management

- Upskill internal teams in areas such as trade compliance, digital logistics, and risk management. Encourage them to leverage tools like Generative AI. This can be done internally through a citizen developer program, or via various government schemes available.
- Foster a culture of innovation by encouraging experimentation with new business models and technologies.
- Help your internal teams understand why you are doing what you are doing. Involve them early in the process. Communicate with them to get their feedback and come up with a plan that includes their feedback. This is important in accelerating your digital capabilities.

Desired Outcome:

Create an integrated digital and human capital foundation that enhances operational agility, strengthens compliance, and empowers the organisation to innovate and grow in a rapidly evolving trade environment. Start with an end goal and design a plan to help you get where you want to be.

4.2 Strengthen Financial Resilience and Risk Management

Enhance Risk Management Frameworks › **Explore New Financing Solutions, e.g. Green Financing** › **Diversify Revenue Streams**

Enhance Risk Management Frameworks

- Continuously improve your Enterprise Risk Management (ERM) systems to account for tariff volatility, FX risks, and global supply chain disruptions.
- Allocate a portion of working capital specifically for managing tariff-related cost surges, urgent supplier changes, or unexpected logistics disruptions.

Explore New Financing Solutions, e.g. Green Financing

- Examine formal supply chain programs with your buyers or sellers. Ensure sufficient support from banking partners, especially across key trading corridors.
- Explore investment instruments such as insurance to provide an alternative, stable revenue stream while providing keyman protection.
- Pursue green bonds or sustainability-linked loans to align financing with long-term resilience and sustainability goals.

Diversify Revenue Streams

- Expand into untapped or tariff-neutral markets to reduce reliance on any single trade lane.
- Develop recurring revenue models such as service contracts, digital subscriptions, or pay-per-use offerings.
- Explore adjacent business opportunities, including digital exports, licensing of proprietary technology, or aftermarket and value-added services, to build more stable and resilient income streams.

Desired Outcome:

Create a sustainable financial structure that allows the company to thrive in an uncertain global trade environment and access future growth opportunities.

4.3 Business Re-Modelling

Shift to Services or IP

Invest in Innovation and R&D

Innovate with Modular Product Design

Shift to Services or IP

- Diversify beyond goods by developing service-based or intangible offerings (e.g., SaaS, licensing, consulting) that are less susceptible to tariff impacts.

Invest in Innovation and R&D

- Invest in research and development to localise production and improve product flexibility, meeting both domestic and global demand.

Innovate with Modular Product Design

- Develop modular products that can be tailored for different markets, reducing vulnerability to tariff changes based on regional trade conditions.

Desired Outcome:

Diversify business models to ensure long-term sustainability and reduce reliance on tariff-sensitive goods exports.

Strategic Checklist

12+ months

Resilience building & strategic transformation (Plan Ahead)

1. Build Digital Capabilities and Innovation-Driven Talent

- [ ] Accelerate Digital Transformation and Automation
- [ ] Digitise Compliance and Trade Processes
- [ ] Invest in Talent, Innovation Culture and Change Management

2. Strengthen Financial Resilience and Risk Management

- [ ] Enhance Risk Management Frameworks
- [ ] Explore New Financing Solutions, e.g., Green Financing
- [ ] Diversify Revenue Streams

3. Business re-modelling

- [ ] Shift to Services or IP
- [ ] Invest in Innovation and R&D
- [ ] Innovate with Modular Product Design

Final Recommendations

Short-Term

0–3 months

Make Sense

Businesses should begin by mapping their direct and indirect exposure to U.S. tariffs across HS codes, products in transit, and customer segments. They must assess contractual obligations, supplier vulnerabilities, and immediate cost impacts. Simultaneously, companies should forecast short-term cash flow, evaluate liquidity needs, and monitor global policy developments to stabilise their position.

Medium-Term

4–12 months

Take Action

In the medium term, businesses should reconfigure supply chains to separate U.S.-bound and Rest-of-World flows, and assess options for localising final assembly in tariff-neutral hubs. They should secure structured trade finance and communicate clearly with lenders and stakeholders. Integrating digital tools across supply and finance functions will enable more informed decision-making and cost visibility.

Long-Term

12+ months

Plan Ahead

To build lasting resilience, businesses must strengthen their enterprise risk frameworks, pursue alternative financing (e.g., green or blended finance), and diversify revenue through recurring income models. Firms should invest in talent development, automation, and modular business models to improve responsiveness in a volatile trade environment. Diversifying market exposure and future-proofing operations will be key to thriving despite prolonged uncertainty.

Resources

CFOTI is a public-private initiative supported by the Ministry of Trade and Industry (MTI) and Enterprise Singapore (EnterpriseSG), along with businesses, foundations, and other like-minded partners and aims to build a vibrant regional community of trade and investment practitioners, thought leaders, and government officials working together to advance global trade that is inclusive, sustainable, and future-ready.

CFOTI provides practical support informed by practice to businesses and offers a platform and ecosystem to bring together businesses, academia, and policy. The initiative seeks to strengthen Singapore's position as a hub for trade and investment, increase the pool of specialised skill talent, foster a vibrant ecosystem for discourse, improve operational efficiency and competitiveness of businesses, and enhance trade and investment flows between countries.

For follow-up consultations, deeper diagnostics, or referrals to professional services of our key advisory partners, CFOTI may be contacted as the first point of triage at fta@sbf.org.sg. Alternatively, you can also reach out to our key advisory partners directly using the contact information listed below:

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