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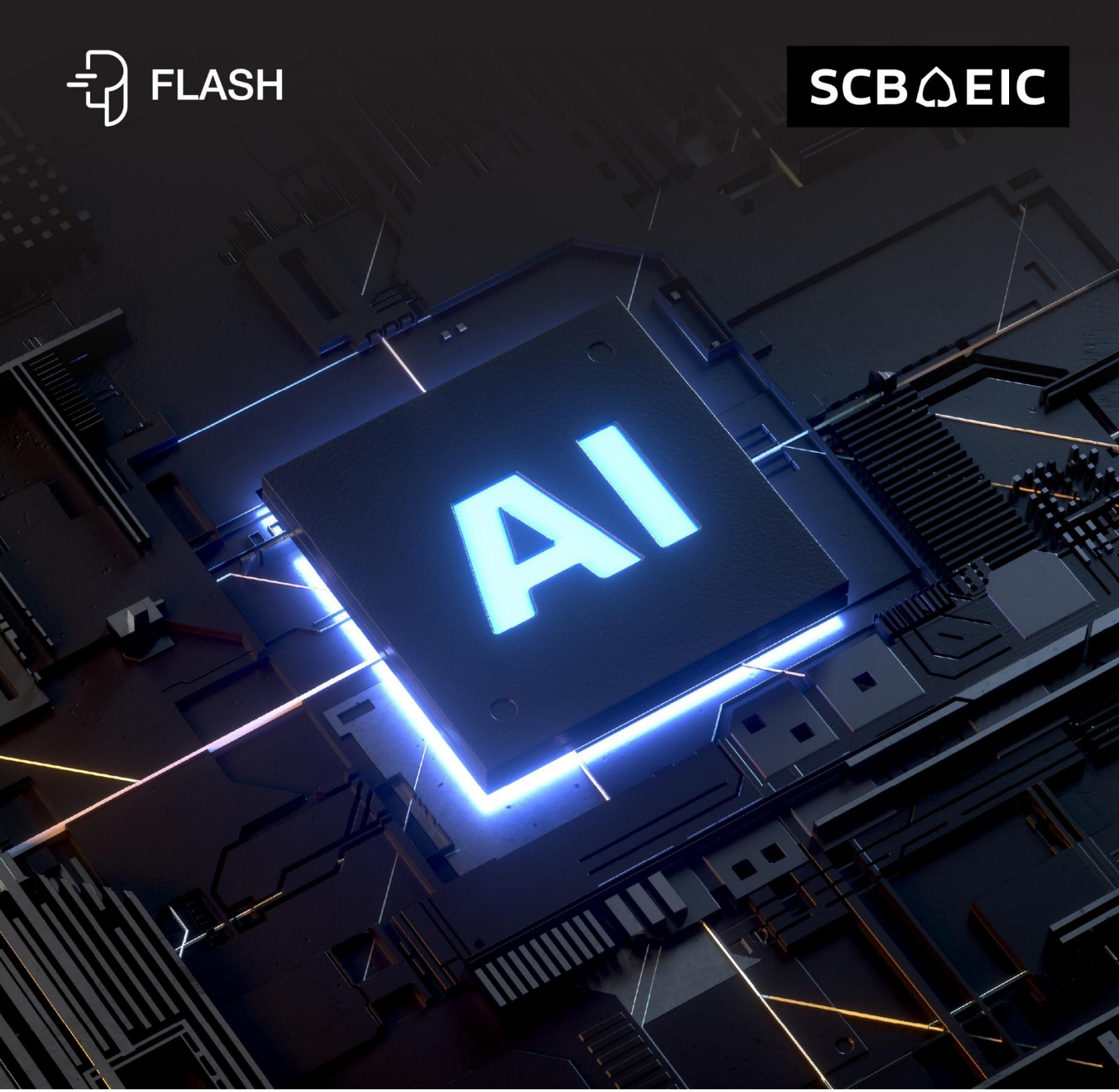

Global Supply Set for Turbulence…

the United States Moves to Impose a 25% Tariff on AI Chips

27 January 2026

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KEY SUMMARY

The United States Proceeds with Issuing a New Announcement to Impose a 25% Import Tariff on certain AI Chips

The United States has announced the imposition of a 25% import tariff on certain advanced chips and related products under Section 232, applicable to imports from all countries, including Thailand, effective January 15, 2026. The primary objective of this measure is to strengthen the domestic chip manufacturing supply chain and reduce reliance on imported chips, particularly advanced chips. **The tariff increase will affect only specific categories of advanced chips, the measure targets high-end processors**, namely high Total Processing Performance (TPP) and DRAM bandwidth. Such as Nvidia's H200 and AMD's MI325X chips, which are used for advanced processing in various high-technology industries. Nevertheless, in the initial phase, certain exemptions will apply, with a 0% tariff granted in some cases for advanced chips that do not meet the specified criteria, such as those intended for U.S. data centers, research and development (R&D), and startup companies, among others.

The increase in U.S. tariffs on advanced chips is expected to have an impact on the global semiconductor supply chain.

The increase in tariffs on advanced chips is expected to have a significant impact on the global semiconductor supply chain, as the United States currently remains highly dependent on overseas chip production. This comes amid rising geopolitical uncertainty, which has continued to intensify and may disrupt global supply. As a result, the United States has accelerated the use of additional tariff measures in parallel with the CHIPS Act to incentivize the reshoring of manufacturing capacity. SCB EIC assesses that this round of tariff increases will lead to higher global chip production costs and trigger a restructuring of the semiconductor supply chain, with increased investment shifting toward the U.S. market in response to tariff-related pressures.

Thailand may be affected by the increase in chip tariffs across multiple dimensions, including trade and investment.

1) Trade: Thailand's exports of electronic products to the U.S. market are expected to be relatively limited in terms of direct impact, as most of the chips exported by Thailand (HS Code 8541) are used in general electronic products and continue to benefit from a 0% tariff rate. In addition, Thai products classified under the customs tariff codes specified by the United States (HS Codes 8471.50, 8471.80, and 8473.30) do not fall within the definition of "advanced chips" subject to the tariff. However, looking ahead, Thailand may face indirect impacts through exports of related components to other key trading partners, such as China, Taiwan, and Japan.

2) Investment: The increase in U.S. chip tariffs may affect investment in Thailand, although Thailand has remained an attractive destination for investment in the electronics industry and has continued to attract strong foreign investment in recent years. This is reflected in the latest data for the first nine months of 2025, during which foreign investors applied for investment promotion in the electrical and electronics (E&E) industry, accounting for approximately 21% of total investment applications, with a total investment value of 181,670 million baht. However, tariff measures aimed at reshoring manufacturing to the United States may introduce volatility into the global semiconductor supply chain, which could, in turn, affect investment trends across ASEAN, including investment in Thailand's electronics industry. Moreover, higher tariffs on advanced chips may lead to a short-term surge in global AI chip prices, potentially affecting the data center industry that has been expanding its investments in Thailand, as operators may face higher AI infrastructure costs.

Relevant business operators need to promptly formulate strategies to address the emerging risks.

SCB EIC assesses that Thai operators in the electronics industry need to urgently adjust their business strategies to prepare for emerging risks, in order to enhance competitiveness and maintain their role within the global semiconductor supply chain. In the short term, relevant operators should develop risk assessment plans for products classified under customs tariff codes that are expected to be affected—both directly and indirectly—by the U.S. chip tariff increases, while also diversifying market exposure toward higher-potential Asian markets to reduce reliance on the United States, such as ASEAN, Japan, and Taiwan. In the long term, although Thailand's upstream chip production remains relatively limited, the country retains a competitive advantage as a strong base for electronic product assembly. Accordingly, the public and private sectors should work jointly to accelerate the development of a highly skilled workforce aligned with labor market needs, alongside promoting investment in research and development to drive higher value-added upstream production. These efforts would contribute to building a more robust manufacturing supply chain capable of attracting greater foreign investment in the future.

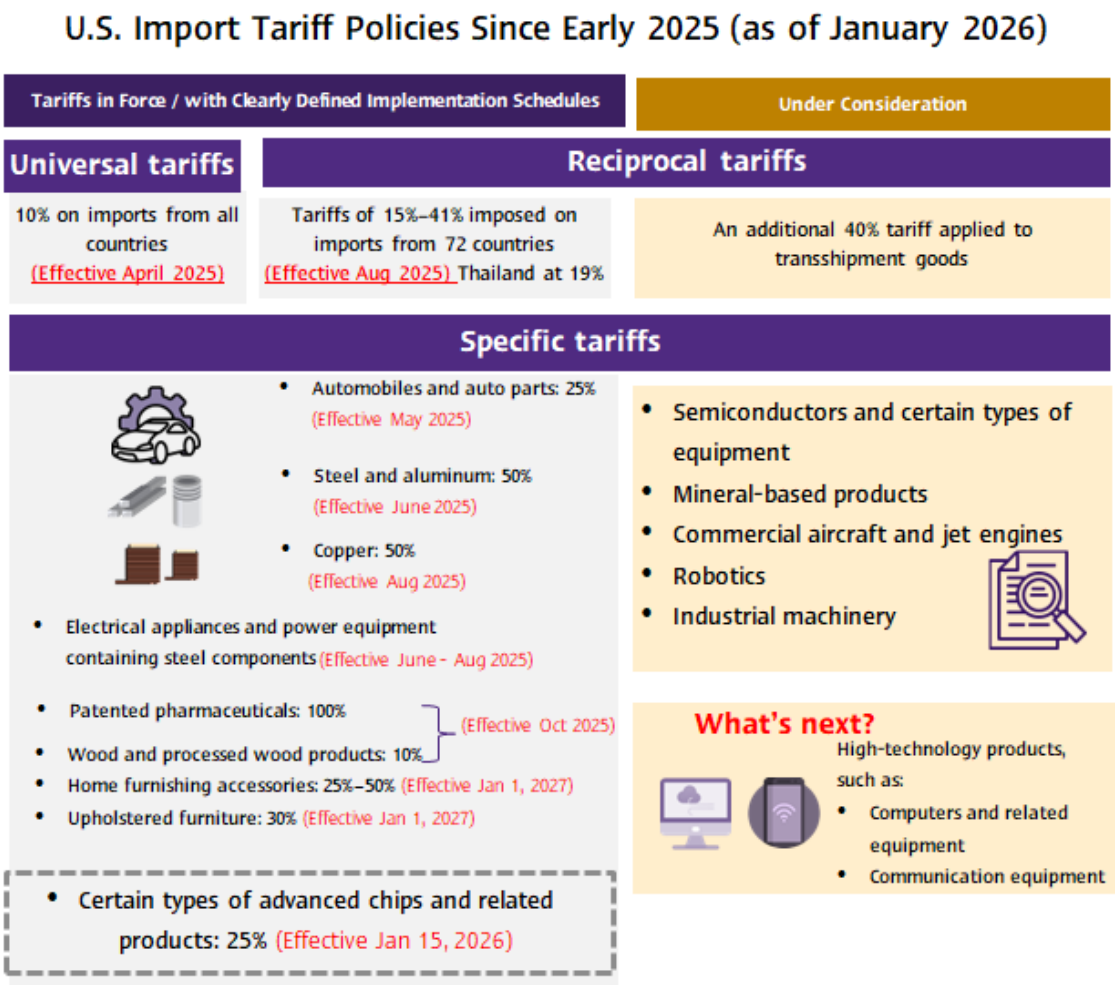
As the chip war continues without a clear end and increasingly becomes a critical instrument of technological competition, accelerating adaptation to withstand these shocks is no longer a choice but a necessity to sustain the competitiveness of the electronics industry in the global market in the period ahead.

KEY POINTS

The United States has proceeded with announcing the imposition of a 25% import tariff on certain AI chips.

Over the past year, the United States has gradually implemented a series of import tariff policies, including a 10% universal tariff applied to goods from all countries and reciprocal tariffs, as well as issuing announcements on product-specific tariff measures under Section 232. Some of these measures have already affected certain products from Thailand, such as automobiles and auto parts, steel and aluminum products, and electrical appliances and power equipment containing steel components. In addition, several product categories remain under investigation for potential additional tariffs this year, including semiconductors, certain critical minerals, and commercial aircraft. At the same time, some high-technology products such as computers and parts, communication equipment, and integrated circuit (IC) continue to benefit from a temporary 0% tariff exemption, pending further consideration of additional product-specific tariffs in the period ahead (Figure 1).

Figure 1: The United States Has Gradually Expanded the Imposition of Product-Specific Tariffs, Including a 25% Import Tariff on Certain Types of Advanced Chips and Related Products



Source: SCB EIC analysis based on data from the White House, U.S. Customs and Border Protection, and the U.S. Department of Commerce.

Most recently, the U.S. government announced the imposition of a 25% import tariff on certain types of advanced chips and related products under Section 232, applicable to imports from all countries, including Thailand, with effect from January 15, 2026. This round of chip tariff increases is targeted at imposing import duties on hardware that is critical to the growth of AI technologies, with the objective of strengthening the domestic semiconductor manufacturing supply chain and reducing reliance on imported chips, particularly advanced chips, from abroad. **In the initial phase of the announced tariff measures, the impact will be limited to certain categories of advanced chips and related products classified under HS codes 8471.50, 8471.80, and 8473.30, with tariffs applied only to advanced chips that meet specified performance criteria, namely high Total Processing**

Performance (TPP) and DRAM bandwidth.[1] These criteria include: (1) TPP ranging from 14,000 to 17,500 and DRAM bandwidth ranging from 4,500 to 5,000 GB/s; and (2) TPP ranging from 20,800 to 21,100 and DRAM bandwidth ranging from 5,800 to 6,200 GB/s. Examples include Nvidia's H200 and AMD's MI325X chips, which are used for advanced processing in various high-technology industries. **Nevertheless, in the initial stage of implementation, certain exemptions with a 0% tariff remain in place for advanced chips that do not meet the specified criteria**, such as those intended for U.S. data centers, research and development (R&D), and startup companies, among others. (Figure 2).

Figure 2: The imposition of tariffs on advanced chips covers products under HS codes 8471.50, 8471.80, and 8473.30, categorized according to technical criteria and end-use applications.

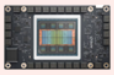
The imposition of tariffs on advanced chips covers products classified under HS codes 8471.50, 8471.80, and 8473.30, categorized based on technical criteria and end-use applications

HTSUS codes (Chapter 99)	Product descriptions / exemption conditions	Product-specific tariff rates
9903.79.01	• **Products subject to tariffs: high-performance logic ICs that meet the specified TPP and DRAM bandwidth criteria.**	25%
9903.79.02	• Products classified under the above tariff headings that do not meet the specified technical criteria.	0%
9903.79.03	• For use in U.S. data centers	0%
9903.79.04	• For repair or replacement within the United States	0%
9903.79.05	• For research and development (R&D) purposes	0%
9903.79.06	• For use by startup companies (Emerging Growth Companies).	0%
9903.79.07	• For consumer electronics (such as gaming, personal computing (PC), and automotive applications) that are not related to data center use.	0%
9903.79.08	• For civil industrial applications (such as industrial robots and machinery) that are not related to data center use.	0%
9903.79.09	• For use by public sector entities of the United States.	0%

Examples of technical criteria for products subject to the 25% tariff.

The products must be logic integrated circuits (Logic ICs) or related products that meet the following criteria.

1) TPP values ranging from 14,000 to 17,500 and DRAM bandwidth ranging from 4,500 to 5,000 GB/s
2) TPP values ranging from 20,800 to 21,100 and DRAM bandwidth ranging from 5,800 to 6,200 GB/s



AMD
MI325X

Nvidia
H200

Source: SCB EIC analysis based on data from U.S. Customs and Border Protection and the U.S. Department of Commerce.

[1] The calculation of Total Processing Performance (TPP) and DRAM bandwidth follows the standards used by the U.S. Department of Commerce and U.S. Customs and Border Protection (CBP) to assess the performance of "processing chips" in determining whether products are subject to control measures or import tariffs.

IMPLICATIONS

SCB EIC assesses that the increase in tariffs on advanced chips will affect the global semiconductor supply chain.

Although the design of advanced chips or AI chips remains dominated by major U.S.-based players such as Nvidia, more than 90% of global advanced chip manufacturing is still concentrated in Taiwan, resulting in the United States' heavy reliance on large-scale chip imports from abroad. Amid heightened geopolitical uncertainties that could disrupt global supply, the United States has therefore accelerated tariff increases on chips and advanced plans to support the domestic semiconductor industry under the CHIPS Act. **SCB EIC assesses that the U.S. increase in tariffs on advanced chips may lead to higher global chip production costs in the period ahead and could prompt a restructuring of the global semiconductor supply chain, driven by U.S. efforts to maintain technological leadership by reshoring advanced chip manufacturing.**

In addition, the increase in chip tariffs may affect Thailand's electronics industry across multiple dimensions, including both trade and investment.

1) **Trade: Thailand's exports of electronic products to the U.S. market are expected to remain relatively limited in terms of direct impact for two main reasons. First, the majority of Thailand's semiconductor exports to the United States fall under HS Code 8541, which is classified as chip devices**[2] used in other electronic products and continues to benefit from a 0% tariff exemption. Thailand's exports of chips to the U.S. account for approximately 67% of Thailand's total chip exports. **Second, Thailand's exports of computers and related equipment to the U.S. market are largely categorized as consumer electronics, which are end-use products.** Although these products fall under the customs classifications specified by the United States (HS Codes 8471.50, 8471.80, and 8473.30), tariff measures are applied only to exporters of advanced chips.[3] **Nevertheless, Thailand's exports of electronic products in categories related to tariffed goods may face indirect impacts through exports of components associated with chip production to other key trading partners, such as China, Taiwan, and Japan (Figure 3).**

[2] HS Code 8541 includes chip devices, referring to conventional chips used in other electronic products and chip components, including solar panels.

[3] HS Code 8471 covers computers and related components, including advanced chips/ICs, referring to integrated circuit (IC) and advanced chips such as GPUs for AI and mobile devices, as well as end-use computer products (consumer electronics).

Figure 3: In the short term, Thailand remains relatively limited in its exposure to the impact of the latest U.S. chip tariff increases, as although the products fall under the same categories, the tariff criteria are specifically targeted at exporters of advanced chips.

Exports of electrical and electronics (E&E) products in categories subject to the 25% tariff announced by the United States continue to be exempt for Thailand, as the products do not meet the specified criteria set by the United States.

HS CODE	%share in TH Export	TH export to US (MUSD)	TH export to US	TH %share in US import	TH rank in US	Top3 US import
8471.50	0.6%	802.1	45%	1.0%	3	Mex67%, Taiwan26%, CN 0.9%,VN 0.7%
8471.80	0.1%	126.0	41%	1.4%	6	Taiwan59%, Mex24%, VN6%, Malaysia3%
8473.30	1.0%	1,493.3	52%	2.9%	7	Taiwan46%, Korea13%, CN12%

Note: Export values of products in the computer and components categories under HS Codes 8471 and 8473 remain relatively limited in terms of impact and continue to benefit from tariff exemptions, as the majority of products exported by Thailand to the U.S. market in these categories are final-use products.

Source: SCB EIC analysis based on data from Trade Map.

2) **Investment: The increase in chip tariffs may affect investment in the electronics industry and related sectors.** During 2023–2024, foreign investors applied for investment promotion in the electrical and electronics (E&E) industry amounting to as much as 569,715 million baht, followed by 181,670 million baht in the first nine months of 2025, accounting for approximately 21% of total investment promotion applications. However, the U.S. plan to reshore chip manufacturing through higher import tariffs may become a significant source of pressure, leading to increased volatility in the global semiconductor supply chain and a greater relocation of production bases to the United States. This could, in turn, affect investment trends across ASEAN, including investment in Thailand's electronics industry. Such shifts in the supply chain may also serve as a signal for Thailand to accelerate adaptation efforts to upgrade its electronics industry and enhance its competitiveness in the global market. Moreover, the increase in tariffs on advanced chips may result in a short-term surge in global AI chip prices, potentially affecting the data center industry expanding its investments in Thailand, as operators may face higher AI infrastructure costs.

This move by the United States may represent only the first step in the introduction of technology-related tariffs, with the U.S. government potentially expanding the scope of import tariffs to semiconductors and other related products more broadly in the period ahead. SCB EIC assesses that relevant operators in Thailand's electronics industry need to urgently address the emerging risks in order to maintain their competitiveness and preserve their role within the global semiconductor supply chain. In the short term, affected operators should develop risk assessment plans for products classified under customs tariff codes that are expected to be impacted by U.S. chip tariff increases, while diversifying market exposure toward higher-potential Asian markets to reduce reliance on the United States, such as ASEAN, Japan, and Taiwan. In the long term, although Thailand's upstream chip production remains relatively limited, the country benefits from its strong position as a base for electronic product assembly. Accordingly, the public and private sectors should work together to

accelerate the development of a highly skilled workforce aligned with labor market needs, alongside promoting investment in research and development to enable higher value-added upstream production. These efforts would help build a more robust manufacturing supply chain capable of attracting greater foreign investment in the future.

As the chip war continues with no clear end in sight and increasingly becomes a critical instrument of technological competition, accelerating adaptation to absorb these shocks is no longer a choice but a necessity to sustain the electronics industry's ability to compete in the global market in the period ahead.

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