



Tracking the U.S. Tariff Domino Effect:

From Steel to Electrical Appliances

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KEY SUMMARY

The United States has announced the imposition of import tariffs of up to 50% on electrical appliances containing steel components.

Since the U.S. began progressively implementing import tariff policies, Thailand has faced rising import duties, including a 10% universal tariff on products from all countries and reciprocal tariffs, exemption extended tariff deadline to Aug 1, 2025 . In addition, the United States has continued to issue specific product tariffs. **Most recently, the U.S. Department of Commerce announced further specific tariffs expanding the scope to include derivative products containing steel components, notably electrical appliances classified under HS codes 84 and 85. This includes ten categories such as washing machines, refrigerators, dryers, and dishwashers.** All countries are subject to tariffs of up to 50%, calculated based on the value of the steel content within the product. Exceptions include the United Kingdom, which is currently under a tariff reduction arrangement at 25%, and electrical appliances using steel melted and poured in the United States, which are exempted from tariffs (0%). These measures have been in effect since June 23, 2025. The tariff adjustments aim to protect domestic industries in the United States and reduce reliance on the importation of capital goods, including steel and aluminum.

The Latest Tariff Hike Will Affect Thai Exports Across Five Product Categories

The newly imposed tariff measures will impact Thailand's exports of five electrical appliance products: refrigerators (HS CODE 8418.10), freezers (HS CODE 8418.40), large dryers (HS CODE 8451.29), large washing machines (HS CODE 8450.20), and dishwashers (HS CODE 8422.11). In 2024, Thailand's exports of these products to the U.S. market totaled USD 153.4 million, accounting for approximately 4.1% of Thailand's total electrical appliance exports.

Products anticipated to be significantly affected by the new tariffs include dishwashers, large washing machines, and refrigerators, given their high export dependency on the U.S. market, which stands at 56%, 28%, and 13% of total export value in each respective category.

SCB EIC estimates Thailand's exports of electrical appliances will contract by -1.9% YoY in 2025, with a further contraction of -2.1% YoY expected in 2026 due to Trump's tariffs.

The tariff increases on derivative products containing steel components are expected to impact the supply chain of Thailand's electrical appliance industry, affecting both major manufacturers and component producers, who will face heightened uncertainty and will need to reassess their cost structures for the items subject to U.S. tariffs. Additionally, higher tariffs will result in increased prices for U.S. consumers, which will inevitably dampen order volumes for Thai products and weigh on export prospects. SCB EIC projects that the value of Thailand's electrical appliance exports—including other items not subject to the current round of tariffs—will likely decline by -1.9% YoY in 2025, with a continued contraction of -2.1% YoY in 2026, reflecting the global economic slowdown and the ongoing impact of U.S. tariff policies.

Businesses Must Accelerate Adjustments to Mitigate the Impact of Trump's Tariff Measures

Electrical Appliance Supply Chain Operators Must Adjust Strategies to Address Risks from Recently Announced Specific Tariffs

Operators within the electrical appliance supply chain need to urgently adjust their strategies to address the risks arising from the recently announced specific tariffs. This includes assessing risks associated with high-risk product groups, reviewing the cost structure of steel-containing components used in production, and managing costs to offset the impact of higher steel-related tariffs. **Additionally, operators must accelerate trade strategy adjustments by diversifying risk through expanding exports to other potential markets** such as ASEAN, the Middle East, and Latin America to reduce dependence on the U.S. market. **At the same time, the production supply chain must be upgraded through greater integration of technology in manufacturing processes and by creating added value in products**, including the selection of materials and the incorporation of multifunctional features to better meet customer needs. Furthermore, operators should expedite research and development (R&D) to explore alternative materials to steel, such as recycled aluminum and composite fibers. Equally critical is government support, **particularly in creating an ecosystem conducive to the growth of the industry. This includes budgetary support for R&D to foster new innovations and the promotion of investments in the smart electrical appliance sector, extending support to operators throughout the supply chain, enabling Thailand to advance as a key smart electrical appliance manufacturing hub within ASEAN.**

The challenges currently faced by Thai electrical appliance manufacturers may not represent an end, but rather a pivotal turning point that could drive them to accelerate capacity

development, paving the way for Thailand to emerge as a strong electrical appliance manufacturer in the future.

KEY POINTS

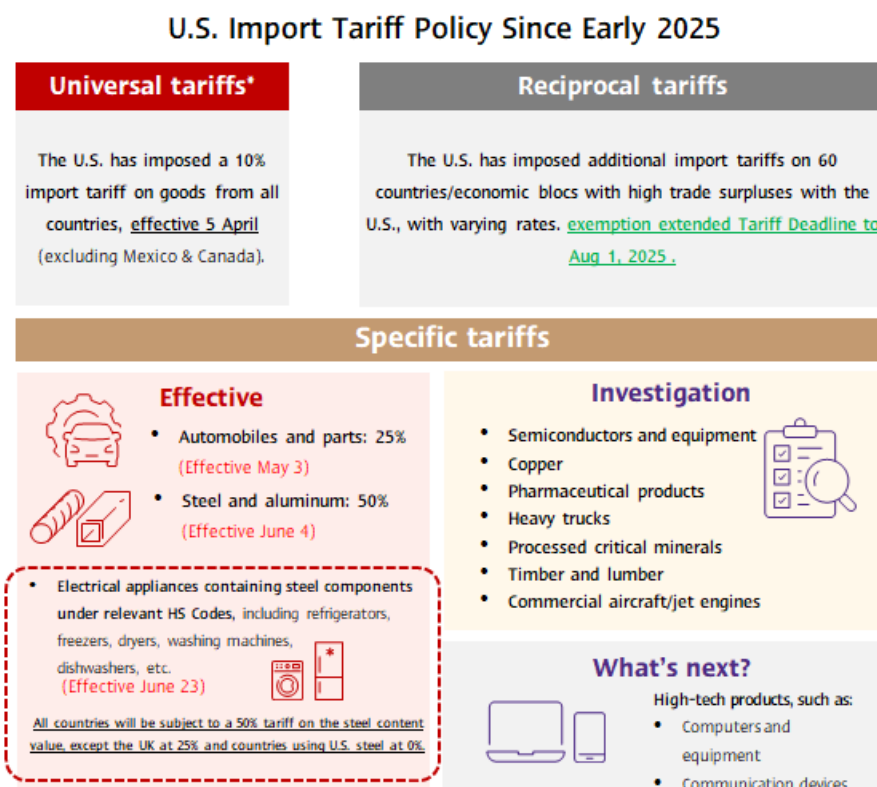
The United States Issues New Tariffs on Imports of Electrical Appliances Containing Steel Components

Since the beginning of this year, the United States has continued to implement a series of import tariff policies, resulting in higher import duties on Thai products. These include a 10% universal tariff on goods from all countries and reciprocal tariffs, exemption extended tariff deadline to Aug 1, 2025. In addition, the United States has consistently announced specific tariffs under Section 232. Specific tariffs already imposed on Thai products include a 25% tariff on automobiles and parts, and a 50% tariff on steel and aluminum products. There are also products currently under investigation for potential tariff imposition, such as semiconductors, pharmaceutical products, and agricultural goods. Looking ahead, high-tech products—including computers and components, as well as communication devices—are expected to be among the next categories under consideration for additional specific tariffs by the United States (Figure 1).

Amid the ongoing impact of tariff measures, a new wave has hit Thailand following the U.S. Department of Commerce's mid-June announcement of additional specific tariffs on derivative products containing steel under Section 232¹. This tariff adjustment includes imports of electrical appliances with significant steel components, covering both household and commercial electrical appliances under HS codes 84 and 85. Exceptions are granted to the United Kingdom, which is currently under a reduced tariff rate of 25%, and to electrical appliances utilizing steel melted and poured in the United States, which are exempt from tariffs. This announcement has been effective since June 23, 2025. The U.S. government's objective is to enhance the competitiveness of its domestic electrical appliance manufacturing industry while reducing imports of steel products from abroad. Mexico, despite its advantage under the United States-Mexico-Canada Agreement (USMCA) and its position as a key electrical appliance manufacturing hub, will not receive tariff exemptions. Major manufacturers such as Samsung and LG, which operate production bases in Mexico, do not use steel melted in the United States and are thus subject to the same tariff rates as other countries.

¹ According to the "List of Steel HTS Subject to Section 232" as announced by the U.S. government.

Figure 1: Certain electrical appliances with a high steel content, such as refrigerators and washing machines, will be subject to specific tariffs imposed by the United States in accordance with steel-related duties.



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

There are a total of six categories (ten items) of electrical appliances subject to U.S. import tariffs as derivative products containing steel under Section 232:

- 1) Refrigerators and freezers (HS Code 8418.10.00, 8418.30.00, and 8418.40.00)
- 2) Small and large dryers (HS Code 8451.21.00 and 8451.29.00)
- 3) Small and large washing machines (HS Code 8450.11.00 and 8450.20.00)
- 4) Dishwashers (HS Code 8422.11.00)
- 5) Cooking stoves and ovens (HS Code 8516.60.40)
- 6) Food waste disposals (HS Code 8509.80.20)

However, the tariff imposed on electrical appliances will be assessed solely on the value of the steel content within the products.

Tariffs on electrical appliances will not be calculated based on the total value of the product but will consider only the value of the steel content in each item². Electrical appliances containing steel components and classified under the customs codes specified by the United States (HS Code 9903.81.91 and 9903.91.98) from all countries will be subject to a 50% tariff on the value of the steel content within the product. An exception applies to imports from the United Kingdom, which will be subject to a reduced rate of 25% on the value of the steel content. Meanwhile, processed steel products using steel melted and poured in the United States will fall under the tax exemption category and will be subject to a 0% tariff (Figure 2).

Figure 2: All countries will be subject to a 50% tariff on the value of steel used as components in products, except for electrical appliances that utilize processed steel melted and poured in the United States, which will be exempt from tariffs.

Product category	HS CODE	Tariffs
Steel	<ul style="list-style-type: none">9903.81.879903.81.94	<ul style="list-style-type: none">General: 50%UK: 25% until 9 July 2025
Steel products (not melted in the U.S.)	<ul style="list-style-type: none">9903.81.919903.91.98	<ul style="list-style-type: none">General: 50%UK 25%
Processed steel products (melted in the U.S.)	<ul style="list-style-type: none">9903.81.92	<ul style="list-style-type: none">Exempt or 0%

Example: Tariff calculation for washing machines

- Product price: THB 15,000
- Steel content value: THB 3,000
- U.S. imposes a 50% tariff on steel content value = THB 1,500

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

IMPLICATIONS

Thailand's exports of electrical appliances containing steel components to the United States, such as dishwashers, large washing machines, and refrigerators, will be affected by the newly imposed tariffs on derivative products related to steel.

The United States is currently a key trading partner for Thailand's electrical appliance exports. There are five categories of products exported from Thailand to the United States under tariff codes expected to be subject to new tariffs: refrigerators (HS CODE 8418.10), freezers (HS CODE 8418.40), large dryers (HS CODE 8451.29), large washing machines (HS CODE 8450.20), and dishwashers (HS CODE 8422.11). In 2024, the total export value of these five product categories amounted to USD 153.4 million.

² The calculation methodology must comply with the requirements set by the U.S. Customs and Border Protection.

SCB EIC expects that dishwashers, large washing machines, and refrigerators are likely to be more significantly affected by the new tariffs on derivative products containing steel under Section 232 than other categories, as these products have higher dependency on the U.S. market in terms of both export share and value. Data from Trade Map for 2024 shows that Thailand's exports of dishwashers (HS Code 8422.11.00), large washing machines (HS Code 8450.20.00), and refrigerators (HS Code 8418.10.00) to the United States accounted for 56%, 28%, and 13% of the total export value in each respective category (Figure 3).

Figure 3: Exports of dishwashers, large washing machines, and refrigerators are expected to be more affected by the new round of U.S. tariff increases than other products due to their high dependency on the U.S. market.

Specific tariffs		List of Thai electrical appliances subject to Proposed the new US Tariffs						
Derivative products related to steel under Section 232		HS CODE	%share in HA Export	TH export to US (MUSD)	TH export to US	TH %share in US import	US Ranks	Top3 US import
A total of 10 electrical appliance products are subject to U.S. import tariffs as follows:		8450.20 Large washing machines	2.1%	73.6	28%	23%	1	CN20%,Korea20%,Vietnam16%
• Refrigerators and freezers (8418.10.00, 8418.30.00 IIE: 8418.40.00)		8422.11 Dishwashers	0.9%	59.8	56%	21%	3	Korea30%,CN25%
• Small and large dryers (8452.12.00 IIE: 8451.29.00)		8418.10 Refrigerators	1.0%	15.6	13%	9%	4	MEX 49%,Korea23%,CN 12%
• Small and large washing machines (8450.11.00 IIE: 8450.20.00)		8451.29 Large dryers	0.1%	3.7	26%	2%	4	MEX 47%,Korea42%,CN 5%
• Dishwashers (8422.11.00)		8418.40 Freezers	0.0%	0.6	15%	29%	2	CN39%,Turkiye10%
• Ovens (8516.60.40)								
• Food waste disposers (8509.80.20)								

Source: SCB EIC analysis based on data from Trade Map

SCB EIC estimates that Thailand's overall electrical appliance exports will contract by -1.9% YoY in 2025, with a continued contraction of -2.1% YoY projected for 2026, driven by multiple risk factors, including the impact of Trump's tariffs and a global economic slowdown that is likely to be more pronounced than previously anticipated.

Although Thailand's electrical appliance exports expanded significantly by 14% YoY in the first five months of 2025, supported by short-term front-loading of U.S. imports and partial benefits from China's higher tariff barriers relative to Thailand, overall electrical appliance exports—including to other markets—are expected to slow in line with a weakening global economic environment. This is particularly evident in exports to the United States, which accounted for approximately 30% of Thailand's total electrical appliance exports in 2024, as uncertainty over U.S. tariff policies persists. These include risks associated with reciprocal tariffs, which remain postponed pending trade negotiations, and the imposition of specific tariffs on derivative products related to steel, which is expected to impact certain categories of Thailand's electrical appliance exports to the U.S. market.

SCB EIC forecasts that the value of Thailand's electrical appliance exports (including items not subject to the current round of tariffs) will likely contract by -1.9% YoY in 2025, primarily due to weakening global

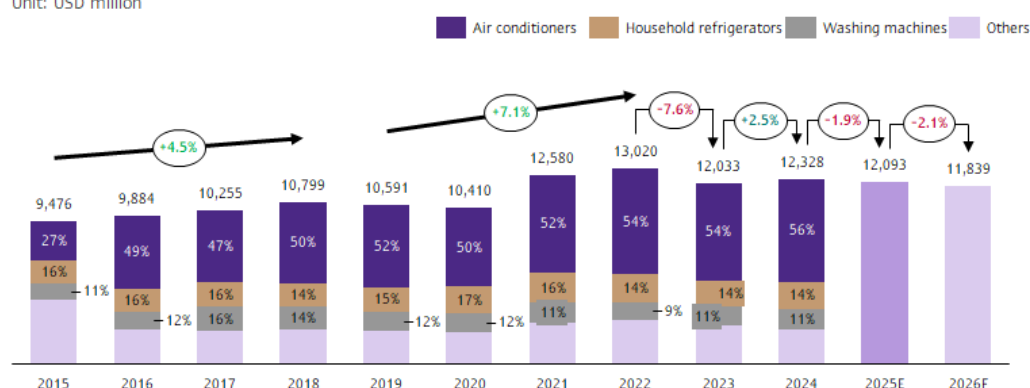
demand. In 2026, SCB EIC projects that electrical appliance export values will continue to decline, with a further contraction of -2.1% YoY (Figure 4), reflecting multiple key downside risks.

- **Global Economic Slowdown:** Heightened uncertainty and a broader global economic deceleration are directly impacting consumer purchasing power and spending, particularly in Thailand's key export markets such as the United States, Vietnam, and Australia.
- **Intensifying Competition:** Although Mexico, one of Thailand's key competitors, faces heightened risks from the uncertainty of U.S. tariff policies, it retains competitive advantages in electrical appliance categories outside those impacted by steel and derivative product tariffs. Mexico continues to benefit from preferential tariff treatment under the United States-Mexico-Canada Agreement (USMCA) and is likely to face lower import tariff rates compared to Thailand. Additionally, its geographic proximity to the United States (nearshoring) further strengthens Mexico's position in attracting ongoing foreign investment.

Figure 4: Thailand's electrical appliance exports in 2026 are projected to continue contracting, driven by the impact of U.S. tariff policies and a global economic slowdown that is expected to be more pronounced than earlier forecasts.

Export value of electrical appliances (annual)

Unit: USD million



Source: SCB EIC analysis based on data from Thailand's Ministry of Commerce

The imposition of specific tariffs, including those on derivative products related to steel, is expected to impact Thailand's electrical appliance manufacturing industry both directly and indirectly.

- 1) **Direct Impact:** The tariff increases are expected to reduce purchasing power and demand in the U.S. market due to higher product prices, which will consequently affect Thailand's electrical appliance exports going forward.
- 2) **Indirect Impact:** Heightened uncertainty in production supply chains and potential shifts in production bases may occur, as steel is a critical input in electrical appliance manufacturing. Should manufacturers opt to use electrical appliance components containing steel classified under the U.S. customs codes (HS Code 9903.81.91 and 9903.91.98) that are subject to additional tariffs, they will need to reassess their cost structures. This may affect the entire supply chain

of Thailand's electrical appliance industry, impacting both major manufacturers and component producers, and could potentially lead to the relocation of production bases in the future.

Businesses Must Urgently Adjust Strategies to Address Emerging Risks

Amid recurring waves of trade war disruptions impacting Thailand, operators within the electrical appliance manufacturing supply chain must urgently develop strategies to address emerging risks. This should begin with actionable steps, particularly the assessment of risk exposure for product categories likely to be affected by the new tariff increases, including a thorough review of cost structures related to steel-containing components and proactive cost management to offset the impact of higher steel-related tariffs. **Additionally, businesses should diversify risk by expanding exports to other potential markets** such as ASEAN, the Middle East, and Latin America to reduce dependency on the U.S. market. At the same time, it is essential to upgrade production supply chains by adopting technology and automation within manufacturing processes to enhance operational efficiency and reduce production costs. Creating added value in products—through the use of environmentally friendly materials, expanding product functionalities, and investing in new research and development (R&D) and innovations to better address customer needs—will be critical. **Moreover, businesses should accelerate R&D efforts to identify alternative materials that can reduce reliance on steel in the future**, such as recycled aluminum and composite fibers. However, the essential cornerstone for these efforts is government support. The public sector must invest in fostering an ecosystem conducive to the development and upgrading of the electrical appliance industry, including budgetary support for R&D in collaboration with the private sector to drive innovation, as well as promoting investment and providing tax incentives within the smart electrical appliance sector. This approach should comprehensively support players across the supply chain, enabling Thailand to advance as a key smart electrical appliance manufacturing hub within ASEAN.

The challenges currently faced by Thai electrical appliance manufacturers may not represent an end, but rather a pivotal turning point that could drive them to accelerate capacity development, paving the way for Thailand to emerge as a strong electrical appliance manufacturer in the future.

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