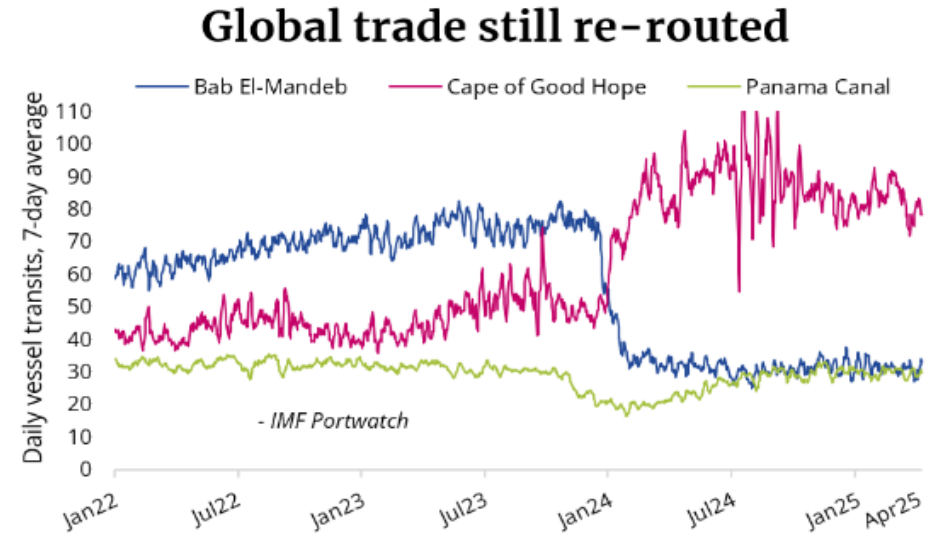
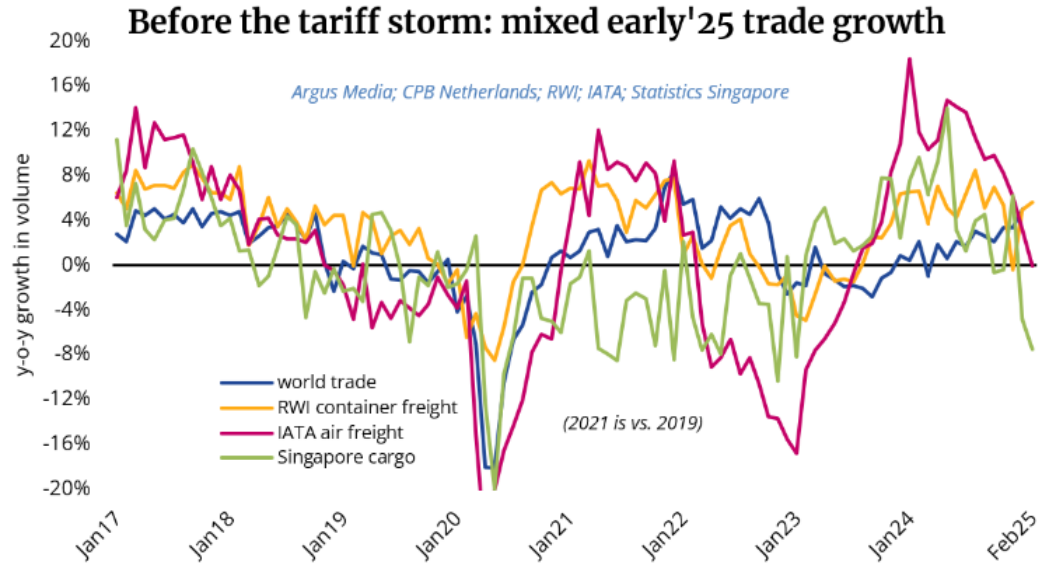


Reimagining Petrochemicals – Panel Discussion APIC 2025

**Moderated by Muhamad Fadhil
SVP, Strategy and Business Development
Argus Media**

The state of world trade before & after the tariff storm

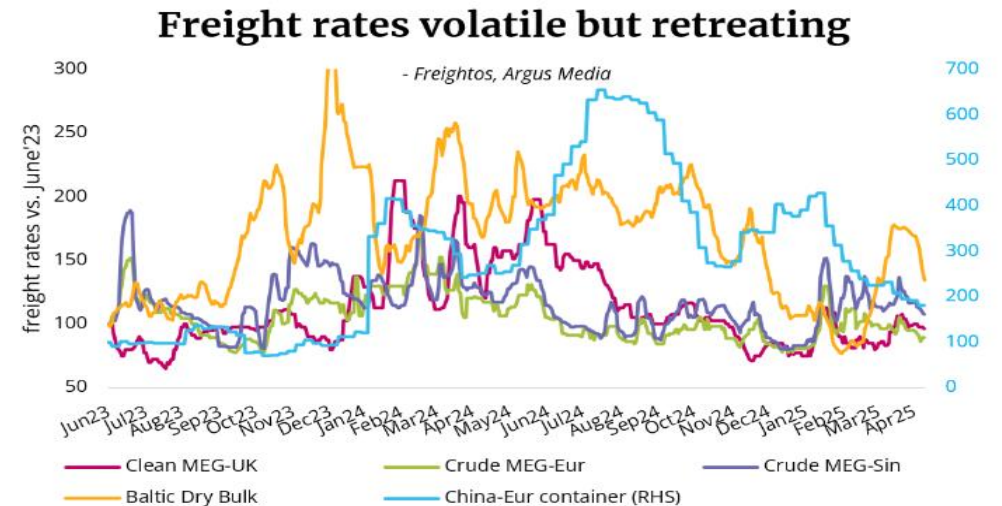


World: US tariff increase impact to imports

Tariff elasticity to import demand ($\epsilon^*\phi$)

	-0.25	-0.50	-0.75	-1.00	-1.25	-1.50	-1.75	-2.00
-1.0	-3.0%	-5.5%	-7.9%	-10.3%	-12.7%	-15.1%	-17.5%	-20.0%
0.0	-2.4%	-4.8%	-7.2%	-9.7%	-12.1%	-14.5%	-16.9%	-19.3%
1.0	-1.8%	-4.2%	-6.6%	-9.0%	-11.4%	-13.9%	-16.3%	-18.7%
2.0	-1.2%	-3.6%	-6.0%	-8.4%	-10.8%	-13.2%	-15.7%	-18.1%
3.0	-0.5%	-2.9%	-5.4%	-7.8%	-10.2%	-12.6%	-15.0%	-17.4%
4.0	0.1%	-2.3%	-4.7%	-7.1%	-9.6%	-12.0%	-14.4%	-16.8%
5.0	0.7%	-1.7%	-4.1%	-6.5%	-8.9%	-11.4%	-13.8%	-16.2%
6.0	1.4%	-1.1%	-3.5%	-5.9%	-8.3%	-10.7%	-13.1%	-15.6%
7.0	2.0%	-0.4%	-2.8%	-5.3%	-7.7%	-10.1%	-12.5%	-14.9%

Y-axis: US dollar appreciation (% Δ rer)
X-axis: Tariff elasticity to import demand ($\epsilon^*\phi$)



China in the trade war crosshairs

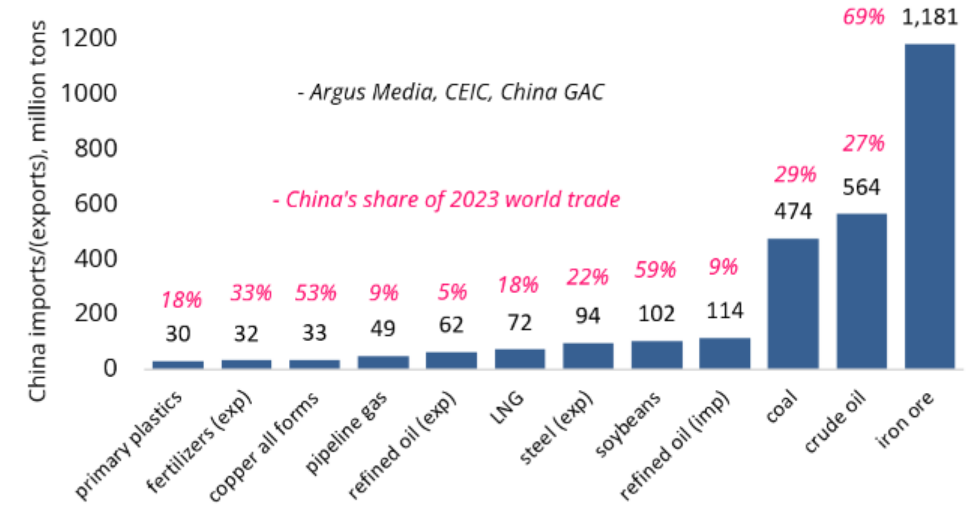
China-US monthly trade in goods & services

- China General Administration of Customs

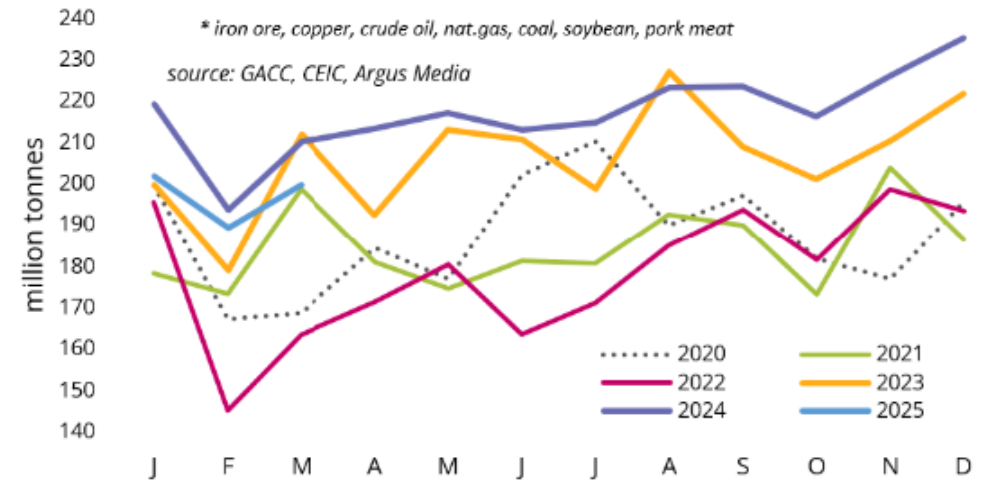


- Manufacturing/exports slow-down may weigh on some commodity imports

29% of key commodity trade involves China

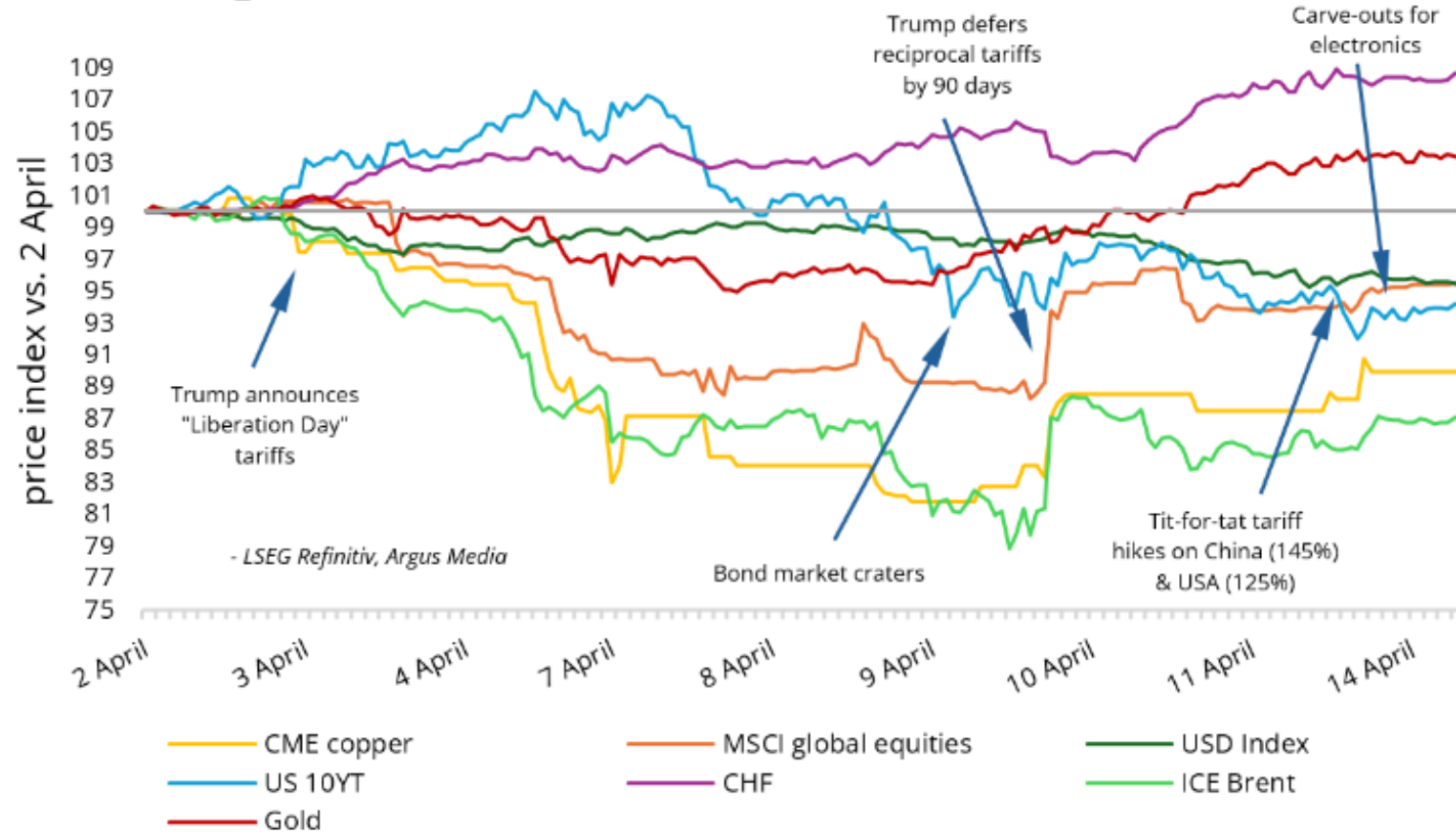


China 1Q25 commodity* imports -5% YoY



Trade war chaos hammers markets – risk assets & safe havens alike

Reciprocal tariff deferral relief was short-lived

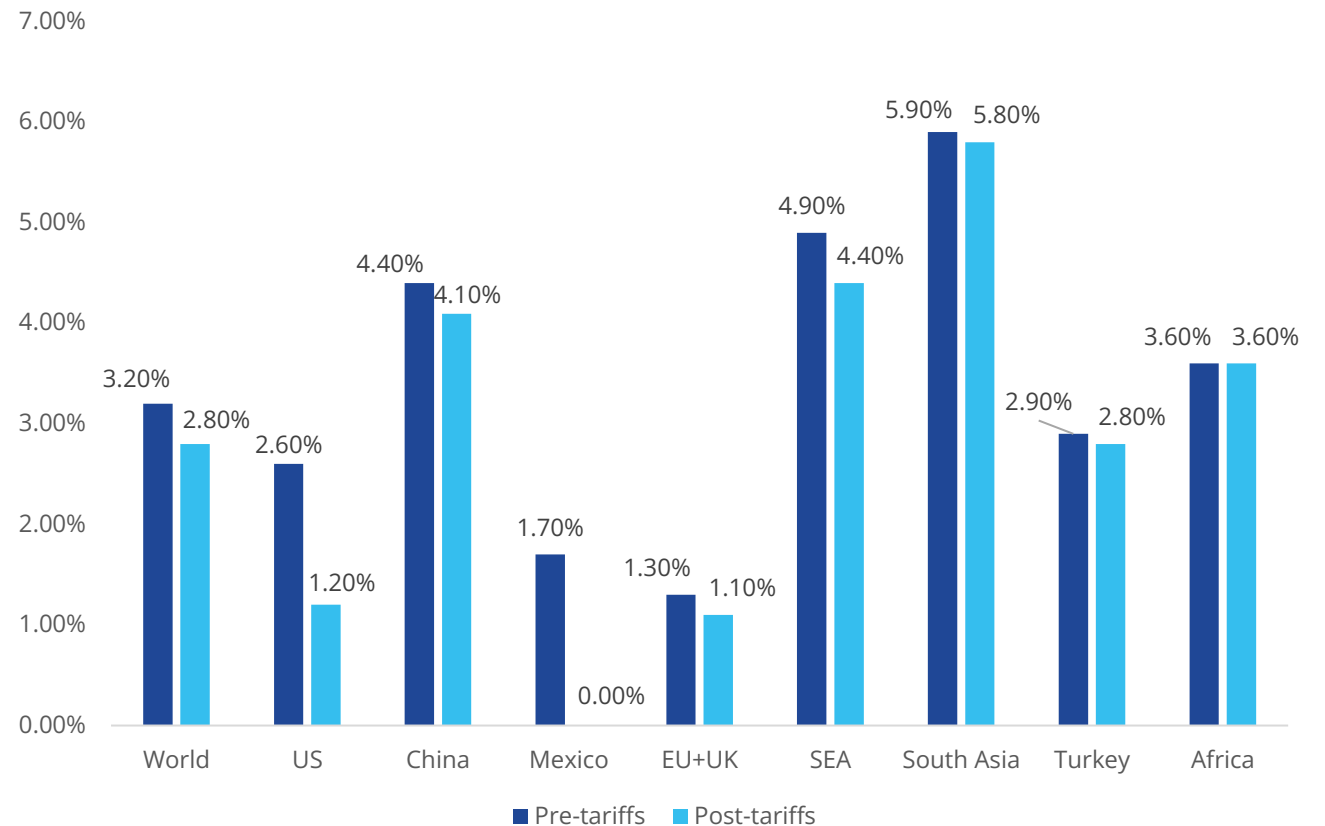


Economic outlook

US GDP growth almost halved; Chinese economy not expected to face significant impact .

- Whilst Oxford Economics sees US GDP PPP growth slashed to 1.2pc in 2025 as a result of the tariffs, China sees a much less significant downgrade for several key reasons:
 - Chinese exports to the US account for just 3pc of China's GDP
 - China's overall trade surplus provides policy space to respond to a trade war
 - Devaluing the renminbi will cushion the impact of facing higher US tariffs
 - A prolonged trade with the US may provide the stimulus to transition the country more so towards a consumption-led economy rather than a production-focused economy

2025 GDP PPP Growth



Uncertainty lifts margins; naphtha, propane falls

Feedstock cash margin comparison \$/t

