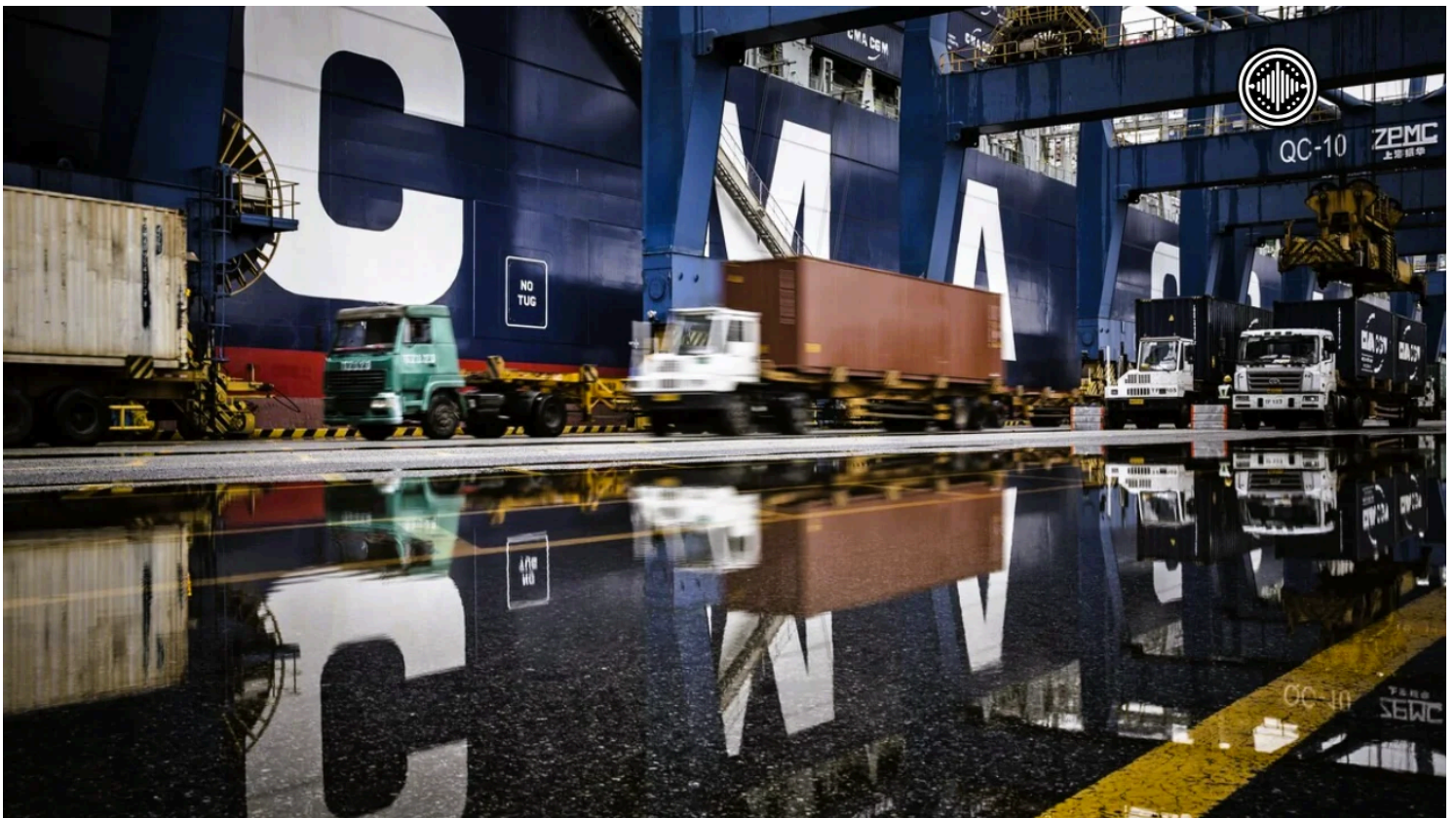


Asian Factories Struggle as US Tariff Uncertainty Limits Recovery

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Tokyo, July 2 – Factories across Asia remained under pressure in June as worries over US tariffs kept demand weak, despite some signs of improvement in key economies. New surveys released on Tuesday highlight how trade tensions continue to weigh on the region's fragile recovery.

In China, the Caixin/S&P Global Manufacturing Purchasing Managers' Index (PMI) rose to 50.4 in June from 48.3 in May, moving back into expansion territory after three months of decline. The increase was driven by stronger new orders, suggesting domestic demand is

improving. “Overall, manufacturing supply and demand recovered in June,” said Wang Zhe, senior economist at Caixin Insight Group. “However, the external environment remains severe and complex, with many uncertainties.”

Japan also reported a modest improvement. The final Jibun Bank PMI climbed to 50.1 in June, the first expansion in over a year. The growth was mainly due to higher output. However, new orders continued to decline, as manufacturers remained cautious about future US trade policies. “It is still a fragile recovery,” said Takashi Miwa, chief economist at Nomura Securities. “Companies are hesitant to expand production while trade tensions remain unresolved.”

South Korea’s manufacturing sector contracted for the fifth straight month, though the decline slowed. The PMI increased to 48.7 in June from 48.1 in May. Many businesses felt some relief after a snap presidential election in early June ended months of political uncertainty. Yet trade concerns persist. “Volatility in US tariff policy and economic recovery uncertainty are expected to continue in the second half,” said Industry and Trade Minister Ahn Duk-geun. He emphasized that reaching a trade agreement with the United States is a top priority.

Since taking office, President Donald Trump has introduced sweeping tariffs that have disrupted supply chains and raised costs for producers across Asia. While the latest data show a few positive signs, most analysts believe growth will remain uneven unless trade talks make progress soon.

For policymakers and businesses in the region, the challenge is clear: they must find ways to support their economies and restore confidence while trade risks remain high. Until there is more clarity from Washington, Asia’s factories are likely to stay in a slow recovery, caught between small gains and the ongoing threat of new tariffs.