TRADE NEWS WEEKLY

July 21-July 25, 2025

A summary of international business news prepared by the Hawaii Foreign-Trade Zone 9 with the collaboration of the Research and Economic Analysis Division of the Department of Business, Economic Development & Tourism, and based on research and information from various trade publications, which track news and events related to global trade. Other news sources may occasionally be included where indicated.

Customs User Fees to Increase

U.S. Customs and Border Protection (CBP) has adjusted the following customs user fees for fiscal year 2026, which will be required as of October 1, 2025.

- Customs broker permit: $185.38 (up from $180.57)
- Express consignment carrier/centralized hub facility, per individual waybill/bill of lading: minimum $0.47 (up from $0.46) and maximum $1.34 (up from $1.31)
- Merchandise processing: minimum $33.58 (up from $32.71) and maximum $651.50 (up from $634.62)
- Surcharge for manual entry or release: $4.03 (up from $3.93)
- Informal entry or release not prepared by CBP personnel: $2.69 automated (up from $2.62) and $8.06 manual (up from $7.85)
- Informal entry or release prepared by CBP personnel: $12.09 (up from $11.78)
- Commercial vessel arrival: $587.03 per arrival (up from $571.81) and $7,999.40 annual cap (up from $7,792.05)
- Barge and other bulk carrier arrival: $147.76 per arrival (up from $143.93) and $2,014.96 annual cap (up from $1,962.73)
- Commercial truck arrival: $7.35 per arrival (up from $7.20) and $134.33 annual cap (up from $130.85)
- Rail car arrival: $11.08 per arrival (up from $10.80) and $134.33 annual cap (up from $130.85)
- Dutiable mail: $7.39 (down from $7.50)
- Commercial vessel or aircraft passenger arrival: $7.39 (up from $7.20).

Source: Sandler, Travis & Rosenberg, P.A.

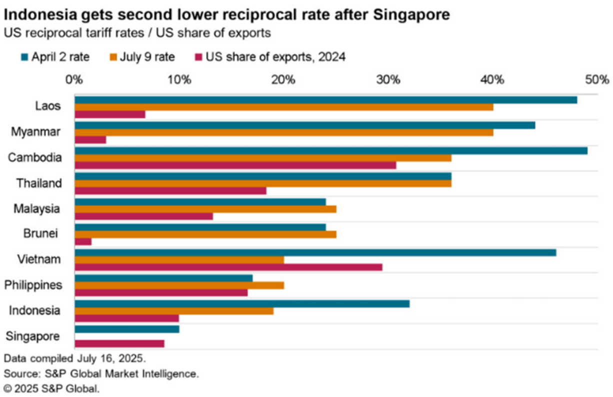
U.S.-Indonesia Trade Deal

The U.S. and Indonesia have agreed to a framework trade deal, which will see Indonesian imports attract a 19% tariff (down from 32% proposed by the U.S. previously) and purchase commitments in energy, farm goods and aerospace.

The 19% tariff rate is the second lowest among the Association of Southeast Asian Nations (ASEAN) group and protects exports of which only 14% were covered by Section 232 or Annex 2 products and is particularly relevant for the apparel, rubber and furniture sectors where the U.S. is a major buyer from Indonesia.

The reduced rate means tariffs will be a 0.4% drag to GDP versus 0.6% under the higher rate. Manufacturing in Indonesia has weakened recently, with the new orders PMI® showing its fastest decline since August 2021. However, industrial production is now expected to grow in 2025.

Purchase commitments had been used in the 2020 agreement with mainland China but had not been used in recent deals with Vietnam and the UK. Purchases of US$15 billion of energy goods compare with US$3.3 billion bought in the past 12 months, with an uplift requiring the US to take 29% of Indonesia's energy imports. Similarly for farm goods, the US$4.5 billion compares with US$2.0 billion bought in the past 12 months, with growth possible in the cereals sector.



Source: Panjiva Data

Energy Transition: Polysilicon Review Launched, Budget Bill Backs Batteries

The U.S. Department of Commerce has initiated a Section 232 review concerning the national security implications of polysilicon imports and their derivatives.

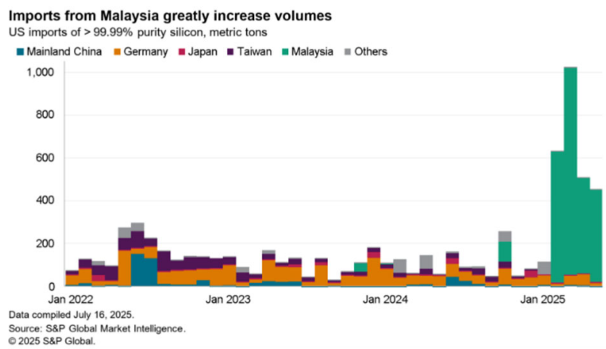
Polysilicon, known for its high purity, is crucial for electronics and solar power applications, often requiring impurity levels of less than one part per billion.

The potential impact of duties on silicon imports depends on whether they target high-purity or lower-quality grades, with the U.S. importing 1,286 metric tons of high-purity silicon in 2024, nearly unchanged from 2023.

Medium- and low-quality silicon imports significantly outweigh high-purity imports, totaling 129,430 metric tons and 17,409 metric tons, respectively, in 2024, while domestic production is supported by four companies and new facilities in Georgia and Washington state.

In 2024, Germany accounted for 44.6% of U.S. imports of high-quality silicon, but its import volumes fell by 36.8% year-over-year in the first quarter, while Malaysia's share surged to 89.3%, suggesting a shift in supply chain strategies.

Two shipments from Malaysia totaling 1,077 metric tons of polysilicon were associated with a single company's solar panel manufacturing in Dalton, Georgia, potentially providing insights on specific firms that may be impacted by new duties.



Source: Panjiva Data

Copper Duty Plan

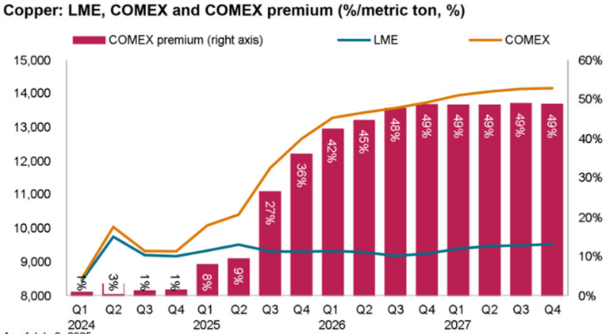
Trump's proposed 50% duties on imports of copper materials and products from Aug. 1, 2025, have not yet been backed by full descriptions of products covered or the combination with other trade rules including International Emergency Economic Powers Act (IEEPA) duties and United States-Mexico-Canada Agreement (USMCA) regulations, leaving uncertainty over the full impact of the duties.

The U.S. has inventories equivalent to 9 to 12 months of consumption, however, after a 120% surge in imports in May versus the 2024 average, with the result that the downstream impact of the duties may be limited in the remainder of 2025. Our price forecasts assume the COMEX premium rises to 49% by the fourth quarter of 2026. Stocks of specialized products and manufactured goods may deplete more quickly.

Derived products may also face duties based on the experience of steel and aluminum duties, raising challenges for the automotive, construction, electronics and datacenter sectors. Six foundational products including motors, transformers, generators, circuits, batteries and wiring systems accounted for US$102 billion of imports versus US$16 billion for copper materials.

The U.S. relies on imports for 46.9% of copper materials consumed but just 14.0% of derived products, but there are no quick fixes. In the near term, ending exports of copper scrap may help reduce the need for imported materials.

Copper: LME, COMEX and COMEX premium (%/metric ton, %)



As of July 9, 2025.
Sources: LME; CME; S&P Global Market Intelligence.
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Source: Panjiva Data

Legislative Actions: Critical Minerals

The Minerals Security Partnership Authorization Act (H.R. 4391, introduced July 15, 2025, by Reps. Bera, D-Calif., and Kim, R-Calif.) would promote international cooperation to secure critical mineral supply chains by (1) providing diplomatic leadership to identify, prioritize, and support strategic projects through every stage of the critical minerals supply chain, (2) coordinating with partner governments and financial institutions to mobilize responsible investment and reduce dependence on authoritarian regimes, (3) engaging with producing countries to foster transparent, high-standard investment environments, and (4) promoting environmental safeguards, labor protections, and community benefits alongside economic development.

Source: Sandler, Travis & Rosenberg, P.A.

FedEx to terminate nearly 500 jobs, close two facilities

FedEx plans to get rid of more than 480 workers and close two facilities by the fall as it moves forward with a huge network consolidation program.

The integrated logistics provider disclosed the plans in public notices to workforce development agencies in four states.

FedEx (NYSE: FDX) said it will close package distribution stations in Greensboro, North Carolina, and Omaha, Nebraska, resulting in the elimination of 164 and 102 jobs, respectively. In a letter to the Nebraska Department of Labor, FedEx said it is relocating work at the Omaha facility to another one within 50 miles.

The company also announced 84 positions will be eliminated at a facility in Des Moines, Iowa. Another 131 staff reductions are planned this summer at facilities in Garland and Plano, Texas. The closures and layoffs will take effect September 1, 2025.

FedEx said the closures and layoffs are related to Network 2.0, a multi-year effort to integrate the separate FedEx Express and FedEx Ground networks for improved delivery efficiency and reduction of transportation costs.

The Commercial Appeal, FedEx's hometown newspaper in Memphis, Tennessee, broke the news about the latest layoffs and closures. FedEx said many workers will be offered other roles within the company, although that could require some of them to commute long distances or relocate.

FedEx executives said during a recent earnings presentation that it plans to close 30% of its parcel terminals within two years, as

FreightWaves reported. In June, FedEx combined the operation of 63 stations across 20 local markets. So far, FedEx has optimized operations in 100 U.S. facilities.
Source: FreightWaves

Trade Actions Could Result from Effort to Lower Drug Prices

President Trump issued May 12, 2025, an executive order (EO) promising "aggressive action" if foreign countries and manufacturers do not lower prices for prescription drugs in the U.S.

Among other things, the EO directs the Office of the U.S. Trade Representative and the Department of Commerce to take "all necessary and appropriate action" to ensure that foreign countries are not engaged in any act, policy, or practice that may be unreasonable or discriminatory or that may impair U.S. national security and that has the effect of forcing U.S. patients to pay for a disproportionate amount of global pharmaceutical research and development, including by suppressing the price of drug products below fair market value in foreign countries.

That language would seem to open the possibility of Section 301 or Section 232 trade actions, which could include the imposition of tariffs or other restrictions on imports from specific countries. The DOC's Bureau of Industry and Security has already initiated a Section 232 investigation of pharmaceuticals; comments were due by May 7, 2025.

The EO also provides for additional actions if "significant progress toward most-favored-nation pricing" for drug products in the U.S. is not made, including (1) allowing consumers to directly import prescription drugs from developed nations with low-cost drugs, (2) considering "all necessary action" (which could include restrictions) on exports of drugs or precursor materials that may be fueling global price discrimination, and (3) possibly revoking approvals for drugs that may be unsafe, ineffective, or improperly marketed.
Source: Sandler, Travis & Rosenberg, P.A.

Agricultural Trade News - Sugar

The USDA's Foreign Agricultural Service has established the amount of raw cane sugar that may be imported under the lower tier of duties provided by the tariff-rate quota for this product during fiscal year 2026 (October 1, 2025, through September 30, 2026). Specifically, aggregate quantities of up to 1,117,195 metric tons raw value of raw cane sugar may be entered or withdrawn from warehouse for consumption under this TRQ during this period.

USDA has also established the amount of certain sugars, syrups, and molasses (refined sugar) that may be imported under the lower tier of duties provided by the tariff-rate quota for these products during FY 2026. Specifically, aggregate quantities of up to 22,000 MTRV may be entered or withdrawn from warehouse for consumption under this TRQ during this period.

Of this refined sugar TRQ quantity, 20,344 MTRV is established for any sugars, syrups, and molasses while 1,656 MTRV is reserved for specialty sugar.
Source: Sandler, Travis & Rosenberg, P.A.