TRADE NEWS WEEKLY

September 1-September 5, 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.

Court of Appeals for Federal Circuit Affirms CIT Decision Striking Down IEEPA Reciprocal Tariffs and Fentanyl Tariffs

On August 29, 2025, the Court of Appeals for the Federal Circuit (CAFC) issued a significant decision affirming the decision of the Court of International Trade (CIT) against the Government's imposition of the IEEPA Reciprocal Tariffs and IEEPA Canada, Mexico, and China Fentanyl Tariffs issued under the International Emergency Economic Powers Act (IEEPA). However, collection of these Tariffs will continue, likely until after U.S. Supreme Court action.

The CAFC majority affirmed the CIT's decision that the IEEPA Executive Orders exceeded the authority delegated to the President by the IEEPA law. The CAFC also vacated the CIT's permanent injunction which universally enjoined enforcement of these IEEPA Tariffs and remanded this issue back to the CIT to further consider injunctive relief and its scope.

However, the CAFC also issued an Order which delays issuance of its mandate to carry out its decision through October 14, 2025, to allow the parties time to file a petition for a writ of certiorari with the U.S. Supreme Court. Further action of the CIT is also withheld. In short, this means the CAFC decision will not take effect until after the U.S. Supreme Court either decides not to hear the case or the Supreme Court issues its decision.

In addition to the 45-page CAFC majority opinion signed by 7 CAFC judges, 4 CAFC judges issued 15 pages of additional views supporting the majority opinion, and 4 CAFC judges issued a 67-page dissenting opinion.
Source: Miller & Company P.C.

U.S. Ends De Minimis Eligibility

The U.S. has ended de minimis eligibility for packages under US$800 from all countries/territories with effect from Aug. 29, 2025, following the earlier removal of this exemption for imports from mainland China. This change, which includes a per-item charge of between US$80 and US$200 for postal shipments, is expected to impact international postage and shipping practices.

Drop shippers such as Temu have increased prices to cover the tariffs, which regular retailers also face. Thus far, U.S. e-commerce activity has remained robust with retail sales in the segment having increased by 5.3% year-over-year in the second quarter of 2025, the slowest rate of expansion since the same period of 2022.

Early signs of the logistics impact can be seen in the average size of shipments from mainland China, which increased to 2.04 twenty-foot equivalent units (TEUs) of container freight in July from 0.34 TEUs in April. Furthermore, "low value" shipments under HS 9999.95 of the tariff code from mainland China climbed 75.0% year-over-year in June.

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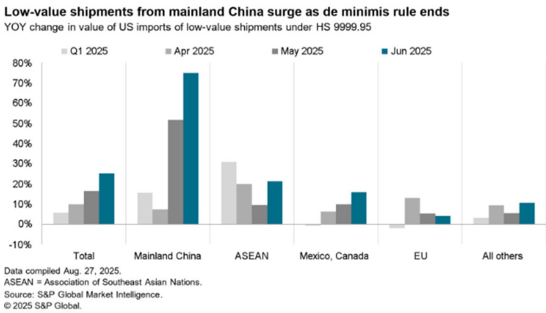


Source: Panjiva Data

Mexico Proposes 50% Tariff on Chinese Imports

Mexico's government plans to impose a 50% tariff on imports from China as part of its 2026 budget proposal, aiming to protect domestic manufacturers while responding to U.S. pressure, Bloomberg reported Wednesday.

The levy would apply to a wide range of products, including cars, textiles and plastics. Mexico imported more than $51.4 billion in Chinese goods last year, nearly 20% of its total imports, according to government data.

The Trump administration has accused Mexico of serving as a backdoor for Chinese goods to enter the U.S. and avoid American tariffs. Mexican officials have denied the allegation.

President Claudia Sheinbaum did not address the tariff proposal during her daily news conference Thursday. The U.S. and Mexico recently extended an existing trade deal for 90 days, keeping a 25% tariff rate on Mexican goods in place instead of increasing it to 30% under the Trump administration's global "reciprocal" tariff policy.

In a separate move, Mexico announced Thursday an immediate ban on finished footwear imports, citing unfair competition that has hurt its domestic shoe industry.

"Finished footwear can no longer be imported into Mexico temporarily, because it is damaging that industry," Economy Secretary Marcelo Ebrard said. The suspension, he added, will strengthen local production and safeguard jobs in key regions.

Mexico also said Wednesday it would suspend small-package shipments to the U.S. through its postal service, ahead of Washington ending a tariff exemption for low-value imports. Known as the de minimis exemption, the rule allows packages worth less than $800 to enter the U.S. duty free.

The change, which takes effect Friday, is expected to hit China-based e-commerce platforms such as Shein and Temu, which have relied on the exemption to ship products directly to American consumers. Several European postal services have already made similar moves.
Source: FreightWaves

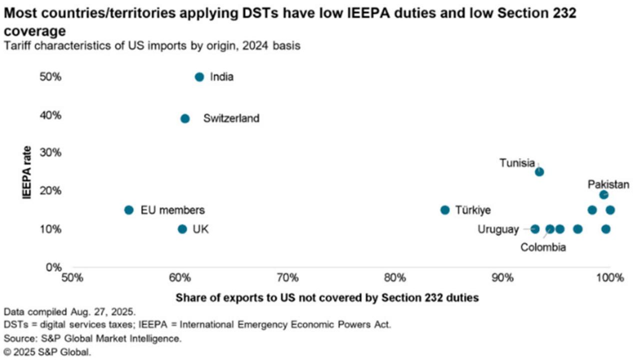
Trump Warns of Substantial DTS Tariffs

U.S. President Donald Trump has warned that he could apply "substantial additional tariffs" on imports from countries or territories that apply digital services taxes (DSTs) or other restrictions on U.S. technology companies.

That is consistent with prior actions as well as a Section 301 review carried out under the prior Trump administration and put on hold by the Biden administration. In that action, tariffs were proposed — but ultimately not applied — at a 25% rate on a small range of imports from France.

As of August 2025, 23 territories have DSTs in place ranging from 2% to 12%. Jointly, they account for 15% of imports, led by eight EU member states. Some countries have already acted by withdrawing duties (Canada and New Zealand) or agreeing exemptions for U.S. companies in other trade deals (Thailand, Malaysia and the UK).

Assuming DST tariffs are applied to a limited range of products, and excluding those where Section 232 duties are underway, then Türkiye and many African and Latin American countries face a high exposure to additional duties. In the case of India, there is an additional potential threat, given that the U.S. president has indicated that limitations to exports of protected technologies may be applied as well as tariffs.



Source: Panjiva Data

Analyst: Tariffs Pointing to Historic Import Gap for U.S. Container Ports

While inbound traffic through the top 10 ports registered a 3.2% improvement year-on-year, analysis by shipping consultant John McCown characterized the gains as temporary as U.S. tariffs hinder near-term trade flows across the globe.

"[July was] a temporary reprieve and was driven by frontloading to get goods in prior to additional tariffs going into effect in early August," McCown wrote in a monthly update, noting the slight bounceback followed decreases of 8.3% in June and 6.6% in May.

"The trailing three-month figures continue to show inbound volume in a pronounced downtrend that has now been going on for six months. Outbound volume in July was down 0.3%, the fourth straight decline coming after decreases of 1.7% in June and 2.3% in May.

For the three months ending in July, inbound volume was down 3.7% and it has been in a consistent downward trend since the three months ending in January when it showed a 14.0% increase."

The National Retail Federation expects total 2025 import volume to be off 5.6% y/y.

"Given that year-to-date volume for the first seven months of 2025 is actually up 3.6%, that projection translates into volume for the five months remaining in 2025 to be down 17.5%," the report stated. "The inbound declines in the balance of this year will be completely driven by tariffs. I anticipate a negative trendline with some months showing more than 17.5% decreases.'

The report underscored the unusual nature of that decline in container shipping's 60-year history.

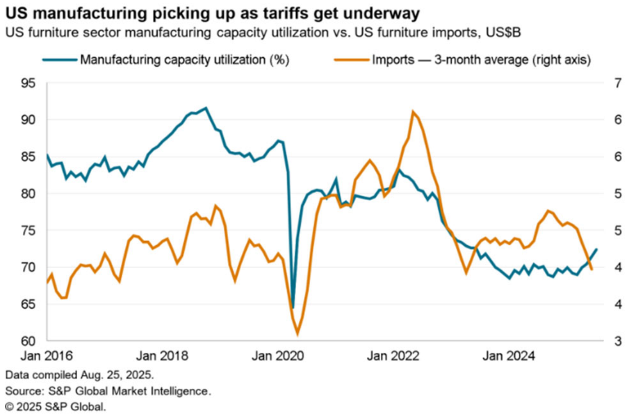
Data has U.S. container volume changes below the rest of the world, with additional tariffs sure to widen the gap. The data is now also starting to point to major shifts of inbound volume to North America away from U.S. ports, the report found.

Source: FreightWaves

Furniture Import Tariff Proposed

Trump has indicated in a social media post that tariffs will be applied to furniture imports by October 11, 2025. Reports indicate these will form part of the Section 232 review of the forestry sector.

Furniture already faces International Emergency Economic Powers Act (IEEPA) and other duties at a weighted average duty of 32.9%, in part due to mainland China accounting for 32% of supplies and which already have 55% duties applied under the Section 301 program and IEEPA rate combined. Major retailers including La-Z-Boy Inc., Lovesac Co. and Williams-Sonoma Inc. already committed to increasing their U.S. sourcing. U.S. manufacturers' capacity utilization improved to 72.3% in July 2025 as imports have started to decline, although it remains well below the pre-pandemic level of 85.6%. Offsetting the labor cost advantage of reshoring centers versus the U.S. could require duties in the order of 20% when comparing U.S. labor costs with mainland China, 30% for Vietnam and 37% for Cambodia.



Source: Panjiva Data

Vast Forwarding Network Helps DP World See Surge in First-Half Profit

Global port operator DP World said first-half revenue and earnings climbed on container volume more than 5% higher than a year ago.

Revenue grew by 20.4% year-on-year to $11.2 billion from $9.3 billion, while adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) surged 21.4% to $3.03 billion from $2.5 billion.

Worldwide container volume through the company's ports and terminals increased 5.6% to 45.4 million twenty-foot equivalent units (TEUs) for the period ending June 30.

Dubai-based DP World operates in more than 75 countries and has total container handling capacity of in excess of 102 million TEUs, or better than 9% of global port container throughput. Since 2018 it has acquired a half-dozen non-vessel operating common carriers (NVOCCs), giving it freight-forwarding capabilities at 300 locations covering 90% of global trade lanes.

While DP World does not own container terminals in the United States, it is the operator of Fairview Container Terminal at Canada's Port of Prince Rupert, a key gateway for international shipments moving to the U.S. Midwest via Canadian National Railway. Fairview tonnage through July was 5.15 million metric tons, up from 4.69 million tons for the same period in 2024.

The company's container volume through the Americas/Australia region grew 7.9% to 6.87 million TEUs in the first half of the year.

EBITDA margin improved to 27% from 26.8% y/y.

Pre-tax earnings (EBIT) rose to $1.9 billion from $1.5 billion, while profit soared to $960 million from $570 million.
Source: FreightWaves

GE Reinvests in U.S. Manufacturing

GE Appliances, a U.S. brand of Haier Smart Home Co. Ltd., plans to invest over US$3 billion in expanding U.S. manufacturing to replace imports from mainland China and Mexico and mitigate its tariff costs. This move aligns with reshoring trends seen in competitors like Whirlpool Corp., although both face risks from tariffs on imported components. Although exports of home appliances from mainland China to the U.S. have decreased by 4.5% annually since 2021, total exports grew by 4.9% as exporters found growth markets in ASEAN, Russia and Mexico, indicating a "U.S. plus one" export diversification strategy.
Source: Panjiva Data