

TRADE NEWS WEEKLY

September 22 - September 26, 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.

USMCA Review Kicks Off with Public Comment Request

The Office of the U.S. Trade Representative (USTR) is accepting comments through November 3, 2025, and will hold a public hearing November 17, 2025, on the operation of the U.S.-Mexico-Canada Agreement (USMCA).

According to USTR, the USMCA provides for its own termination as of July 1, 2036, unless each party confirms that it wishes to continue the agreement for a new 16-year term. That confirmation must take place at a joint review of the USMCA slated to be held July 1, 2026, that will evaluate the operation of the agreement, consider recommendations for action, and decide on any appropriate actions.

USTR is now requesting information on relevant matters, including those listed below, to assist in its development of positions and recommendations ahead of the joint review.

- any aspect of the operation or implementation of the USMCA
- any issues regarding compliance with the agreement
- recommendations for specific actions USTR should propose ahead of the joint review
- factors affecting the investment climate in North America and the territories of each party
- the USMCA's effectiveness in promoting investment that strengthens U.S.

competitiveness, productivity, and technological leadership

- strategies for strengthening North American economic security and competitiveness as well as cooperation on issues related to non-market policies and practices of other countries

USTR is also interested in comments on the USMCA Competitiveness Committee established to develop and implement cooperative activities in support of a strong economic environment that incentivizes production in North America. To date, USTR states, this committee has focused on expanding trilateral cooperation on workforce development issues and maintaining North American trade flows during emergency situations.

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

More Auto Parts Could be Subject to Section 232 Tariffs

The Department of Commerce (DOC) has issued an interim final rule codifying the procedures it announced in June for extending the Section 232 tariff on imported automobile parts to additional parts. Comments on these procedures are due no later than Nov. 3, 2025.

Under this rule domestic producers of automobiles or auto parts, or any industry association representing one or more such producers, will be able to submit inclusion requests during two-week windows that will open four times annually in January, April, July, and October. The first window will open



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NO. 9

521 ALA MOANA BLVD, STE 101 • HONOLULU, HI 96813

Tel. 808-586-2507 • administrator@ftz9.org

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October 1, 2025, and all subsequent periods will open on the first of the prescribed months.

Requests must include the following information to be considered valid.

- clear identification of the requestor
- precise description of the article at issue
- the eight- or ten-digit HTSUS classification requested to be included
- an explanation of why the article is an auto parts article
- pertinent information on the affected domestic industry
- statistics on imports and domestic production
- a description of how and to what extent imports have increased in a manner that threatens to impair national security or otherwise undermine Section 232 auto tariff objectives

The DOC will review requests on a rolling basis during each two-week window. Following that period a non-confidential version of each valid request will be posted on regulations.gov and open for public comment for 14 days. The DOC will make its final determination within 60 days of receiving the request and a Federal Register notice will then be issued announcing any modifications to the list of auto parts subject to the Section 232 tariffs.

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

Cambodia to Become Reshoring Center for Apparel

Cambodia has become a reshoring center for apparel, with its biggest competitor in Association of Southeast Asian Nations (ASEAN) being Vietnam. Cambodia's apparel exports accounted for 45% of its total exports in the 12

months leading up to March 2025, highlighting its reliance on this sector for economic output.

The country is ranked seventh on the U.S. Trade and Tariff Vulnerability Index with a score of 75 out of 100, indicating significant exposure to potential negative impacts from US tariffs.

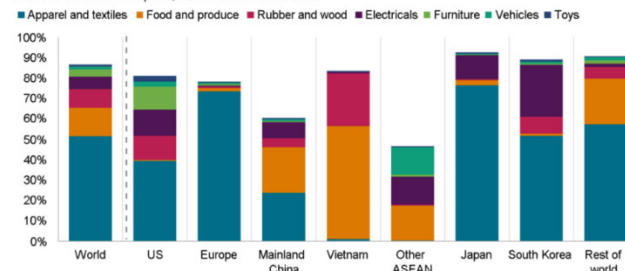
Cambodia has 12 free trade agreements (FTAs), including bilateral agreements with mainland China, South Korea and the United Arab Emirates, and regional agreements like the Regional Comprehensive Economic Partnership (RCEP), aiming to diversify its trade portfolio and reduce dependency on the U.S.

Mainland China has significantly increased its investment in Cambodia, contributing US\$3.6 billion to the Cambodian economy in 2025, which represents 54% of total investments, fostering Cambodia's role as a regional manufacturing hub.

Despite high investment in infrastructure, Cambodia faces challenges such as regulatory burdens, potential border conflicts with Thailand, and a need for improvements in port, aviation and road infrastructure.

Cambodian apparel and textiles go global

Share of Cambodian exports, 12 months to March 2025



Data compiled Aug. 29, 2025.
ASEAN = Association of Southeast Asian Nations.
Source: S&P Global Market Intelligence.
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Source: Panjiva Data

Freight Shipments Fall Faster in August

Freight shipments fell at an accelerated pace in August, according to a monthly update from Cass Information Systems.

The company's multimodal transportation index recorded a 9.3% year-over-year decline in shipments, the largest y/y drop since October 2023. Volumes slid 1.5% from July.

The North American domestic freight dataset showed that less-than-truckload shipments were the primary detractor as truckload and intermodal volumes stepped higher.

Earlier this month, several publicly traded LTL carriers reported tonnage declines as domestic industrial activity remains subdued.

The Wednesday report from Cass said freight shipments captured on the platform will likely decline 7% y/y in September.

Cass' freight expenditures index, which measures total freight spend including fuel, fell 2.8% from July to August (down 1.4% seasonally adjusted). The index was down 0.4% y/y, which was the first y/y decline in five months. On a two-year-stacked comparison, the declines widened to 9.4% (compared to 5.8% last month).

Netting the change in shipments from the change in expenditures shows actual freight rates were up 9.8% y/y (1.2% lower sequentially). The mix shift from LTL to TL drove the increase in average rate.

Cass' TL linehaul index, which tracks rates excluding fuel and accessorial surcharges, slid 1.8% sequentially but was up 1.2% y/y. August marked an eighth straight y/y increase. The index is expected to see a "small increase" this year.

The report said demand has been weak since the trade war began, keeping the supply side from tightening. But a reduction in day cab orders with the OEMs could be a signal that private fleets are contracting, and that lost freight will return to the for-hire market.

"As the economy is likely to absorb the effects of tariffs over the next several months, our freight

demand outlook remains cautious," the report said. "But the silver lining of lower heavy vehicle production and lost manufacturing jobs is that tighter capacity will likely drive freight back to the for-hire market eventually."

Data used in the indexes comes from freight bills paid by Cass (NASDAQ: CASS), a provider of payment management solutions. Cass processes \$36 billion in freight payables annually on behalf of customers.

Source: FreightWaves

Top Shipowners Join Opposition to UN Shipping Emissions Deal

A group of top shipping companies including leading Greek players said on Thursday they want changes to a United Nations deal tabled for adoption in October 2025 that seeks to cut marine fuel emissions, adding complications to the draft accord after U.S. opposition.

Global shipping accounts for nearly 3% of the world's carbon emissions, and the proposed deal is crucial to speed up de-carbonization through a bigger regulatory framework.

The group – including some of the world's biggest oil tanker companies such as Cyprus-based Frontline and Saudi Arabia's Bahri – said they had "grave concerns" about the so-called Net-Zero Framework proposed for adoption next month at the U.N.'s International Maritime Organization environmental committee.

In April, countries struck a draft agreement that would impose a fee on ships that breach global carbon emissions standards.

The United States has told countries to reject the deal or face tariffs, visa restrictions and port levies, sources told Reuters in September.

The joint statement said it was essential that any accord avoided "excessive financial burdens and inflationary pressure to the end-consumer."



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IMO Secretary-General Arsenio Dominguez said he was confident the deal would be adopted next month.

Greek Shipping Minister Vassilis Kikilias told Dominguez during London International Shipping Week earlier this week that improvements were required.

Sources have told Reuters that it was unclear whether the deal could go through if opposition increased or if there were abstentions by IMO member countries.

About 90% of the world's trade is conducted by sea, and emissions are set to soar without an agreed mechanism.

The statement was also co-signed by Capital Group, TMS Group, Centrofin, Marine Trust, Trust Bulkers, Common Progress, Dynacom, Dynagas, Emarat Maritime, Gaslog, Hanwha Shipping, Angelicoussis Group, Seapeak and Stolt Tankers.

Source: gCaptain

Mexican Tariffs

Mexican President Claudia Sheinbaum has proposed a bill to Congress that would impose tariffs ranging from 10% to 50% on over 1,400 tariff classifications, notably including a 50% duty on imported vehicles, targeting markets without FTAs with Mexico, such as mainland China, South Korea and India (see "Duty Diffusion: Mexico proposes tariffs on mainland China, non-trade agreement partners").

The tariff bill supports Sheinbaum's goals of boosting state tax revenues and strengthening domestic manufacturing by reducing reliance on Asian imports. It is expected to be approved quickly due to the National Regeneration Movement's (Movimiento Regeneración Nacional [MORENA]) legislative majority.

The potential impact of tariffs on mainland Chinese automobile imports into Mexico appears to be influenced by U.S. trade

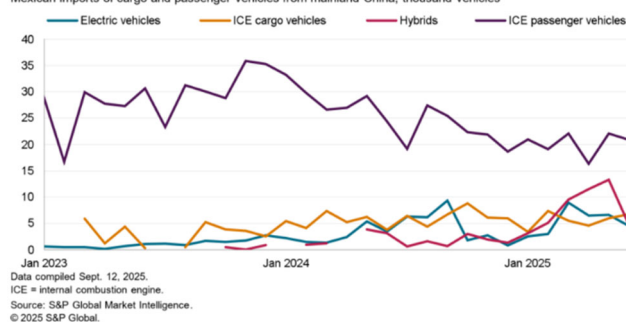
pressures related to rules of origin requirements under the United States-Mexico-Canada Agreement (USMCA), which require 60% to 75% of North American content for duty-free treatment.

Mainland Chinese vehicle imports into Mexico grew significantly, with a 12.2% year-over-year increase in the second quarter of 2025, raising their share to 41.8%. Hybrid vehicle imports from mainland China surged by 123.6% in the same period, suggesting a shift in trade dynamics that may have prompted policy changes by the Mexican government.

The timing of Mexico's tariffs reflects Sheinbaum's alignment with US strategic priorities, especially concerning manufacturing supply chains, ahead of the USMCA review. Mexico is likely to advocate stronger rules of origin and increased customs coordination with North American partners, which could lead to more restrictions on trade with non-FTA markets like mainland China.

Mexico sees increase of electric autos from mainland China

Mexican imports of cargo and passenger vehicles from mainland China, thousand vehicles



Source: Panjiva Data



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