

TRADE NEWS WEEKLY

October 27-October 31, 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.

Senate Review on Tariffs

The Senate has agreed that no later than October 31, 2025, it will be in order to discharge the Finance Committee from considering S.J.Res. 88, which would terminate the national emergency declared under the authority of the International Emergency Economic Powers Act to impose “reciprocal” tariffs. Once that occurs the Senate will proceed to consider this resolution and vote on whether to approve it.

Sen. Collins, R-Maine, sent a letter to Commerce Secretary Howard Lutnick and U.S. Trade Representative Jamieson Greer October 20, 2025, asking them to reopen a process for excluding goods from the 50 percent import tariffs on steel and aluminum because of the hardship those tariffs have imposed on Maine lobstermen.

Several Democrat senators wrote to Lutnick October 23, 2025, to express “significant concerns” about the Trump administration’s “unprecedented use” of Section 232 tariffs. These tariffs “are putting U.S. jobs, economic competitiveness, and credibility at risk by driving up costs for American businesses and consumers, creating significant uncertainty and confusion for importers, and alienating our allies,” the letter said. Moreover, “the reliance on Section 232 to pursue tariffs on everything from cars to household appliances and kitchen cabinets stretches the limited authority delegated by Congress,” and “the Commerce Department has run an opaque, unaccountable process, making decisions behind closed doors,

with no justification and with limited opportunity for the American public to weigh in on the tariffs they will have to pay.”

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

US, China Reach Trade Framework

President Donald Trump said on Monday the U.S. and China have reached a framework for a new trade agreement just days before his meeting with Chinese President Xi Jinping.

Trade breakthrough with China

The U.S. and China have agreed to the framework of a trade deal that could be finalized when Trump and Xi meet later this week in South Korea, according to U.S. Treasury Secretary Scott Bessent.

The plan includes a final agreement over TikTok’s U.S. operations, a deferral of China’s tightened rare earth export controls, and the resumption of large-scale soybean purchases from the U.S.

Bessent told CBS’ Face the Nation with Margaret Brennan on Sunday that the 100% tariff Trump had threatened on Chinese imports would likely be avoided, saying the two countries had reached “a substantial framework” that would “avert tariffs.”

The U.S. and China have also agreed to finalize additional details in the coming weeks. Beijing confirmed that talks produced “constructive”



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progress and a “basic consensus” on trade arrangements, Bessent said.

The discussions come amid months of escalating trade measures, including Chinese restrictions on rare earth exports vital to U.S. electronics manufacturing and Trump’s renewed push to expand American access to Asian mineral supply chains through agreements with Malaysia and Thailand.

Source: FreightWaves

U.S. Container Imports Plunge 6.6% in September as Tariff Fallout Takes Hold

The ten largest U.S. ports recorded a 6.6% year-over-year decrease in inbound container volume in September, marking a sharp reversal from earlier months and signaling the beginning of what industry analyst John McCown predicts will be “consistent and more pronounced” declines through 2026.

The September drop follows modest increases of 0.2% in August and 3.2% in July, both periods that McCown says were “significantly buoyed by frontloading to get goods in prior to additional tariffs going into effect. Prior to those temporary gains, ports saw decreases of 8.3% in June and 6.6% in May.

McCown warns that “inbound volume into the U.S. will show consistent and more pronounced year over year declines well into next year in the absence of any changes to the current tariffs.”

The revised reciprocal tariffs that took effect on August 7, 2025, included a critical exception for goods already in transit, which temporarily cushioned the blow. “The new tariffs did not apply to containers that were loaded on vessels at their last foreign port of call before August 7, 2025, provided they entered the U.S. before October 5, 2025” McCown explains. This grace period meant most August arrivals and some September shipments, particularly on long Asia-to-East Coast routes, avoided the new levies.

Supply Chain Restructuring Accelerates

McCown observes that adjustments to global supply chains are happening faster than anticipated.

This shift is already evident in global data. While U.S. container volume declines, worldwide container volume set records for two consecutive months through August. Container exports from the Far East in August were up 4.6% year-over-year, with “container imports to Africa, Mideast/India and Europe have all increased sharply and in uptrends while U.S. volume is languishing and declining,” according to McCown.

Steep Declines Projected

The full-year outlook represents a dramatic reversal from 2024, which saw a 15.2% increase in total inbound loads compared to 2023. The National Retail Federation now estimates that 2025 will end with total inbound container volume down 3.4% from 2024, which translates to the final four months of 2025 declining 15.7% compared to the same period in 2024.

The Port of Los Angeles saw inbound volume decrease 7.6% in September, slightly better than the 10% decline its director had projected. CTS data for August imports to North America showed a 9.9% decline, further confirming the downward trajectory.

China Tariffs and USTR Ship Fees Add Complexity

The current declines are occurring even though reciprocal tariffs on China remain paused until mid-November. President Trump recently threatened to impose an additional 100% tariff on Chinese imports, suggesting “there has been little progress in discussions with that large trading partner.” China accounts for the largest share of containers entering the U.S., meaning any additional tariffs there would have significant ripple effects.

The USTR ship fee plan targeting vessels built in China or operated by Chinese carriers took effect on October 14, 2025. China announced similar fees for U.S.-affiliated ships calling on



Chinese ports in retaliation. While few U.S.-built ships will be directly affected, uncertainty remains over how a provision regarding 25% U.S. ownership will be interpreted, which under that interpretation, the impact would be quite significant.

Source: gCaptain

Port Fees Set Sail, Making the Tariff Math Add Up

The U.S. Trade Representative has implemented new port fees on mainland Chinese-operated and mainland Chinese-built ships entering U.S. ports, charging US\$50 per net ton for mainland Chinese operators and US\$18 per net ton for mainland Chinese-built vessels, significantly impacting firms like COSCO Shipping Lines Co. Ltd. with potential fees of up to US\$641.9 million in the third quarter.

The fees are expected to increase shipping costs, with a nominal fee of US\$120 per container raising transatlantic and transpacific voyage costs by 16.0% and 18.5% per twenty-foot equivalent unit (TEU), respectively, incentivizing the use of larger containers to mitigate costs.

Additional U.S. port fee adjustments include increasing the fee for vehicle carriers with foreign-built vessels to US\$46 per net ton and imposing tariffs on mainland Chinese-manufactured cranes and cargo-handling equipment, which could significantly affect companies like Wallenius Wilhelmsen ASA, prompting them to suspend their 2025 financial outlooks.

Mainland China's retaliatory measures include a US\$56 per net ton fee on U.S.-owned/operated/flagged ships not built in mainland China, although the impact is limited due to the small percentage of the global fleet affected, with only 3% meeting the criteria and 28 ships calling at mainland Chinese ports in 2025.

A US\$907 billion expense shock is passed on at least two-thirds to consumers (US\$592 billion

in higher prices) and the remainder absorbed by companies.

Profit margin stress spreads through supply chains. Firms with "supply chain tailwinds" (partners outperforming) were 10% less likely to see margin compression (57% versus 67%) than firms facing headwinds.

The de minimis rule (US\$800 parcel exemption) ended mid-2025, squeezing tariff-exposed sectors as shipments per container fell by half, marking a clear inflection in global trade costs.

In 2025, AI lifted margins; tariffs pulled them down. Sell-side analysts rewarded balance: neutral-tone firms saw favorable margin revisions 73% of the time versus 16% for those negative on both.

Regionally, Canada (+9 basis points [bps]) and mainland China (-2 bps) held margins steady; US and Europe (-54 bps) sat mid-pack; and Asia ex-China (-61 bps), the Middle East and Africa (MEA) (-75 bps), and Latin America (-91 bps) lagged.

Current belief curves imply faith in temporary shocks or successful cost mitigation, not structural decline. Margins recover from -64 bps to within 8-10 bps of January 1 expectations by 2027.

Source: Panjiva Data

Laos Expands Role in Global Supply Chain

Laos has been increasing its role in global supply chains, providing semiconductors to the U.S., clothing to the EU, energy to Thailand and metal ores to mainland China. Despite facing a high 40% IEEPA tariff rate from the U.S., its diversified trade portfolio, with only 6.51% of exports going to the U.S., mitigates the impact of the tariff.

The solar panel industry exemplifies Laos' potential in reshoring as well as the challenges it faces, with solar panel exports to the U.S.

increasing by 746.9% year-over-year as of July 2025. However, Laos faces competition from Indonesia, which benefits from lower duty rates on solar panels exported to the U.S.

Laos' trade heavily relies on its Asian neighbors, with 78% of exports staying within Asia. Mainland China is its largest export partner, having received 37% of exports in 2024, and trade is expected to grow, particularly in rubber, paper and iron ore, with paper exports increasing by 1,455% from 2020 to 2025.

The country faces financial challenges due to high debt levels, projected to exceed 120% of GDP, and is under pressure to diversify its export markets beyond Asia as it graduates from the least developed country (LDC) status in 2026, which will result in losing preferential trade agreements.

Laos' manufacturing sector is diverse, including food, raw materials, electricals and apparel, but energy exports to Thailand remain the most valuable, accounting for 17% of all exports in 2024. Laos must overcome bureaucratic hurdles and strengthen its legal and investment frameworks to enhance its reshoring capabilities.

Despite its landlocked status, Laos' strategic location and new high-speed rail connections to Thailand and mainland China could boost exports, although it must navigate challenges like high living costs, low wages and potential foreign influence over its trade portfolio.

Source: Panjiva Data

China Tightens Export Restrictions for Seven Rare Earth Minerals

The mainland Chinese government has issued notices tightening the export restrictions for seven rare earth materials, their derived products and the technologies to produce them, affecting materials used in permanent magnets and AI accelerators.

The actions, which mirror export restriction practices in the U.S., will provide the mainland Chinese government with additional leverage in its ongoing negotiations with the U.S. government, although enforcement by the mainland Chinese government is likely to be selective. U.S. President Donald Trump has expressed dissatisfaction with mainland China's actions and has proposed to levy additional, general tariffs and potentially cancel a meeting at the Asia-Pacific Economic Cooperation (APEC) Summit in South Korea at the end of October.

The impact of prior restrictions on permanent magnets has largely been reversed, with mainland Chinese exports in August being 5.9% higher than the monthly average for 2024. However, exports of rare earths have been cut more aggressively, with exports of dysprosium, terbium and yttrium to the EU just 51.2% of their 2024 average in August, while shipments to the U.S. were zero.

Stricter controls could lead to upward price pressures for the materials, although Market Intelligence forecasts currently call for dysprosium prices to decline further during 2026 as a result of slower demand growth from electric vehicle and wind turbine investment activity.

The situation for electronics could be more serious. Gadolinium is critical for the production of AI accelerators in Taiwan, and restrictions could lead to longer lead times and higher costs. Taiwan's exports of servers, including AI accelerators, rose by 41.1% by number in the three months to July 31, 2025, versus a year earlier, with U.S. buyers accounting for 58.0% of shipments.

Source: Panjiva Data



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