TRADE NEWS WEEKLY

November 24-November 28, 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.

Extended IEEPA Exemptions

The U.S. government has extended exemptions from IEEPA (deficit) tariffs to include agricultural products that are "not grown or produced in sufficient quantities" in the U.S. That normalizes the treatment of food with other difficult-to-source products.

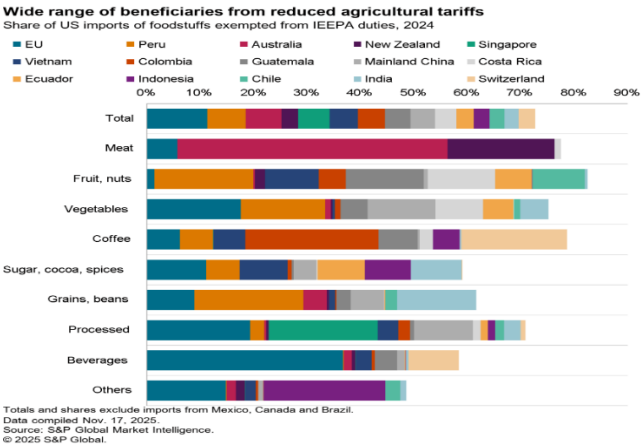
The action may have been driven by food price inflation, which has seen the retail price of coffee increase by 30.2% in September versus January while beef and bananas increased by 14.0% and 7.9%. That indicates that retail price inflation in the future could be a driver for tariff exemptions where local sourcing is difficult.

Imports from Mexico and Canada were already generally duty free due to USMCA compliance, while imports from Brazil will also be subject to a separate, foreign policy-based IEEPA program. Excluding those three, U.S. imports worth US$49.1 billion may now be free of IEEPA duties, cutting tariffs by US$7.3 billion on an annualized basis.

Update: On November 20, 2025, the Trump administration also exempted imports from Brazil from the 40% additional IEEPA (foreign policies) duty. We will publish updated research analyzing these changes.

The coverage nonetheless only represents 37.5% of imported foodstuffs — the remainder can also be sourced in the U.S. — helping importers of beef, coffee, fruits/nuts and vegetables, while dairy and fish importers will not get a break on tariffs.

Geographically the benefits will be widespread. Aside from the EU, which accounted for 11.3% of the products now exempted, no other country or territory accounts for more than 10% of total imports. The removal of IEEPA duties on food may reduce the incentive for agriculture-focused exporting nations, particularly in Latin America, to reach a trade deal with the U.S. in the future.



Source: Panjiva Data

Autos: Returning to Investment After a Decade of Change

A decade of change in international trade regulations, including U.S. tariff policy, has not radically changed the global regionalization of automotive supply chains as measured by the share of auto-parts imports and vehicle exports within the main trade areas of the USMCA, the EU and the North Asia-ASEAN pole.

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Firms are starting to make new investment announcements, but it should be noted that localization does not guarantee resilience, as shown by recent supply chain disruptions in the U.S. and the UK.

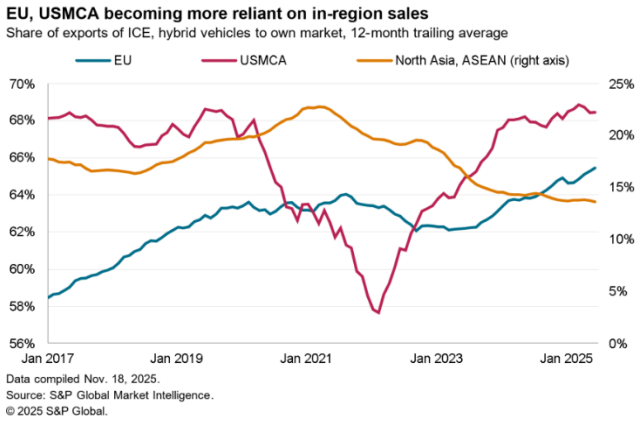
In internal combustion engine (ICE) and hybrid automotive components, integration in the USMCA region has eroded, with the share of parts imported from within the region falling to 54.5% in the 12 months to June 30, 2025, from 56.2% in 2019. New rules of origin under the next USMCA renegotiation could lead to an upturn.

Integration in Asia has increased as mainland Chinese firms invest in ASEAN production. The EU is the most integrated with 77.4% internal trade, which may increase with the advent of the Carbon Border Adjustment Mechanism (CBAM) and new steel tariffs.

In contrast to parts, in ICE and hybrids, the degree of integration of exports of vehicles into local markets has increased modestly thanks to local tariffs and consumer tastes, to reach 65.4% in the EU in the past 12 months from 63.3% in 2019. Similarly, USMCA has risen to 57.6% while North Asia and the Association of Southeast Asian Nations (ASEAN) region remain lower thanks to mainland China's export-led growth.

Mainland China's lead in electric vehicles (EVs) is the result of decades of investment in batteries, magnets and materials, leaving exports of vehicles from the country at a record high in third-quarter 2025 despite a succession of tariffs around the world. The EU remains the most important market, with 28.8% of mainland Chinese EV exports.

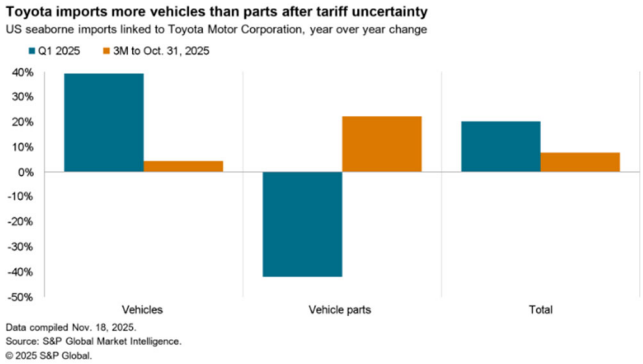
Mainland China has established and exerted its influence over batteries, for which it controls 56.7% of global exports, as well as magnets and materials. While export controls are on hold, exports of magnets in September 2025 were still 1.9% below their 2024 monthly average. Attempts by buyers elsewhere in the world to reduce mainland China's dominance will likely take years.



Source: Panjiva Data

Toyota Announces $10 Billion Investment into the U.S.

Toyota Motor Corporation has announced an investment of up to US$10 billion in the U.S., on the same day of its newest U.S. battery plant opening in North Carolina. This move may be a strategic response to tariff pressures, as other automakers like Volkswagen and Audi are also considering U.S. investments to potentially negotiate lower tariffs. U.S. seaborne imports linked to Toyota's imports from Japan increased by 29.4% in the three months to Oct. 31, 2025, potentially reflecting an acceleration after U.S. Section 232 tariffs were confirmed earlier in the year.



Source: Panjiva Data

Chinese Navy says, US, China Held Maritime Security Talks In Hawaii

The U.S. and Chinese militaries last week held "frank and constructive" maritime security talks, according to the Chinese navy, as the two

superpowers gradually restore military-to-military communications after several months of trade tensions.

The working-level meetings took place November 18-20, 2025, in Hawaii, according to a posting on the official social media account of the People's Liberation Army Navy.

U.S. and Chinese military officials previously held talks in April – the first such working-level meeting on military issues since the beginning of the second term of U.S. President Donald Trump. The twice-yearly talks are known as the military maritime consultative agreement (MMCA) working group.

China also criticized U.S. freedom-of-navigation operations in the statement. These are frequently carried out in the Taiwan Strait and South China Sea, international waters over which China claims sovereignty.

"China … resolutely opposes any infringement and provocation," China's navy said in its statement, referring to those maritime and overflight transits by U.S. forces.

According to the statement, both sides also discussed "typical cases of naval and air encounters between the two militaries … to help the front-line naval and air forces of China and the U.S. interact more professionally and safely."

U.S. Defense Secretary Pete Hegseth raised concerns about Chinese activity in the South China Sea and around Taiwan in a meeting with Chinese Defense Minister Dong Jun last month.

China has been steadily boosting air, naval and coast guard deployments around democratically governed Taiwan, which it claims as its own. Taiwan's government rejects China's claims of sovereignty over the island.

The Pentagon has been pushing for improved communications with China over its military modernization and regional posture, calling for greater transparency on its nuclear weapons build-up and more theater-level discussions with military commanders.

The working group will have a follow-up meeting in 2026, the statement said.
Source: Reuters

U.S. Rolls Back Higher Tariffs on Agricultural Imports from Brazil

President Trump issued Nov. 20, 2025, an executive order (EO)terminating an additional 40 percent tariff on imports of certain agricultural products from Brazil. This change affects more than 200 HTSUS numbers specified in Annex II of the EO linked above and is retroactive for such goods entered or withdrawn from warehouse for consumption on or after 12:01 a.m. EST on Nov. 13, 2025. The additional tariff remains in place for imports of other goods from Brazil not otherwise excluded.

Earlier this month the U.S. removed its "reciprocal" tariffs on virtually the same items imported from all countries, including Brazil, because they are not grown or produced in sufficient quantities in the U.S.

However, that action did not impact the additional 40 percent tariff on imports from Brazil because it had been imposed for a different reason; namely, that country's "politically motivated persecution, intimidation, harassment, censorship, and prosecution of former Brazilian President Jair Bolsonaro and thousands of his supporters" as well as "unprecedented" actions by government officials to "tyrannically and arbitrarily coerce U.S. companies to censor political speech, deplatform users, turn over sensitive U.S. user data, or change their content moderation policies on pain of extraordinary fines, criminal prosecution, asset freezes, or complete exclusion from the Brazilian market."

According to the EO, the U.S. has now removed that additional tariff from the designated agricultural goods because there has been progress in bilateral negotiations to address these concerns. Refunds of such tariffs paid after the Nov. 13, 2025, effective date will be processed "pursuant to applicable law and the standard procedures of U.S. Customs and Border Protection for such refunds."
Source: Sandler, Travis & Rosenberg, P.A.

Container Shipping Rates Hold Steady as Transpacific and Asia-Europe Routes Diverge

The Drewry World Container Index remained unchanged this week at $1,852 per 40-foot container, as declining rates on Transpacific routes were offset by continuing increases on Asia-Europe lanes.

Transpacific Headhaul spot rates fell for the second consecutive week, with Shanghai to New York rates dropping 10% to $2,922 per 40-foot container and Shanghai to Los Angeles rates declining 7% to $2,172. The downturn is expected to continue, as Drewry's Container Capacity Insight shows blank sailings on the Transpacific trade are set to decrease next week, leading to more available capacity.

"Drewry expects rates to soften slightly next week," according to the shipping consultancy's latest assessment.

Meanwhile, the Asia-Europe trade route recorded its sixth straight week of increasing spot rates, with Shanghai to Genoa rates rising 6% to $2,319 per 40-foot container and Shanghai to Rotterdam climbing 8% to $2,193. The sustained rate increases come as carriers introduce higher Freight All Kinds (FAK) rates ranging from $3,100 to $4,000 per 40-foot container, effective December 1.

Industry analysts suggest carriers are attempting to elevate spot rates ahead of the new annual contract negotiation season. However, the strategy may face challenges in coming quarters.

Drewry's Container Forecaster projects the supply-demand balance will weaken over the next few quarters, particularly if normal Suez Canal transits resume. Such a development could significantly alter current market dynamics and put downward pressure on freight rates across multiple trade lanes.

The current rate stability masks significant regional divergence, with Transpacific routes showing signs of overcapacity while Asia-Europe lanes remain tight as carriers manage capacity strategically.
Source: gCaptain

Semi-Trailers and Subassemblies Could be Subject to AD/CVD Duties

A petition filed November 20, 2025, could result in the imposition of antidumping and countervailing duties on imports of van-type trailers and subassemblies thereof from Canada, Mexico, and China.

The petition alleges that subject goods are being sold in the U.S. market at less than normal value at margins of 209.47 to 1,363.25 percent.
Source: Sandler, Travis & Rosenberg, P.A.

Week Ahead: China & USMCA

Following are highlights of regulatory effective dates and deadlines and other trade-related events coming up in the next week.

December 1, 2025, – deadline for comments to USTR on China's compliance with Phase I trade deal

December 3, 2025, – USTR hearing on U.S.-Mexico-Canada Agreement.
Source: Sandler, Travis & Rosenberg, P.A.