TRADE NEWS WEEKLY

November 3-November 7, 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.

Tariff Changes for Imports from China Made Official

President Trump issued November 4, 2025, executive orders (EO) implementing two aspects of the trade and economic agreement he reached with China in late October.

Fentanyl tariff – The additional tariff imposed on imports from China due to concerns about flows of fentanyl and precursor chemicals from that country will be lowered from 20 percent to 10 percent, effective with respect to goods entered or withdrawn from warehouse for consumption on or after 12:01 a.m. EST on November 10, 2025.

"Reciprocal" tariff – The 10 percent additional tariff imposed on imports from China in response to the U.S. trade deficit with that country will remain at 10 percent until 12:01 a.m. EST on November 10, 2026. This tariff had been scheduled to increase to 34 percent as of November 10, 2025.

The EOs said these changes could be modified if China fails to implement related commitments outlined in the trade agreement or if deemed necessary to address the conditions underlying the original imposition of these tariffs.

It is important to note that all U.S. imports from China also remain subject to applicable most-favored-nation duty rates and that many imports are still subject to longstanding Section 301 tariffs of 7.5 to 100 percent.
Source: Sandler, Travis & Rosenberg, P.A.

Container Spot Rates Climb for Third Week

The Drewry World Container Index increased 4% to $1,822 per 40-foot container this week, marking the third straight week of gains following a prolonged 17-week decline.

Spot rates from Shanghai showed notable increases across major trade lanes. Rates to Los Angeles rose 6% to $2,438 per 40-foot container, while those to New York climbed 4% to $3,568. On the Asia-Europe routes, rates from Shanghai to Rotterdam increased 3% to $1,795 per 40-foot container, and rates to Genoa rose 5% to $1,955.

According to Drewry, the rate increases are being driven by the implementation of General Rate Increases (GRIs) scheduled for November 1. On the Asia-Europe trade route, carriers are introducing increased Freight All Kinds (FAK) rates effective from November 1, 2025, in an attempt to elevate spot rates before the start of the new annual contract negotiation season.

However, Drewry expects the current momentum to be short-lived, with rates expected to decline soon after the GRI implementation. The company's Container Forecaster anticipates that the supply-demand balance will weaken in the coming quarters, which will cause spot rates to contract.

The recent uptick in rates comes after a sustained period of decline in the container shipping market, reflecting the ongoing volatility

in global freight rates as carriers navigate shifting demand patterns and capacity dynamics.
Source: gCaptain

Import Restrictions on Communications Devices Strengthened

The Federal Communications Commission (FCC) recently announced action to clarify and strengthen prohibitions on communications equipment determined to pose an unacceptable risk to national security.

The FCC states that its rules already prohibit the importation, sale, and marketing of new, insecure communications equipment and services on the Covered List. However, FCC regulations have not applied those prohibitions to previously authorized devices, thus permitting their continued importation, sale, and marketing. Additionally, those regulations have not applied to component parts included within otherwise authorized devices.

According to an agency press release, the FCC agency voted Oct. 28, 2025, to close this "loophole" and establish a process for prohibiting the continued importation, marketing, and sale of previously authorized devices that were subsequently placed on the Covered List based on national security concerns. The FCC states that it may apply this new rule in a targeted manner.

The new rules will also provide that certain insecure Covered List modular transmitters may no longer be included as components within otherwise lawful or authorized devices.

In addition, the FCC adopted a further notice of proposed rulemaking seeking comment on (1) extending its equipment authorization prohibitions to a larger class of foreign adversary-controlled devices and component parts produced by Covered List entities and (2) various measures to strengthen enforcement against unlawful marketing of covered equipment.
Source: Sandler, Travis & Rosenberg, P.A.

Early Supply Chain Movers' Advantages

The current trade environment is the latest reminder of the importance of diversified supply chains and the need to cut costs. The ASEAN group is set to continue to be a focal point for reshoring investments thanks to low labor costs, low operating risks in most countries — particularly Malaysia — and rapidly expanding consumer markets.

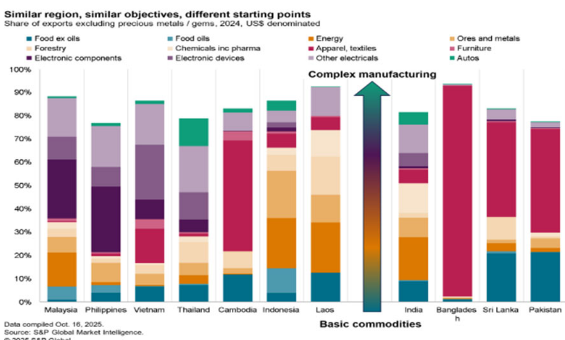
The earliest movers have made inroads into complex electronics manufacturing, accounting for 54.3% of goods exports from the Philippines and 51.8% of Malaysia's while Thailand has also expanded in autos exports. Other countries are still focused on commodities, particularly Indonesia with 63.2% of its exports. Increasingly, ASEAN countries are competing not just with other emerging markets for manufacturing investments, but also with developed economies and particularly the US under the Trump administration.

Trade liberalization is a necessary, but not sufficient, condition for success with free trade agreement (FTA) partners accounting for two-thirds of exports from most of the ASEAN countries. Based on existing free trade deals, exports from the region are forecast to average 3.9% in the 2026 to 2031 period, led by Vietnam's electronics-fueled 5.1%.

As a major customer market, most of the ASEAN countries have already reached some form of framework trade agreement with the US. Uncertainties remain though, including the future of IEEPA duties and in particular the Section 232 duties on electronics, which account for 40.2% of U.S. imports from the ASEAN group. Singapore, Malaysia and Thailand are more exposed than average to the higher-rated Section 232 duties.

The EU already has FTAs with Indonesia, Singapore and Vietnam and is negotiating with others. However, regulations on forestry and metals products provide regulatory complications and represented 3.2% and 4.7% of exports of the products from the ASEAN group respectively. Indonesia is more exposed than others to these regulations because of the high proportion of metals and forestry products in its export mix.

Economic relations with mainland China remain robust and are set to improve with the forthcoming ASEAN-China free trade deal update. On average, mainland China accounted for 20.8% of merchandise trade with the region, reaching a peak of 56.7% in the case of Vietnam. Future reshoring from mainland China will depend in part on as-yet unconfirmed Regional Content Values embedded in trade deals with the U.S.



Source: Panjiva Data

Import Restrictions Sought on More Chinese Goods

Several members of the House of Representatives are calling on the Commerce Department to immediately investigate potential import restrictions on additional information and communications technology products from China.

In January the Bureau of Industry and Security (BIS) issued a final rule banning the importation or sale of connected passenger vehicles integrating specific pieces of hardware and software, or those components sold separately, with a sufficient nexus to China (including Hong Kong or Macau) or Russia. The prohibitions on software will take effect for model year 2027 and the prohibitions on hardware will take effect for model year 2030, or Jan. 1, 2029, for units without a model year. BIS said it anticipated issuing a separate rulemaking addressing the technologies present in connected commercial vehicles like trucks and buses, though that does not appear to have happened yet.

In an October 30, 2025, letter to Commerce Secretary Howard Lutnick, five Republicans who chair various relevant House committees and subcommittees urged DOC's Office of Information and Communications Technology and Services to also "investigate and restrict adversary products in other critical and emerging industries," particularly the following.

- advanced and networked sensors (cameras, LiDAR, and connected sensors for infrastructure)
- advanced medical equipment and components (surgical robotics and precision devices)
- artificial intelligence infrastructure (technologies and equipment for AI data centers and data center construction)
- automated industrial machinery and robotics (robotics to augment U.S. workforce and reshore manufacturing)
- cellular Internet of things modules and device management platforms (LTE/5G/NB-IoT modules, eSIM/iSIM provisioning, device clouds, and firmware-over-the-air services embedded in critical equipment)
- electronic design automation tools and semiconductor IP cores (chip design software, verification toolchains, standard-cell libraries, and reusable processor/multimedia IP blocks that precede fabrication)
- energy generation and storage (technologies for grids, transmission, and storage, especially for AI growth)

- industrial control systems (supervisory control software and programmable logic controllers that operate factories, pipelines, water systems, rail, and buildings across non-energy infrastructure)

- public key infrastructure, certificate authorities, and code-signing services (cryptographic trust services that underpin operating systems, applications, and secure firmware/software update pipelines)

- routers and communications hardware (networking hardware/software for ICT)

- semiconductor manufacturing equipment (fabrication tools critical to semiconductor production)

- subsea cable systems and landing station equipment (repeaters, branching units, power-feed equipment, and shore-end control systems enabling intercontinental data transport)

- trucking (ground transport and logistics)

- unmanned systems (drones (air, sea, land) for commercial and government)

"We have already seen through a variety of cyber-attacks against the United States that China views information technology as a battlefield," the lawmakers asserted. Moreover, "the fusion of digital capabilities with critical infrastructure has whittled away geographic borders, as connected infrastructure or products can be controlled or updated by entities in another country."

The letter therefore concluded that the industries listed above require "immediate consideration of potential OICTS restrictions to protect against malign Chinese entities that are attempting to infiltrate the U.S. market."
Source: Sandler, Travis & Rosenberg, P.A.

Surge Seen in Mexican EV Imports

Mexican imports of electric (EV) and hybrid vehicles have surged, with 75.8% growth in the three months to July compared with the previous year, driven by a remarkable 225.4% increase in plug-in hybrids during the same period. Mexico continues to rely heavily on mainland China for 75.0% of its EV imports. Shipments from China may fall after recent proposals by the Mexican government to apply duties of 50% as part of actions to reduce tensions with the U.S. Lower shipments may also help the shift to EV manufacturing for the country's historically successful automotive manufacturing sector.
Source: Panjiva Data

Tesla Calculates Import Duties

Tesla Inc. has identified the cost of U.S. import duties was US$400 million in the third quarter of 2025. The energy storage segment feels the costs more keenly, with its share of the tariffs accounting for 8.6% of costs of goods sold and 18.6% of division gross profits.

The firm predominantly sources battery cells from mainland China, which likely face a tariff of 73.4% due to the imposition of IEEPA (fentanyl), Section 232 (automotive), Section 301 and regular MFN duties. A US-mainland China trade deal could therefore prove significant for its cost base.

While it has pursued tactical reshoring in the near term, being able to switch to suppliers that pay lower tariffs including those from Japan (15% tariff) or Germany (also 15%) could cut costs significantly.

Mainland China retains a leading share of US battery imports, however, with a 31.6% share of imports in the past three months to July 31, 2025, despite a 73.8% slump in imports. There are signs of burden sharing too, shown by a decline in the average import price per battery from mainland China.
Source: Panjiva Data