TRADE NEWS WEEKLY

December 29, 2025-January 2, 2026

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.

HAPPY NEW YEAR!

Container Shipping Rates Extend Gains as Year-End Demand Surges

Global container shipping rates climbed 1% this week to $2,213 per 40-foot container, marking the fourth consecutive weekly increase as carriers capitalized on sustained demand across major trade routes heading into the new year.

The Drewry World Container Index (WCI) has now posted four straight weeks of gains, driven primarily by rate increases on both Transpacific and Asia-Europe trade lanes. The upward momentum represents a continuation of the recovery that began in early December, when rates had previously touched their second-lowest levels since January 2025.

Asia-Europe routes showed particular strength this week. Spot rates from Shanghai to Genoa increased 3% to $3,427 per 40-foot container, while Shanghai to Rotterdam rates rose 2% to $2,584. The trade lane has now maintained stable or rising rate levels for four consecutive weeks.

The sustained strength on Asia-Europe routes reflects a fundamental shift in seasonal patterns, with December volumes proving far more robust than traditional holiday shipping cycles would suggest. Carriers are already recording early bookings ahead of the Lunar New Year in February 2026, positioning the market for further rate increases in the coming weeks.

Transpacific routes showed more stability this week after posting double-digit gains the previous period. Spot rates from Shanghai to New York and Shanghai to Los Angeles held steady following last week's sharp rebounds. Shanghai to New York rates currently stand at $3,293 per container, while Shanghai to Los Angeles rates are at $2,474.

Drewry expects Transpacific rates to remain stable in the near term, though the consultancy anticipates further slight increases on Asia-Europe lanes as pre-Lunar New Year cargo builds.

The current rate environment stands in sharp contrast to conditions just two weeks earlier, when carriers were struggling with what industry analysts described as "a fundamental volume problem" after most Christmas inventory had already shipped in November. At that time, increasing blank sailings—cancelled voyages designed to support rates by reducing capacity—were failing to stem the decline.

The rapid reversal underscores the volatility that continues to characterize container shipping markets as the industry navigates evolving seasonal patterns, capacity management challenges, and ongoing geopolitical disruptions affecting major shipping routes.

Source: gCaptain

CBP Postpones Numerous Enhancements to ACE

U.S. Customs and Border Protection (CBP) has updated its schedule for deploying additional functionality to the Automated Commercial Environment (ACE).

ACE functionality, including data reports, can help importers and others boost compliance and duty savings efforts.

Business Identifiers. CBP has pushed back from November to March functionality that (1) expands the global business identifier proof of concept enrollment process by enabling trade users to submit one, two, or all three of the global identifiers for any party type and (2) adds an additional free text field allowing filers to input additional descriptions about the party/GBI number provided. Still planned for March is an enhancement that will include a new GBI identifier qualifier "ALTA" and expand the current GBI identifier field from 20 to 35 characters.

Collections. An enhancement creating an additional, secure digital payment option for trade users to pay bills online through pay.gov has been postponed indefinitely.

De Minimis Shipments. Enhancements adding bond validations for low-value shipments and automating the removal and restoration of entry type 86 test participants remain on hold.

Detentions. CBP still anticipates deploying in February 2026 an enhancement integrating detention record data in ACE with other CBP applications for streamlined detention process management.

Exports. Functionality planned for June 2026 will provide the export community with an electronic method for submitting outbound cargo manifests. An enhancement providing a trade-facing electronic export manifest portal to enable the filing of truck EEM bills of lading prior to departing the U.S. for Mexico or Canada and to allow carriers to add account data has not yet been rescheduled. An enhancement enabling export manifest filers to utilize the standard X12 or EDIFACT message sets currently used to submit import truck manifest information remains scheduled for June 2026. Newly scheduled for October 2026 is a modernization of CBP's ocean manifest EDI services, ocean and rail manifest UIs, and in-bond external interfaces and APIs.

Import duties. An enhancement enabling ACE to calculate estimated duties on an entry summary line when more than two HTSUS numbers are submitted has been pushed back from January to March 2026.

In-bonds. A modernization of ACE in-bond processing, including the QP and WP message transactions, has now been scheduled for April 4, 2026.

Interoperability. CBP has put on hold the deployment of functionality that, beginning as a pilot with a small set of participants, will enable the use of global interoperability standards, including decentralized identifiers and verifiable credentials, to trade crude oil imports from point of origin to arrival in the U.S.

Manifests. CBP has delayed from March to May 2026 an enhancement enabling real-time visibility of U.S. Postal Service manifest data in ACE. New on the schedule for May 9, 2026, is an enhancement modernizing the ACE air manifest user interface and rail manifest electronic data interchange services.

Ocean cargo. Still on track for February 2026 is functionality that will only be applicable to ocean cargo and will enable ATS Import Cargo to send seal change update data to ACE Manifest.

Portal accounts. CBP has announced plans to deploy October 31, 2025, an enhancement automating the ACE portal importer account application/creation process via a web-based form. New on the schedule is a June 2026 update to enhance user data security in the ACE portal and restrict certain data access to authorized CBP personnel.

Refunds. CBP has advanced from December 31 to December 16, 2025, plans to add a new trade user permission for managing refund-related ACH bank information in an importer account in the ACE portal.

Sanctions. Functionality that will implement the collection of new data elements to enable targeting of merchandise subject to sanctions on Russian diamonds and seafood is still on hold.

Temporary imports. CBP still plans to deploy in April 2026 an enhancement that will enable trade users to manifest a carnet as a new cargo type in the truck manifest application and give CBP users greater visibility into carnet shipments.
Source: Sandler, Travis & Rosenberg, P.A.

U.S. to Increase Tariffs on Imports from Nicaragua in 2027

The Office of the U.S. Trade Representative (USTR) has announced plans to phase in higher tariffs on imports from Nicaragua following a Section 301 determination that Nicaragua's acts, policies, and practices related to abuses of labor rights, abuses of human rights and fundamental freedoms, and dismantling of the rule of law are unreasonable and burden or restrict U.S. commerce.

USTR states that the U.S. will impose an additional tariff on all imported Nicaraguan goods that are not originating under the Dominican Republic-Central America-U.S. Free Trade Agreement. This tariff will be set at zero on January 1, 2026, and will increase to 10 percent on January 1, 2027, and 15 percent on January 1, 2028. This timeline and these rates may be modified if Nicaragua shows a lack of progress in addressing applicable issues.

USTR notes that this tariff will stack on top of other applicable tariffs, such as most-favored-nation duties and the 18 percent "reciprocal" tariff imposed under the International Emergency Economic Powers Act.

This action is not as stringent as those USTR had said it was considering, which included (1) suspending the application of some or all CAFTA-DR benefits to Nicaragua, including tariff concessions and cumulation of Nicaraguan content for other CAFTA-DR partners, and (2) tariffs of up to 100 percent on some or all Nicaraguan imports.

USTR said its decision to take more limited measures "balances the need for action and the importance of limiting disruption for U.S. businesses," including limiting "the impact on U.S. exports to Nicaragua and U.S. companies producing in Nicaragua." These factors have not always appeared to be considered by the current administration when imposing trade restrictions.

USTR explained that about half of the 2,006 written comments it received in response to its proposal expressed some sort of opposition, highlighting among other things the negative impact that a broad application of trade restrictions would have not only on the U.S., by causing disruptions in supply chains, but also on Nicaragua, by harming businesses there that export to the U.S. and resulting in increased unemployment (which, though USTR did not say this explicitly, could encourage illegal immigration from Nicaragua, something the Trump administration is trying to minimize). Even those commenters who supported the proposal, USTR said, requested that action be tailored to maximize leverage while avoiding damage to their specific interests (producing in, importing from, or exporting to Nicaragua) or the livelihoods of Nicaraguan workers.
Source: Sandler, Travis & Rosenberg, P.A.

Suez Canal Return May Impact Shipping Rates

The potential return to the Suez Canal of shipping, particularly for seasonal goods, could impact shipping rates due to increased capacity on this shorter route. A.P. Møller – Maersk A/S has been offering specialized services for Indian shippers, notably for refrigerated cargo including grapes, which will utilize the Red Sea route in early 2026. Despite the pause in Houthi attacks, the risk of future incidents remains high, affecting the strategic considerations for using this route. Seasonality is a major issue for the sector, with February to April accounting for 85% of annual shipments. The EU is the largest target market, accounting for 36.4% of exports in the 12 months to September 30, 2025, according to Market Intelligence data, followed by local sales to other South Asian markets (25.8%) and the Gulf Cooperation Council (GCC) members (12.4%).
Source: Panjiva Data

Global Trade Braces for the Hangover After Trump's Tariff Year

The global trading system, which is finishing up one of its most transformational years of the past century, heads into another facing more challenges to stability and growth.

Merchandise trade across the world held up relatively well through 2025, even as U.S. President Donald Trump started erecting a tariff wall around the world's largest economy. Data cited this week by shipping industry veteran John McCown show global container volumes grew 2.1% in October from a year earlier.

Yet beneath the overall resilience are shifting undercurrents: The U.S. saw an 8% contraction in inbound volumes, while imports into Africa, the Middle East, Latin America and India all showed robust growth.

Trump's trade threats were among the chief reasons for the rewiring of shipments, according to McCown. If 2025 was the year of the tariff, he wrote in a LinkedIn post, then 2026 will be the year of tariff consequences.

Other experts in recent weeks have said they anticipate more trade turmoil in the year ahead, with these issues among the most widely discussed:

Revisiting USMCA

The U.S., Canada and Mexico are about to start reviewing the North American free-trade deal that took effect in 2020. The negotiations will take the three nations into "new territory" given the novelty of the provision allowing for an update after just six years, according to comments by U.S. Trade Representative Jamieson Greer to lawmakers this month.

Greer said the government received more than 1,500 responses during the public comment period ahead of the coming review.

But any "improvement" for one of the three members of the trade bloc risks coming at the expense of another. And that sets the stage for a tough round of talks for the largest U.S. trading partners, whose industries are struggling amid American import taxes. Ties are already strained between the U.S. and Canada, after Trump terminated trade talks with the northern neighbor in October — in response to anti-tariff ads featuring Ronald Reagan.

The Supreme Court

Among the biggest unknowns in trade circles heading into 2026 is a pending U.S. Supreme Court ruling on the legality of Trump's reciprocal tariffs — the broad levies he imposed on most major trading partners.

If Trump does lose the case, one of the most consequential questions for the economy and the country's fiscal outlook will be whether the government will have to refund the money that American importers paid in tariffs. It's not clear cut that'll happen in a timely or organized way.

Kevin Hassett, director of the National Economic Council, told CBS's Face the Nation that even if the high court doesn't rule in the administration's favor, it would be "pretty unlikely that they're going to call for widespread refunds, because it would be an administrative problem" to distribute those.

Betting markets have put about a 75% chance on a Trump loss, which means the administration will have to use other authorities at the president's disposal to impose tariffs.

Asked at the Atlantic Council earlier this month whether 2026 will be quieter on the tariff front than this year, Greer declined to offer a forecast. "That's a question for President Trump," he said.

Source: Bloomberg