

TRADE NEWS WEEKLY

January 19-January 23, 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 information sources may occasionally be included when appropriate.

U.S.-Taiwan Trade Agreement

A summary is as follows:

On January 15, 2026, the Commerce Department announced the signing of a trade deal between the United States and Taiwan. The terms of the agreement have not been released, but the Commerce Department has posted a Fact Sheet. Based on the Fact Sheet, the deal provides trade benefits for Taiwanese imports in return for Taiwanese investment in the United States, particularly in advanced semiconductors.

Applicable Tariff Provisions

The trade deal is said to provide the following tariff benefits to products of Taiwan origin:

- The U.S. Reciprocal Tariff rate applied to Taiwanese goods will total no more than 15%.
- The U.S. Section 232 duties applied to Taiwanese auto parts, timber, lumber, and wood derivative products will total no more than 15%.
- The United States will apply a zero percent (0%) Reciprocal Tariff for generic pharmaceuticals, their generic ingredients, aircraft components, and unavailable natural resources.

Future Section 232 Duties for Taiwanese Semiconductors

- Taiwanese companies building new U.S. semiconductor capacity may import up to 2.5 times that planned capacity without paying Section 232 duties during the

approved construction period, with a lower preferential Section 232 rate for above-quota imports.

- Taiwanese companies that have completed new chip production projects in the United States will still be able to import 1.5 times their new U.S. production capacity without paying Section 232 duties.

Taiwanese Investment in the U.S.

- Direct Investments: Taiwanese semiconductor and technology enterprises will make new, direct investments totaling at least \$250 billion to build and expand advanced semiconductor, energy, and artificial intelligence production and innovation capacity in the United States.
- Additional Investments: Taiwan will provide credit guarantees of at least \$250 billion to facilitate additional investment by Taiwanese enterprises, supporting the establishment and expansion of the full semiconductor supply chain and ecosystem in the United States.
- Industrial Clusters: The United States and Taiwan will establish world-class industrial parks in the United States to strengthen America's industrial infrastructure and position the United States as the global center for next-generation technology, advanced manufacturing, and innovation.

The Fact Sheet does not provide details on when the 15% Reciprocal Tariff rate goes into effect. Expect additional details to be released.

Source: Miller & Company P.C.



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IEEPA Litigation

On December 15, 2025, the U.S. Court of International Trade (CIT) issued an Opinion and Order denying a request to enjoin U.S. Customs and Border Protection (CBP) from liquidating Customs entries subject to the International Emergency Economic Powers Act (IEEPA) tariffs until there is a final Supreme Court decision in the V.O.S. Selections, Inc. v. U.S. case. The CIT recognized that the U.S. Government has taken the position (and later stipulated) that liquidation will not impact the availability of refunds. The CIT has also issued an Administrative Order that stays all new and unassigned cases raising IEEPA tariff claims.

Source: Miller & Company P.C.

U.S. Tariffs: A Future Without IEEPA

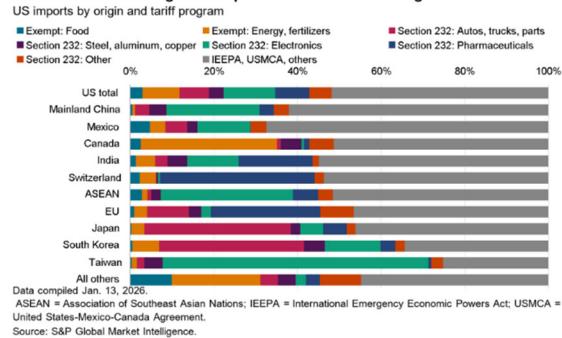
The US Supreme Court is expected to rule on the legality of the Trump administration's International Emergency Economic Powers Act (IEEPA) tariffs, with indications that it may strike down this authority. If the tariffs are overturned, the administration is likely to pivot to alternative mechanisms, such as Section 301 and Section 122 tariffs, to maintain tariff revenue and a protectionist stance.

Macroeconomic and trade impacts: The impact of invalidating IEEPA tariffs on inflation and Federal Reserve policy will depend on whether replacement tariffs can fully offset lost revenue. If replacement rates match previous tariffs, inflation forecasts may remain unchanged; however, lower rates could ease inflation and lead to earlier monetary policy adjustments. The ruling is also expected to create volatility in import timing and sourcing strategies, increasing uncertainty for business investments.

Refunds and sector-specific benefits: Should the Supreme Court overrule IEEPA tariffs, importers facing high tariffs will likely benefit from retroactive refunds, particularly those in the consumer goods and nonmetals materials sectors. However, Section 232 tariffs on industrial goods will remain in place, limiting the overall price relief for these sectors. The ruling may prompt businesses to pause

investment decisions in new sourcing, particularly for markets currently subject to higher tariffs.

Mainland China among most exposed to IEEPA rate changes



Source: Panjiva Data

Unstacking Tariffs

U.S. Customs and Border Protection has provided guidance and a chart on the unstacking sequence of certain trade remedy tariffs. The chart is intended to help entry filers and importers determine the order in which certain trade remedies apply.

Source: Miller & Company P.C.

Chip Controls Relax

The Bureau of Industry and Security (BIS) has issued a Final Rule that changes its license review policy for the export of Nvidia H200 and equivalent advanced semi-conductors from a presumption of denial to a case-by-case review for exports to China and Macau. 91 Fed. Reg. 1684 (Jan. 15, 2026).

Source: Miller & Company P.C.

232 Wood Products

On December 31, 2025, President Trump issued Proclamation 11000, which postponed for one year planned Section 232 wood products tariff increases that were scheduled for January 1, 2026. Furniture tariffs had been scheduled to rise from 25% to 30%, while kitchen cabinets and vanities tariffs had been set to increase to 50%. The increases have been delayed to 2027. 91 Fed. Reg. 1039 (Jan. 9, 2026).

Source: Miller & Company P.C.



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Isreal Ag Agreement

President Trump issued Proclamation 10999 on December 29, 2025, that temporarily extends duty-free treatment for certain quantities of agricultural products from Israel for 2026 and makes technical modifications and corrections to various unrelated HTSUS provisions. 91 Fed. Reg. 889 (Jan. 8, 2026).

Source: *Miller & Company P.C.*

232 Critical Minerals

On January 14, 2026, President Trump issued a Proclamation determining that imports of processed critical minerals and their derivative products (PCMDPs) present a Section 232 national security threat based on a (yet to be published) October 24, 2025, Commerce report. The Proclamation does not immediately impose Section 232 tariffs, but says the U.S. will negotiate agreements, monitor imports, and may take other actions. A Fact Sheet indicates negotiations with allies may lead to price floors for PCMDPs and additional Presidential actions may be needed if there is no progress in 180 days).

Source: *Miller & Company P.C.*

FTZ Savings - Drawback

FTZ Operators with imported, duty-paid but defective merchandise, should consider an underutilized FTZ savings option. Duty-paid merchandise may be admitted into an FTZ in Zone Restricted (ZR) status, either exported or destroyed in accordance with scrap and waste procedures, and the FTZ Operator can file for Duty Drawback to recover the duties paid.

Source: *Miller & Company P.C.*

Camera Origin

CBP has issued a ruling that a Lumens VC-TR60A PTZ video conferencing camera is a product of Taiwan for U.S. government procurement purposes under the Trade Agreements Act (TAA). It found that components from China and other global sources undergo a complex manufacturing process which constitutes a substantial transformation in Taiwan. 91 Fed. Reg. 1327 (Jan. 13, 2026).

Source: *Miller & Company P.C.*

2025 Duties Recap

Importers are encouraged to prepare reports on 2025 import data, particularly import values and tariffs paid by trade remedy program. This information is useful for confirming the impact of the trade policy changes and for 2026 planning.

Source: *Miller & Company P.C.*

Trade Stats

U.S Customs and Border Protection (CBP) collected more than \$200 billion in tariff revenue from January 20 through December 15, 2025. By comparison, CBP reported \$88 billion in tariff revenue for fiscal year 2024.

Census trade statistics for October 2025 show that the trade deficit shrank from approximately \$48 billion in September to about \$29.5 billion. Exports rose \$7.8 billion in October to \$302 billion while imports decreased \$11 billion to \$331.4 billion. Year-to-date, the trade deficit increased \$56 billion (7.7%) from the same time in 2024. Exports rose approximately 6.3%, but imports rose 6.6%.

Source: *Miller & Company P.C.*

Federal Judge Upholds Jones Act, Tossing Hawaii Rum Maker's Challenge

A federal judge has dismissed a high-profile constitutional challenge to the Jones Act, delivering a major win for the U.S. maritime industry and the Trump Administration's defense of America's cabotage laws.

In a 46-page opinion, Chief Judge James E. Boasberg of the U.S. District Court for the District of Columbia rejected claims from Hawaii-based Koloa Rum Company that the Merchant Marine Act of 1920, commonly referred to as the Jones Act, violates the Constitution's Due Process and Port Preference clauses. The distillery, backed by the Pacific Legal Foundation, argued that the Jones Act's requirement that cargo moving between U.S. ports be carried on American-built, American-owned, and American-crewed vessels unfairly burdens non-contiguous states such as Hawaii and Alaska.



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Boasberg disagreed, calling the Jones Act “neutral legislation that does not create any direct preferences by channeling commerce through the ports of one state at the expense of others.” The court noted that the law “emerged from a centuries-old tradition of cabotage laws” and applies uniformly across transportation modes, including aviation—evidence, the judge wrote, of consistent national policy rather than regional discrimination.

The court also held that the statute easily satisfies rational-basis review, citing long-standing government interests in maintaining “a strong domestic merchant marine, protecting national security by ensuring that vessels are available for military use, and supporting American maritime employment.”

Maritime industry groups quickly hailed the decision. “We commend the Trump Administration for vigorously defending the Jones Act in court and defending the men and women who serve America’s national security, homeland security and economic security,” said Jennifer Carpenter, president of the American Maritime Partnership. “This decision reaffirms not only the constitutionality but also the critical importance of the Jones Act to every American.”

Koloa Rum filed the lawsuit in February 2025, arguing that the law inflates the cost of importing supplies and shipping finished products to the mainland. CEO Bob Gunter said at the time, “The Jones Act doesn’t just hurt our business—it hurts all Hawaii residents.”

The case drew national attention as one of the most direct modern attempts to overturn the century-old statute. Supporters of the law pointed to a 2025 review by Seafarers Rights International finding that 105 nations—representing more than 85% of the world’s coastlines—maintain similar cabotage protections.

The Pacific Legal Foundation, which brought the suit, did not disclose its donors. Senior attorney Joshua Thompson had argued that “Hawaii and Alaska are forced to pay billions in extra costs because of a shipping law that Congress had no constitutional authority to create.”

With the challenge now dismissed, the ruling reinforces the Jones Act’s legal footing after decades of periodic attacks—and signals that courts remain reluctant to upend one of the pillars of U.S. maritime policy.

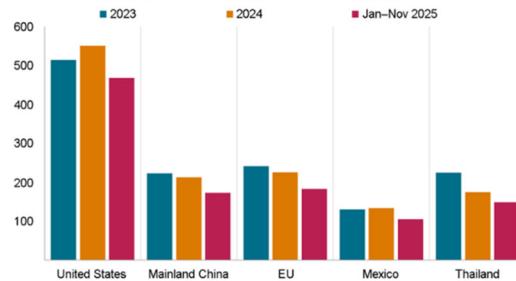
Source: gCaptain

Japan’s Auto Challenges

The Japanese auto-part industry is facing challenges due to U.S. tariffs, with a notable decline in exports to the U.S. In the first 11 months of 2025, exports to the U.S., which account for 24.1% of Japanese auto-part exports, decreased by 6.7% year-over-year, while export value per kilogram declined by 1.2% to US\$14.2 from US\$14.5. Despite these pressures, only a small fraction of companies plans to pass the full cost of tariffs on to consumers.

Japanese auto-part industry faces tariff challenges

Japanese auto-part exports by top trade partner, thousand metric tons



Data compiled Jan. 2, 2026.
Source: S&P Global Market Intelligence.
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Source: Panjiva Data



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