TRADE NEWS WEEKLY

February 23-February 27, 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.

President Trump Announces New "Global Tariffs" Section 122 Tariff Actions

Following the U.S. Supreme Court decision invalidating tariffs imposed under the International Emergency Economic Powers Act (IEEPA), late on February 20, 2026, President Trump issued:

1) an Executive Order that ends "as soon as practicable" the tariffs imposed under IEEPA (a) globally, (b) for Fentanyl against China, Mexico, and Canada, (c) against countries importing Venezuela oil, (d) Brazil, (e) India for importing Russian oil, (f) Iran, and (g) countries providing oil to Cuba; and

2) a Presidential Proclamation that announced the imposition of 10% tariffs on imports from all countries based on Section 122 of the Trade Act of 1974 (19 U.S.C. § 2132). The statute has never been used by a President to date.

The Section 122 Presidential Proclamation imposes "import surcharges" in the form of duties on all articles imported into the United States, with certain exceptions, to deal with alleged U.S. "large and serious balance-of-payments deficit." These Section 122 duties shall not apply to imports of articles listed in paragraph 2 of Annex I (as described, in part, in Annex II) to the Proclamation including (a) certain enumerated goods such as certain critical minerals, energy and energy products, agricultural products (such as beef, tomatoes and oranges), pharmaceutical and pharma ingredients, agricultural chemicals and chemical ingredients, aircraft components and electronics, (b) goods subject to Section 232 tariffs now or in the future such as autos, auto parts, trucks, steel, aluminum, and copper articles, wood products, and semiconductor articles (except Section 122 duties apply to non-steel, non-aluminum, or non-copper content), and (c) USMCA compliant goods from Canada and Mexico and DR-CAFTA originating goods (but not other Free Trade Agreements). There are Section 122 duty exceptions for HTS Chapter 98 provisions, similar to the prior IEEPA tariff provisions. Clients are encouraged to carefully review Annex I and Annex II for their imported merchandise.

These Section 122 global duties go into effect with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 am EST on February 24, 2026, and shall continue in effect through 12:01 am EST on July 24, 2026 (i.e., for 150 days). There is a short in-transit exemption for goods that (i) loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 a.m. EST on February 24, 2026; and (ii) entered or withdrawn from warehouse for consumption, before 12:01 a.m. EST on February 28, 2026.

Subject articles admitted into foreign-trade zones (FTZs) after 12:01am EST on February 24, 2026, must be admitted in Privileged Foreign (PF) status. The treatment of goods admitted in PF status prior to this date but subject to Customs entry thereafter is unclear. FTZ clients should discuss with our firm a potential opportunity for duty savings for FTZ

HAWAII FOREIGN-TRADE ZONE NO. 9
521 Ala Moana Blvd, Ste 101 • Honolulu, HI 96813
Tel. 808-586-2507 • administrator@ftz9.org
www.ftz9.org • www.facebook.com/HawaiiFTZ
X (formally Twitter) at: @FTZ9

on-hand inventory by filing Customs entry prior to Section 122 duties going into effect as has occurred multiple times in 2025.

In a social media post on February 21, 2026, President Trump announced that the Section 122 10% duties will be increased to 15% “effective immediately,” but there has been no official action to date. Further, Section 122 only authorizes the President to impose these duties for a period of 150 days with Congressional action necessary thereafter. It is silent regarding whether the President can impose these tariffs for an additional 150 days after the initial period ends. U.S. Trade Representative (USTR) Jamieson Greer has said that USTR will conduct a series of new “accelerated” Section 301 investigations covering most major trading partners. Additional Section 232 investigations are also possible. Presumably, these investigations will lead to new tariffs that can replace the “temporary” Section 122 tariffs.

It is unclear if these Section 122 tariffs can be waived by trade deals struck by the Trump Administration over the last year. However, multiple press reports indicate that countries that have reached trade deals with the United States are unlikely to seek changes as a result of the Supreme Court’s decision on the IEEPA additional tariffs.
Source: Miller & Company P.C.

Legislation Introduced to Require Refunds of IEEPA Tariffs

Senate Finance Committee Ranking Member Ron Wyden, D-Ore., Small Business Committee Ranking Member Edward Markey, D-Mass., and Foreign Relations Committee Ranking Member Jeanne Shaheen, D-N.H., along with other Democratic senators, released legislation Feb. 23 to require full refunds of the IEEPA tariffs that were recently overturned by the Supreme Court.

The lawmakers indicate in a press release that to date the Trump administration has collected an estimated $175 billion in illegal tariff revenue and that the Tariff Refund Act of 2026 would require the full refund, with interest, of those funds. Specifically, according to this group of lawmakers this legislation would:

- require U.S. Customs and Border Protection (CBP) to pay refunds of all tariffs that were unlawfully imposed by the president under IEEPA and paid by importers, even if the importation has already been finalized and liquidated by CBP;

- set a deadline of 180 days after enactment for CBP to process all refunds;

- require CBP to pay interest on the refunded amount;

- direct CBP to prioritize small businesses when paying refunds and to coordinate with the Small Business Administration to provide key information on the refund process to small businesses;

- require CBP to report every 30 days to relevant congressional committees on the status of refunds until CBP has completed the payment of all refunds;

- direct CBP to issue guidance on how to address duty drawback claims; and

- express the sense of Congress that importers, wholesalers, and large corporations should pass on those refunds to their customers.
Source: Sandler, Travis & Rosenberg, P.A.

Trump Administration Vows to Pursue Additional Section 301 Investigations

Following the Supreme Court decision striking down the IEEPA tariffs, U.S. Trade Representative (USTR) Jamieson Greer vowed to use alternative tools to address many of the issues at the core of the Trump administration’s trade policy. Greer also expressed confidence that “all trade agreements negotiated by President Trump will remain in effect.”

USTR’s statement indicates that the administration “will take the following actions in short order to ensure continuity in reaching these goals and as part of our negotiated agreements with numerous trading partners". Initiate new Section 301 investigations. The administration intends to initiate several investigations under Section 301 of the Trade Act of 1974 to deal with unjustifiable, unreasonable, discriminatory, and burdensome acts, policies, and practices by many U.S. trading partners. These investigations are expected to cover most major trading partners and to address areas of concern such as industrial excess capacity, forced labor, pharmaceutical pricing practices, discrimination against U.S. technology companies and digital goods and services, digital services taxes, ocean pollution, and practices related to the trade in seafood, rice, and other products. The administration intends to conduct these investigations on an "accelerated timeframe".

Continue ongoing Section 301 investigations. The administration intends to continue ongoing Section 301 investigations, including those involving China and Brazil. USTR indicates that if these investigations conclude that there are unfair trading practices and that responsive action is warranted, "tariffs are one tool that may be imposed."

Continue ongoing Section 232 investigations. The administration intends to maintain the tariffs currently imposed under Section 232 of the Trade Expansion Act of 1962 and to conclude its ongoing Section 232 investigations.
Source: Sandler, Travis & Rosenberg, P.A.

ECB Study Shows Tariffs Caused China Trade Diversion

Donald Trump's trade levies aren't the main reason why China is exporting more to other parts of the world, a European Central Bank (ECB) study showed.

Instead, "weak domestic demand has pushed Chinese firms to channel excess capacity abroad, supported by falling export prices, competitiveness gains reinforced by a weak currency, and state-led expansion of manufacturing capacity."

The U.S. levies have fed concern at the ECB that China may divert goods to the euro area, increasing competition for firms in the currency bloc. More dovish policymakers also see this as a downside risk for inflation, which is already forecast to undershoot 2%.

France's Francois Villeroy de Galhau said this month that rising imports from China and lower costs for those products in the second half of 2025 make for a "quite strong disinflationary effect."

Chinese exports rose 5.5% last year, up from 4.6% in 2024, the ECB said. While shipments to the U.S. dropped by 20% — strongly driven by tariffs — those to the euro zone rose by 8%. Other Asian nations, Africa and Latin America also saw an increase.

The ECB study cautioned that it may still be too early to have a full picture of the tariff fallout because of "anticipatory behavior, implementation lags at customs, shipping delays and other factors."
Source: FreightWaves

Los Angeles Port Exports Drop 8% Amid China Trade War

Exports from the Port of Los Angeles, the busiest U.S. gateway for ocean trade, fell 8% in January 2026 to the lowest monthly output in nearly three years, said Executive Director Gene Seroka.

"Exports to China look dismal," Seroka said after the Port of Los Angeles handled 104,297 20-foot equivalent units (TEUs) of loaded export containers in January.

President Trump's aggressive use of tariffs has upended global trade and retaliatory trade duties from China and other nations have hit U.S. exporters like farmers particularly hard.

Soybean shipments from the Port of Los Angeles to China dropped 80% last year, Seroka said, adding that the trade did not improve in November or December, following discussions between representatives of the two nations on the sidelines at the Asia-Pacific Economic Cooperation Summit.

“There’s not much that the United States is exporting to China these days,” said trade expert Chad Bown, a senior fellow at the Peterson Institute of Economics, who added that outgoing U.S. shipments of everything from beef and corn to crude oil and coal also fell in 2025.

Closely watched imports to the Port of Los Angeles came in at 421,594 TEUs in January, down 13% from the unusually strong result the year earlier, Seroka said.

So far, imports in February appear relatively flat compared with a year earlier. Imports will slow in March due to China factory closures for the Lunar New Year holiday, he said.

Still, Seroka expects total first-quarter volume at the port to fall less than 10% versus the year-earlier quarter, when U.S. importers were rushing in goods before President Donald Trump’s threatened tariffs on countries like China took effect.

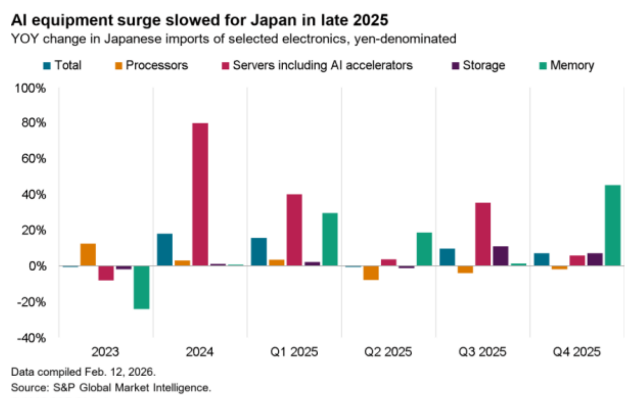
“I don’t see the economy or cargo volume dropping off a cliff after that, and even though holiday sales were softer than we would have liked, I don’t see a dire situation,” Seroka said, referring to lackluster U.S. December retail sales that signaled potential weakness in consumer spending that drives about 70% of the nation’s total economic activity.
Source: Reuters

FedEx is Repricing its Network to Push Out E-Commerce Consumers

FedEx’s Investor Day message was its bluntest yet: the company wants premium B2B relationships and high-value, long-haul, heavy direct-to-consumer parcels. It does not want to be a local courier for lightweight, low-margin e-commerce packages. The numbers back the strategy. FedEx implemented a 5.9% average GRI effective January 5, 2026, but the real action is in the surcharges: residential delivery fees up 6–8%, additional handling up 5–7%, oversize surcharges up 6–10%. Starting January 12, 2026, FedEx layered in new cubic volume rules on top of its traditional dimensional weight calculation, pulling more e-commerce packages into higher fee tiers. Surcharges now account for roughly one-third of a package’s total cost when fuel is included. FedEx is actively conceding lightweight, low-margin e-commerce volume to cheaper competitors — and treating that as a feature, not a bug. For retailers who’ve built their parcel strategy around FedEx rates, the 2026 invoice is going to sting. The 5.9% headline hides what could be a 10–12% effective cost increase for residential e-commerce shippers once you layer in all the surcharge changes.
Source: FreightWaves

Taiwan Semiconductor Manufacturer Plans Japanese Plant Upgrades

Taiwan Semiconductor Manufacturing Co. Ltd. (TSMC) plans to upgrade its Kumamoto, Japan plant to produce advanced 3-nanometer (nm) chips for AI applications instead of the originally planned 6-nm chips, marking its third major market for leading-edge capacity after the U.S. and helping diversify risk from cross-strait tensions with mainland China. Japan’s imports of computer processors and AI accelerators grew only 7.1% year-over-year in the fourth quarter of 2025, with server imports slowing from 35.5% growth in the third quarter to 5.9% in the fourth quarter. The supply chain transformation from this new plant is expected to take until at least early 2028 to fully implement, based on previous TSMC build timelines.



Source: Panjiva Data