

TRADE NEWS WEEKLY

April 27-May 1, 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. Sets Talks with Mexico as USMCA Review Approaches

As partner countries prepare for a July 1, 2026, joint review of the U.S.-Mexico-Canada Agreement (USMCA), bilateral talks have been scheduled with Mexico but not Canada.

The USMCA provides for its own termination as of July 1, 2036, unless each party confirms that it wishes to continue the agreement. That confirmation must take place at a joint review that will evaluate the operation of the agreement, consider recommendations for action, and decide on any appropriate actions. If any party does not agree to an extension there will be additional annual joint reviews until agreement is unanimous or the agreement terminates.

On April 20, 2026, the Office of the U.S. Trade Representative said the U.S. and Mexico have agreed to hold their first official bilateral negotiating round for the USMCA review the week of May 25, 2026, in Mexico City. In the meantime, the two sides “directed their teams to advance important technical discussions this week on economic security and complementary trade actions, strengthened rules of origin for key industrial goods, collaboration on critical minerals, and to resolve outstanding bilateral trade irritants.”

No such formal talks have yet been scheduled with Canada. In preparation for those discussions Canadian Prime Minister Mark Carney announced April 21, 2026, a new Advisory Committee on Canada-U.S. Economic Relations that will be focused on helping

Canada “establish a new economic and security relationship” with the U.S., trade minister Dominic LeBlanc said. LeBlanc will chair the committee, which will comprise two dozen leaders with extensive experience in business, investment, trade, and labor and will hold its first meeting April 27, 2026.

Carney and LeBlanc also indicated that talks between Canada and the U.S. could be more challenging than those with Mexico. According to CBC News, both said Ottawa will resist making further concessions in the USMCA negotiations unless the U.S. agrees to changes to its Section 232 tariffs.

Source: Sandler, Travis & Rosenberg, P.A.

South Korean Parliament Approves Support Package

The South Korean parliament has approved a US\$17.7 billion support package for industries that may be affected by conflict in the Middle East.

The country is one of the most affected globally with the Gulf states accounting for 69% of crude oil imports, 59% of naphtha and 55% of noble gases. Firms’ inventories were already rising in February even before the conflict started.

The success of South Korean exports is vital for global supply chains across electronics, autos and shipbuilding. Electronics is also under threat from a potential strike at Samsung Electronics Co. Ltd. plants from May 21, 2026.

South Korea accounted for 40.9% of memory chips and 78.9% of organic LEDs used in



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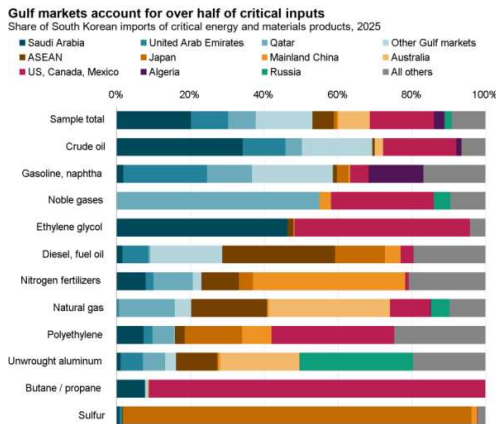
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smartphone screens in 2025, raising challenges for manufacturing inventory decisions heading into the peak manufacturing season for consumer electronics.



Data compiled April 21, 2026. ASEAN = Association of Southeast Asian Nations. Source: S&P Global Market Intelligence. © 2025 S&P Global.

Source: Panjiva Data

Fuel Costs, Not Demand, are Driving Ocean and Air Freight Rate Increases Into Q2

Both ocean and air freight are entering Q2 with rates rising despite soft demand, according to Flexport's April 9, 2026, market update. Jet fuel prices are up 78% year-over-year as of the Middle East crisis, and carriers are passing those costs directly to shippers through emergency bunker surcharges and aggressive fuel surcharges. Global widebody air cargo capacity is down 11% versus pre-Lunar New Year levels, with multiple Middle East airspace closures forcing longer routing that further reduces payload capacity. On ocean, roughly 130 container ships remain stuck or delayed in the Persian Gulf despite a ceasefire announcement, with trans-Pacific eastbound blank sailings rising as carriers manage costs. Savannah continues to see about a two-day vessel queue delay. "The big thing is not so much capacity right now as it is the price of fuel," said David Grinevald, regional director for air freight at Flexport.

Flexport executives expect elevated fuel surcharges to persist through Q2 with limited relief on either mode. Budget for higher all-in rates regardless of volume levels. The 130

vessels still stuck in the Persian Gulf are the leading indicator to watch, because their movement will signal when carrier cost structures start normalizing.

Source: FreightWaves

Panama Canal Traffic Climbs as Officials Downplay Congestion Fears

The Panama Canal is pushing back against renewed concerns over congestion, telling the maritime industry it is handling rising traffic volumes efficiently even as geopolitical disruption and stronger demand drive up competition for transit slots.

In a market update hosted by Bank of America Merrill Lynch, Panama Canal Authority officials said the waterway saw higher transits and tonnage during the first half of fiscal year 2026 while continuing to operate without queues, underscoring what officials described as a return to stable and predictable operations.

During the October 2025–March 2026 period, the canal handled 6,288 transits, up 224 from the same period a year earlier, while cargo volumes climbed roughly 5% to 254 million PC/UMS tons. Performance strengthened in recent months, with daily averages reaching 34 vessels in January and 37 in March, while peak days recently exceeded 40 transits.

Container shipping and liquefied petroleum gas were singled out as particularly strong growth segments, with energy cargoes playing an increasingly important role in canal volumes.

The uptick in growth comes as vessel operators have closely watched signs of mounting pressure on the canal's reservation system amid disruptions tied to the Middle East conflict, which has pushed some ships to seek alternate routings or priority passage.

That pressure has shown up most visibly in auction prices for last-minute transit slots. Vice President of Finance Víctor Vial said average auction prices, which ran around \$135,000 to \$140,000 before the conflict, climbed to about



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\$385,000 between March and April 2026, with some individual bids exceeding \$1 million.

But Vial stressed those figures reflect temporary demand spikes rather than systemic strain.

For shipping markets, that distinction matters. Canal officials were keen to separate the elevated auction prices from the drought-era disruptions of 2023 and 2024, when transit cuts and draft restrictions drove up costs and forced rerouting across global supply chains.

The canal’s water outlook has also shifted dramatically since then. Deputy Administrator Ilya Espino de Marotta said unusually heavy dry-season rainfall has kept Gatún and Alhajuela lakes at maximum levels, positioning the canal to manage a possible El Niño later this year while maintaining normal operations.

That reassurance comes as a recent NOAA El Niño Watch has put drought risk back on the industry’s radar. But unlike two years ago, officials say the canal enters this period in a better position, with full 50-foot Neopanamax draft restored, transit capacity normalized, and no significant disruptions expected through year-end.

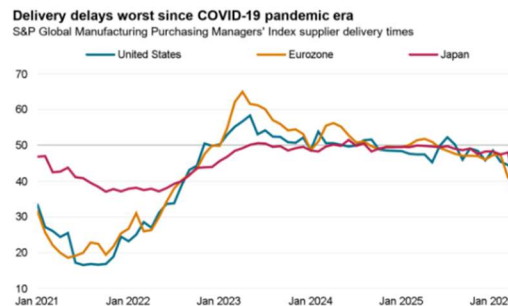
Even so, the weather risk remains a reminder that resilience at Panama is now watched as closely as capacity. For a maritime industry still sensitive to shocks at chokepoints from Hormuz to the Red Sea, Panama is making a clear case that one of global trade’s most important arteries is moving smoothly.

Source: FreightWaves

Middle East Conflict Causing Supplier Delivery Delays

Conflict in the Middle East is resulting in supplier delivery delays in April, which are among the worst since the COVID-19 pandemic. The S&P Global Manufacturing Purchasing Managers’ Index™ (PMI™) for supplier delivery times for the eurozone fell to 38.8 in April 2026, from 40.9 in March 2026, (the worst since July 2022), while Japan’s fell to 37.4 in April 2026, from 48.0 in March 2026 (the worst since May 2022). U.S. manufacturers are facing fewer disruptions and delays. Costs are also

increasing across sectors depending on energy, petrochemicals and selected metals, with input prices for eurozone manufacturers reaching their highest since June 2022 and Japan’s the highest since October 2022. With little sign of a sustained bilateral ceasefire in the region, and with inventory rebuild times measured in months, further delays and price increases should be expected.



Data compiled April 23, 2026. Source: S&P Global Market Intelligence. © 2026 S&P Global.

Source: Panjiva Data

Agricultural Trade News – Poultry

Effective on the dates indicated, the Department of Agriculture’s Animal and Plant Health Inspection Service (APHIS) imposed restrictions on imports of avian commodities from the following areas due to concerns about highly-pathogenic avian influenza.

- sanitary control zone of the Araucania region in Chile (April 15)
- zone PCZ-322 in Saskatchewan, Canada (April 13)
- zone PCZ-323 in Saskatchewan, Canada (April 15)
- Aomori prefecture in Japan (April 22)

These restrictions include the following.

- Importation of poultry, commercial birds, ratites, and avian hatching eggs is prohibited.
- Importation as cargo of processed avian products and byproducts must be accompanied by an APHIS import permit and/or government certification



confirming that the goods were treated in accordance with APHIS requirements.

- Importation as cargo of unprocessed avian products and byproducts (including eggs and egg products and meat) is prohibited with limited exceptions (e.g., in some cases these may be imported if consigned directly from the port of arrival to an eligible USDA-approved establishment).
- Importation as cargo of fresh, unprocessed shell/table eggs and egg products, void of the shell (e.g., liquid eggs and dried egg whites) is prohibited unless they are consigned from the port of arrival directly to an APHIS-approved breaking and pasteurization facility. An import permit and/or certificate is not required in such cases.

Separately, APHIS has removed restrictions on imports of poultry and related products originating from the following areas as of the dates indicated.

- zone PCZ-307 in Alberta, Canada (April 21)

Source: 2026 Sandler, Travis & Rosenberg, P.A.

\$2.1 Million Penalty for Undervaluing Imports to Lower Duties

The Department of Justice (DOJ) reports that a U.S. company has agreed to pay at least \$2.1 million to settle allegations under the False Claims Act (FCA) that it deceptively undervalued imported goods to lessen tariff obligations and other import assessments.

The DOJ alleged that for more than three years the company knowingly submitted to U.S. Customs and Border Protection (CBP) invoices that underreported the cost of goods purchased from a China-based manufacturer/assembler, and repeatedly failed to include the cost of items incorporated into packaged goods shipped from China to the U.S., when declaring the total values of the imported goods to CBP, thereby

improperly reducing tariffs and other import assessments.

Source: Sandler, Travis & Rosenberg, P.A.

U.S., EU Advance Work on Critical Minerals Trade

The U.S. and the European Union (EU) announced recently an action plan that will serve as the primary bilateral mechanism to coordinate trade policies and measures on critical minerals supply chains. Similar plans have been concluded with Mexico and Japan.

The U.S. is pursuing action plans like this as part of a broader effort to negotiate a plurilateral agreement on trade in critical minerals. Earlier this year Vice President J.D. Vance said this initiative “will establish reference prices for critical minerals at each stage of production” that “will operate as a floor” and will be “maintained through adjustable tariffs.” Vance added that these prices would remain consistent with the goal of eventually creating “diverse centers of production, stable investment conditions, and supply chains that are immune” to external disruptions.

Toward that end, the U.S. and EU intend to discuss the feasibility and development of coordinated trade policies and mechanisms, including market and trade measures based on reference prices, such as border-adjusted price floors, standards-based markets, price gap subsidies, or offtake-agreements, focusing first on mutually-agreed select critical minerals and associated supply chains.

The two sides also intend to consider other provisions to ensure supply chain resilience, which could include (1) trade measures to support a resilient critical minerals marketplace among the contracting parties, (2) standards for mining, processing, recycling, or trade in critical minerals, (3) technical and regulatory cooperation, (4) investment promotion and screening cooperation, (5) coordinated rapid responses to prevent disruptions and crises in critical minerals supply chains, including from third countries, (6) research and development cooperation on critical minerals technologies, and (7) stockpiling cooperation.

Source: Sandler, Travis & Rosenberg, P.A.



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