TRADE NEWS WEEKLY

September 7-September 11, 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. Electronics Sector Faces Renewed Sourcing Uncertainty

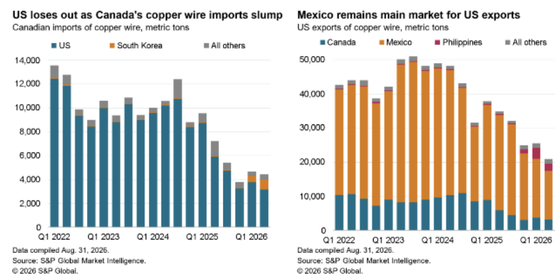
The U.S. electronics sector faces renewed sourcing uncertainty as President Donald Trump reportedly plans to widen semiconductor tariffs beyond the existing advanced AI chip duties, likely targeting mature-node semiconductors.

U.S. imports of computer chips increased by just 1.8% year-over-year in the second quarter of 2026 by number of chips, including a 16.0% drop in processors, showing a mixture of tariff-related trade flow distortions and weaker demand outside the AI sector.

Any new tariffs are expected to mirror the phased, investment-linked approach used for pharmaceuticals, but could have broad knock-on effects across automotive, industrial and electronics module sectors.
Source: S&P Global Intelligence

Canadian Government Updates Targeted Product List

The Canadian government has updated the list of products targeted for import tariffs in response to U.S. Section 338 tariffs, adding copper wire and charcoal and replacing fish in response to corporate lobbying. Cross-border trade in copper wire has already been distorted by U.S. tariffs. Canadian imports of copper fell by 38.6% year-over-year in the second quarter of 2026, likely reflecting Canadian exporters to the U.S. including Nexans SA building domestic market share in response to U.S. import tariffs on copper wire. The U.S. accounted for 71.4% of Canadian imports, while Canada represented 15.0% of exports from the U.S. in the second quarter. The latter was down from 16.9% a year earlier as sales to Mexico and the Philippines ramped up



Source: S&P Global Intelligence

U.S. Bans Imports of Some Goods from Canada, Increases Section 338 Tariffs on Others

President Trump issued September 8, 2026, five proclamations that will ban imports of specified products from Canada and modify the list of Canadian goods subject to a 50 percent Section 338 tariff. These measures were announced the same day that Canada imposed tariffs of 15, 25, or 50 percent against hundreds of products from the U.S. in retaliation for the Section 338 tariff the U.S. levied against $20 billion worth of imports from Canada as of August 22, 2026.

The import bans will apply to certain Canadian alcohol products, dairy products, and motorcycles that were previously subject to the Section 338 tariff and will take effect September 29, 2026.

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The tariff modifications include adding more than 100 new products to and removing ten from the list of those subject to the Section 338 tariff, effective September 15, 2026. Details can be found in the annexes to the proclamations, which are available here and here.

A White House fact sheet reiterates that the Section 338 tariff applies to all covered goods (1) regardless of whether they originate under the U.S.-Mexico-Canada Agreement and (2) in addition to any applicable Section 232 tariffs.
Source: Sandler, Travis & Rosenberg, P.A.

Legislative Actions

<u>Trade Enforcement</u>
The House of Representatives approved August 31, 2026, the Protecting American Industry and Labor from International Trade Crimes Act (H.R. 1869, introduced March 5, 2026, by Reps. Hinson, R-Iowa, and Krishnamoorthi, D-Ill.), which would strengthen the Department of Justice's (DOJ) enforcement against trade-related crimes by (1) establishing a new task force or similar structure within the DOJ's Criminal Division to investigate and prosecute trade-related crimes (e.g., criminal acts to further duty evasion), (2) enhancing nationwide responses to trade-related offenses by providing training and technical assistance to other federal, state, and local law enforcement agencies, expanding investigations and prosecutions, and allowing for parallel criminal and civil enforcement actions, (3) requiring the DOJ to submit an annual report to Congress assessing its efforts, statistics on trade-related crimes, and fund utilization, and (4) authorizing funding for fiscal year 2026 to support these efforts with appropriate guard rails.

<u>Trade Remedies</u>
The Advancing American Innovation Act (H.R. 10218, introduced September 1, 2026, by Rep. Schweikert, R-Ariz.) would amend section 337 of the Tariff Act of 1930 to, according to a press release, (1) clarify that licensing activity satisfies the domestic industry requirement under Section 337 only when it leads to the adoption and development of products incorporating the patent for sale in the U.S., (2) require that any person relied upon to establish a domestic industry join the complaint under oath, (3) direct the International Trade Commission (ITC) to identify dispositive issues at the outset of an investigation and require an initial determination on those issues within 100 days, (4) require the ITC to weigh the effect of an exclusion order on public health and welfare, the U.S. economy, competitive conditions, and U.S. consumers before barring products from entry, and (5) require complainants in patent cases to disclose the identity of any third-party litigation funder and file funding agreements with the ITC, with sanctions for noncompliance.

<u>Forced Labor</u>
Congressional leaders wrote to Homeland Security Secretary Markwayne Mullin September 3, 2026, requesting a briefing on DHS implementation of the Uyghur Forced Labor Prevention Act and enforcement of other U.S. laws preventing imports of illegally-traded goods originating from China. "Publicly available information raises concerns about recent enforcement trends," the letter said. "Reports of substantially declining detention activity in key high-risk sectors, combined with continued imports from known transshipment hubs and PRC-linked supply chains, make it important for Congress to understand how DHS is setting enforcement priorities, measuring results, and identifying gaps in enforcement capacity."
Source: Sandler, Travis & Rosenberg, P.A.

BIS Report: Export Enforcement on the Rise

The Bureau of Industry and Security's (BIS) most recent annual report highlights that federal trade enforcement efforts are expanding significantly on the export side as well as the import side.

The report offers the following data on BIS enforcement efforts in 2025.

- imposed approximately $324 million in civil and criminal penalties, an 18-fold increase from 2024
- obtained criminal convictions of 65 individuals and companies for export violations resulting in $84.0 million in criminal fines, $81.5 million in forfeitures, and $5.3 million in restitution along with 2,668 months of imprisonment

- completed 53 administrative enforcement actions and imposed $108.1 million in civil penalties
- secured 162 indictments
- issued 455 warning letters, 705 detentions, and 232 seizures
- issued 29 denial orders against parties convicted under certain federal statutes
- completed 1,840 end-use checks in 73 countries, including 54 pre-license checks and 1,786 post-shipment verification

BIS also further expanded export controls in 2025, including by restricting exports of high-performance semiconductor chips, adding 142 entities to the Entity List, requiring export licenses for semiconductor manufacturing equipment and consumables to Korean- and Taiwanese-owned manufacturing facilities in China, and drastically curtailing the issuance of licenses for exports to companies on the Entity List. BIS also worked to secure foreign alignment with U.S. export controls, including through commitments in reciprocal trade agreements.

On the other side, the report notes, BIS took steps in 2025 to facilitate exports as well. BIS acted to eliminate regulations it felt unnecessarily limited exports, including repealing a rule that had prohibited U.S. firearms exports to 36 countries and announcing plans to rescind a rule “that would have suffocated the global AI industry and alienated American partners and allies.” BIS also processed approximately 30,500 export license applications with an average processing time of 62 days, less than the 90-day statutory benchmark.
Source: Sandler, Travis & Rosenberg, P.A.

Port Houston Container Volumes Fall 6% in July

Port Houston handled 369,899 TEUs in July, a 6% decline from 392,829 TEUs a year earlier, as container growth at the Gulf Coast gateway moderated following stronger frontloading-driven activity earlier in 2026. Despite the monthly dip, the port remained up 1% for the year through July 2026, at nearly 2.6 million TEUs, with loaded imports up 5% year to date and East Asia driving 57% of import volume. Vessel activity strengthened even as container tonnage moderated: Port Houston logged 710 vessel calls in July, up 4% year-over-year, while general cargo tonnage jumped 42%. A new Martin Associates study found Houston Ship Channel marine cargo activity supported $986.9 billion in annual U.S. economic value and nearly 3.53 million jobs in 2025, with Port Houston CEO Charlie Jenkins citing "steady cargo movement" across energy, manufacturing and retail.

Port Houston's July slowdown shows the effects of earlier import frontloading beginning to fade, but rising year-to-date container imports, vessel activity and general cargo volumes indicate freight demand through the nation's largest port for waterborne tonnage remains resilient.
Source: FreightWaves

Panama Canal Scraps Planned October Draft Cut—for Now

The Panama Canal has postponed a planned reduction in the maximum draft for vessels using its Neopanamax locks, offering some near-term relief for ship operators even as the waterway continues to manage capacity amid concerns over a strengthening El Niño.

The Panama Canal Authority said it will maintain the current maximum authorized draft of 48 feet (14.63 meters) Tropical Fresh Water for Neopanamax vessels.

A further reduction to 47.5 feet (14.48 meters), which had been scheduled to take effect October 1, 2026, has now been postponed following the canal’s latest review of Gatun Lake levels and weather forecasts.

The decision marks another adjustment to a series of restrictions announced over the summer as lower-than-expected rainfall raised concerns about freshwater availability.

The canal said it will continue monitoring Gatun Lake and weather conditions and could announce additional draft adjustments as conditions evolve.
Source: gCaptian

Trade Deficit Jumps as Imports Rise, Exports Fall

The monthly U.S. trade deficit in goods and services jumped 24.4 percent from June to July 2026, as imports increased while exports declined. Individual deficits with Mexico, Vietnam, Taiwan, Thailand, South Korea, and Malaysia all hit record highs, and imports from each of those countries except Malaysia were also the highest on record.

Imports of $399.3 billion in July were up 2.8 percent from June. Imports of goods rose 3.7 percent to $320.6 billion, with increases of $6.9 billion for computers, $6.6 billion for computer accessories, and $1.2 billion for semiconductors. Services imports slipped 0.8 percent to $78.7 billion.

Exports were down 2.1 percent to $310.7 billion in July. Exports of goods tumbled 3.0 percent to $201.0 billion, with decreases of $4.5 billion for crude oil and $3.9 billion for non-monetary gold along with increases of $1.9 billion for capital goods and $1.0 billion for pharmaceutical preparations. Services exports lost 0.4 percent to $109.7 billion.

The monthly U.S. trade deficit increased from $71.2 billion in June to $88.6 billion in July. The deficit in goods trade increased 17.3 percent to $119.6 billion while the services trade surplus edged up 0.6 percent to $31.0 billion.

Year-to-date, the trade deficit in July was down 29.6 percent from a year earlier as imports fell 1.9 percent and exports increased by 12.0 percent.
Source: Sandler, Travis & Rosenberg, P.A.

China Sets Auto Export Guidelines

The mainland Chinese government has provided new guidance for export sales by the country's automakers. These include a requirement to "regulate their overseas competitive behavior." That follows a slide in automotive retail sales in mainland China of 18.3% year-over-year in June 2026, the fastest rate of decline since April 2022.

The automakers have already expanded their overseas sales aggressively, most recently launching new sales efforts in Indonesia and Canada among others but have faced elevated tariffs. They have also stabilized prices, shown by mainland China export prices per electric vehicle (EV), which rose by 2.0% in the second quarter of 2026 compared with the fourth quarter of 2026 after a 24.2% drop in the prior two years.

The action is a tangible sign of the mainland Chinese government attempting to rein in the global effects of its domestic over-capacity challenges, and ease frictions with the EU as negotiations over industrial policy continue through October.
Source: S&P Global Intelligence

Nvidia to Raise Prices

Nvidia Corp. is raising prices for its flagship AI accelerator systems by approximately 17%. That is likely being driven by two factors. Component costs, specifically memory, are likely to increase until at least 2028. Another is strong demand linked to AI investment, leading the firm to expect 70% revenue growth despite the "supply-constrained" environment. Higher prices are already spreading through the supply chain. That can be seen in average export prices for computer servers from Taiwan, which climbed 56.9% year-over-year in the second quarter of 2026, and in average deployment costs for Nvidia's new Vera Rubin system, at US$40 billion per gigawatt compared with US$25 billion for the current Grace Blackwell system.
Source: S&P Global Intelligence

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