

# ICC Global Trade Update

7 January 2026

***DISCLAIMER: Given the fast-moving trade policy environment, please ensure that latest developments have been taken into account in your operations and communications.***

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## US TRADE POLICY

### ***National Defense Authorization Act***

- President Trump signed the Fiscal Year 2026 National Defense Authorization Act (NDAA) into law, authorising more than US\$900 billion in national defence priorities while significantly expanding U.S. authorities over investment security, export controls, sanctions, and defense trade.
- The NDAA incorporates the Comprehensive Outbound Investment National Security Act, transforming the Biden-era outbound investment executive order into binding law and substantially broadening its scope. The regime now extends beyond China to include Iran, Russia, Cuba, North Korea, and Venezuela, and adds hypersonic systems to the list of sensitive technologies alongside semiconductors, artificial intelligence, and quantum computing.
- Export control and defence trade authorities have also been strengthened. The NDAA directs reforms to the Pentagon's technology security and foreign disclosure processes, tightens procurement prohibitions tied to Chinese military companies and foreign entities of concern, and reinforces restrictions on sensitive components and materials sourced from adversary-linked suppliers. It also includes some easements relating to AUKUS (the US-Australia-UK defence partnership).

## CBP publishes helpful tariff stacking chart

U.S. Customs and Border Protection (CBP) has [published](#) a helpful chart on how to unstack certain new US tariffs.

Product or Country of Origin	232 Autos/Auto Parts	232 Medium & Heavy Duty Trucks/Parts	232 Aluminum	232 Steel	232 Copper	232 Timber/ Lumber	IEEPA Canada	IEEPA Mexico	IEEPA Reciprocal	IEEPA China	IEEPA Brazil	IEEPA Russian Oil/India
Autos/Auto Parts	Yes	No	No	No	No	No	No	No	No	Yes, if country of origin is <b>China</b>	No	No
232 Medium & Heavy Duty Trucks/Parts		Yes	No	No	No	No	No	No	No	Yes, if country of origin is <b>China</b>	No	No
Aluminum			Yes	Yes, if also contains <b>steel</b>	Yes, if also contains <b>copper</b>	Yes, if classified in HTSUS covered by Proc. 10976	No	No	No	Yes, if country of origin is <b>China</b>	No	No
Steel				Yes	Yes, if also contains <b>copper</b>	Yes, if classified in HTSUS covered by Proc. 10976	No	No	No	Yes, if country of origin is <b>China</b>	No	No
Copper					Yes	Yes, if classified in HTSUS covered by Proc. 10976	Yes, if country of origin is <b>Canada</b>	Yes, if country of origin is <b>Mexico</b>	No	Yes, if country of origin is <b>China</b>	No	No
Timber/Lumber						Yes	No	No	No	Yes, if country of origin is <b>China</b>	No	No
Canada							Yes	No	No			No
Mexico								Yes	No			No
China									Yes	Yes		No
Russia/India												

## Tariff refunds

- On 15 December 2025, the Court of International Trade (CIT) provided further clarity to importers awaiting the Supreme Court's decision on whether the tariffs imposed by President Donald Trump pursuant to the International Emergency Economic Powers Act (IEEPA) are lawful. The CIT made two key findings:
  - The CIT has power to order reliquidation and refunds where the government has unlawfully imposed duties (i.e., if the Supreme Court holds the IEEPA tariffs unlawful).
  - The CIT will retain jurisdiction over claims for refunds for the two-year statute of limitations that applies to such claims under 28 U.S.C. 1581(i).
- Separately, beginning 6 February 2026, U.S. CBP will issue all refunds electronically via Automated Clearing House (ACH) (subject to limited exceptions), as announced in the Electronic Refunds Interim Final Rule published on 2 January 2026 in the Federal Register ([FR Document 2025-24171](#)). Businesses wishing to receive refunds should familiarise themselves with the new requirements.

## US-Switzerland Trade Deal

- The U.S. government issued a [notice](#) implementing tariff-related elements of a framework agreement with Switzerland and Liechtenstein. Under the notice, the United States will apply the higher of the existing most-favoured-nation tariff rate or a 15% rate on products from Switzerland and Liechtenstein. For goods with MFN rates below 15%,

an additional reciprocal tariff will raise the total duty to that level; products already subject to tariffs of 15% or more will not face an added charge.

- A wide range of specified products – including certain agricultural goods, unavailable natural resources, civil aircraft and parts and non-patented pharmaceuticals and inputs – are exempted from the additional reciprocal tariffs.
- The Harmonized Tariff Schedule changes apply to covered goods entered on or after 14 November 2025. The tariff modifications are contingent on successful negotiation of a final trade deal by the end of the first quarter of 2026. If talks are not concluded by 31 March 2026, the United States said it will review and reconsider the changes.

### ***U.S. delays increase in timber and furniture tariffs***

- The U.S. government [announced](#) a delay of planned Section 232 tariff increases on imported upholstered furniture, kitchen cabinets, and vanities that were scheduled to take effect on 1 January 2026. Existing tariffs on these goods will remain at current levels for one additional year, as the United States “continues to engage in productive negotiations with trade partners to address trade reciprocity and national security concerns.” The postponed increases had been set to raise duties on kitchen cabinetry and vanities to 50% and on upholstered furniture to 30%.

### ***Section 301 investigation on Chinese semiconductors***

- In a notice [published](#) in the 29 December Federal Register, USTR determined that China’s long-running, state-directed strategy to dominate semiconductors is “unreasonable” and “burdens or restricts US commerce.” USTR has concluded that China’s acts, policies and practices aimed at achieving dominance in the semiconductor industry are actionable under Section 301 of the Trade Act of 1974 and warrant responsive trade action. Action, however, will not take place for 18 months.
- USTR will impose new Section 301 tariff action on semiconductors from China, beginning with an initial tariff rate of 0%, rising in 18 months to a level to be announced no fewer than 30 days before 23 June 2027.

### ***Government Procurement thresholds***

- The U.S. Trade Representative has [determined](#) the U.S. dollar procurement thresholds to implement certain U.S. trade agreement obligations (including the WTO Government Procurement Agreement), effective 1 January 2026, for calendar years 2026 and 2027.

## **Tariff collections**

- U.S. Customs and Border Protection (CBP) reported it has collected more than US\$ 1 billion in duties on over 246 million shipments valued at \$800 or less since the Administration began phasing out the de minimis exemption in May 2025. Meanwhile the WSJ is [reporting](#) that the change has led to the destruction, return, and damage to tens of thousands of parcels over the same period.

## **MEXICO**

### **Raised Mexican tariffs go into effect**

- [Effective](#) 1 January 2026, new tariffs have entered into force for Mexico's non-FTA partners, raising Mexico's MFN tariff rates across a wide range of products. The official notice was published on 29 December 2025.

### **Mexico strengthens foreign trade rules**

- On 27 December 2025, the General Rules of Foreign Trade for 2026 (RGCE 2026) were officially [published](#) in the Federal Official Gazette (DOF) and took effect on 1 January 2026. The new rules impose new rules on traders, increase compliance and data requirements and strengthen customs penalties.

## **CANADA**

### **Canadian government publishes list of steel derivative products**

- Effective 26 December 2025, the Government of Canada is imposing 25% tariffs on the full value of steel derivative products from all countries – full list [here](#). The tariff will not apply to:
  - Goods that are subject to a tariff under the China Surtax Order (2024), the United States Surtax Order (Steel and Aluminium 2025), the Order Imposing a Surtax on the Importation of Certain Steel Goods, or the Steel Goods and Aluminium Goods Surtax Order;
  - Goods that are casual goods, as defined in Section 2 of the Persons Authorized to Account for Casual Goods Regulations;
  - Goods that are classified under a tariff item of Chapter 98 of the List of Tariff Provisions, even if the goods are otherwise classifiable under a tariff item set out in the schedule;
  - Goods that are imported before July 1, 2026 for use in the manufacture of motor vehicles or chassis for motor vehicles or in the manufacture of parts of or accessories for motor vehicles or chassis for motor vehicles;
  - Goods that are imported before July 1, 2026 for use in aircraft, ground flying trainers or spacecraft or in parts of aircraft, ground flying trainers or spacecraft;

- f. Utility wind towers, and sections of those towers, that are classified under tariff item 7308.20.00 and imported for installation in energy projects located west of the Ontario-Manitoba border; and
- g. Goods that are in transit to Canada on the day on which tariffs come into force.

- Businesses may request the remission of tariffs on derivative products, which will be considered on a case-by-case basis to address situations where “goods cannot be sourced domestically or other exceptional circumstances that could have severe adverse impacts on the Canadian economy.”

## CHINA

### ***China adopts new Foreign Trade Law***

- Chinese lawmakers on 27 December 2025 voted to adopt a revision to the Foreign Trade Law. The revised law, which was passed at a session of the National People's Congress Standing Committee, will take effect on 1 March 2026.
- The revised law incorporates provisions on “safeguarding national sovereignty, security and development interests, while highlighting that China's foreign trade shall serve the national economic and social development.”

### ***China amends customs tariffs***

- On 29 December 2025, The Tariff Commission of the State Council of the PRC officially released the 2026 Tariff Adjustment Plan, which took effect on 1 January 2026. The main changes include:
  - Interim import tariff rates will be applied to 935 categories of goods, excluding those subject to tariff quota management.
  - Tariff quota management will remain in place for eight types of imported goods, including wheat, with existing tariff rates unchanged.
  - Export duties will continue to be levied on 107 categories of goods, including ferrochrome, with provisional export tariff rates applicable to 68 of these items.
  - Revisions have been made to the annotations of certain tariff headings and local subheadings.
  - Under the 24 free trade agreements and preferential trade arrangements that China has signed, preferential tariff rates will continue to apply to eligible imported goods originating from these partners. China will also continue to grant zero-tariff treatment to 100% of tariff lines for 43 LDCs and maintain preferential tariff arrangements for a further 34 trading partners.

## **Chinese export controls**

- On 31 December 2025, the Ministry of Commerce of the People's Republic of China [issued](#) the "Announcement on the Catalogue of Supervision Goods Subject to Export License (2026)," which took effect on 1 January 2026.

## **EUROPEAN UNION**

### ***Cyprus Presidency publishes priorities***

- The Cyprus government has [published](#) its priorities for its six-month Presidency of the Council of the EU. Its trade priorities include signing and ratification of EU-Mercosur and the upgraded EU-Mexico trade agreements, progress on ongoing negotiations, progress on UCC Customs Reform, and the WTO's 14th Ministerial Conference in March 2026.

### ***EU-Mercosur safeguards***

- The Council presidency and the European Parliament reached a [provisional agreement](#) on a regulation implementing the bilateral safeguard clause of the EU-Mercosur Partnership Agreement and the EU-Mercosur interim Trade Agreement for agricultural products. The regulation strengthens protections. The provisional agreement largely preserves the Commission's proposed framework, while introducing a number of targeted additions, notably to strengthen market monitoring and improve the responsiveness of safeguard measures for sensitive agricultural products.
- The text of the provisional agreement will now have to be endorsed and adopted by both institutions before being published in the Official Journal. The regulation will apply to the interim Trade Agreement from its entry into force and will continue to apply once the EU-Mercosur Partnership Agreement enters into force.
- The signing of the EU-Mercosur trade agreement has been delayed until at least January 2026 following a request from Italian Prime Minister Meloni.

### ***UK-EU Summit***

- On 17 December, EU Commissioner for Trade and Economic Security Maroš Šefčovič and HM Paymaster General and Minister for the Cabinet Office The Rt Hon Nick Thomas-Symonds MP issued a [Joint Statement](#) announcing that:
  - They have concluded exploratory talks on the United Kingdom's participation in the European Union's internal electricity market, with the details set out in letters to be published shortly.

- The Commission and the United Kingdom will proceed swiftly on the United Kingdom's association to Erasmus+.
- They aim to conclude, by the time of the next EU-UK Summit, the negotiations on the Youth Experience Scheme, the establishment of a common Sanitary and Phytosanitary Area, and the linking of the EU and UK Emissions Trading Systems.

### ***Strengthened EU Sanitary and Phytosanitary controls***

- The European Commission announced a reinforcement of controls on food, animal and plant products entering the EU. At the conclusion of an [Implementation Dialogue](#) on import controls with stakeholders, Commissioner for Health and Animal Welfare, Olivér Várhelyi, set out various measures to strengthen controls at EU borders and in third countries.

### ***EU Plastics Strategy***

- On 23 December, the European Commission published its Plastics Strategy or [“Accelerating Europe’s transition to a circular economy: a pilot for boosting the circularity of plastics”](#). There are several trade-related proposals including:
  - The Commission will re-launch and strengthen the Circular Plastics Alliance (CPA). The revamped Alliance with the Commission will propose a joint workplan for the Alliance for 2026, focusing on a set of urgent deliverables. In particular, the work of the CPA will support the identification of priority areas for potential future trade investigations.
  - Other deliverables to be proposed to the Alliance will provide a basis for the prioritisation of market surveillance activities or the stimulation of market demand.
  - The Commission will introduce stricter compliance documentation requirements for recycled plastics imported into the EU (food contact), which, once adopted, would provide a basis for the creation of specific customs codes for recyclates, facilitating import controls.
  - The Commission will work towards creating separate customs codes for recycled polymers relevant to other sectors.

## **FREE TRADE AGREEMENTS**

### ***New Zealand-India reach agreement on FTA***

- On 22 December 2025, New Zealand and India [announced](#) that they have reached a Trade Agreement. The Indian press release can be found [here](#). New Zealand [lists](#) the benefits of the agreement as:

- Tariff elimination or reduction on 95% of exports.
- Duty-free access on almost 57% of New Zealand's exports from day one, increasing to 82% when fully implemented, with the remaining 13% being subject to tariff cuts.
- Duty-free access on most iron, steel and scrap aluminium, over 10 years or less.
- Duty-free access for most industrial products, over five to 10 years.
- Additional tariff cuts to dairy, wine and other agricultural products.
- Tariffs on wine reduced from 150% to either 25 or 50% (depending on the value of the wine) over 10 years plus Most Favoured Nation (MFN) commitment.
- MFN status and liberalisation across services exports.

### ***India implements tariff preferences for FTAs***

- The Indian Ministry of Finance has [issued](#) a series of Customs Notifications (No. 50/2025 through 53/2025-Customs) bringing wide-ranging changes in FTA based Basic Customs Duty. This includes India-Australia ECTA (Notification No. 50/2025-Customs), and the EFTA countries including India-Switzerland (Notification No. 51/2025-Customs), India-Norway (Notification No. 52/2025-Customs) and India-Iceland (Notification No. 53/2025-Customs).

### ***EAEU-Indonesia sign FTA***

- The Eurasian Economic Union (EAEU) (Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia) and Indonesia have [formally signed](#) a Free Trade Agreement on 21 December 2025, following two years of negotiations.

### ***Japan-Bangladesh conclude EPA negotiations***

- On 22 December, Bangladesh and Japan [announced](#) the conclusion of Economic Partnership Agreement (EPA) negotiations. The agreement covers both trade in goods and services.

### ***Cambodia launches new FTA portal***

- In December 2025, the Government of Cambodia launched a new [FTA portal](#) designed to support businesses to achieve greater utilisation of its FTAs.

## **TRADE REMEDIES**

### ***US measures***

- **Thermoformed molded fiber:** The International Trade Commission (ITC) determined last week that a US industry is materially injured by reason of imports of thermoformed molded fiber products from China and Vietnam, which the U.S. Department of Commerce has

determined are sold in the United States at less than fair value and subsidized by the governments of China and Vietnam. As a result of the ITC's affirmative determinations, Commerce will issue antidumping duty orders and countervailing duty orders. Commerce found dumping margins of 49.08% to 477.97% for China and 4.58% to 260.56% for Vietnam. Commerce found subsidy rates of 7.56% to 319.92% for China and 5.06% to 200.70% for Vietnam.

- **Steel concrete reinforcing bar:** The Commerce Department issued a preliminary determination that steel concrete reinforcing bar from Algeria is being dumped in the US market at less-than-fair value. Commerce found a dumping rate of 127.32%. Imports of steel concrete reinforcing bar from Algeria were valued at over \$50 million in 2024.

### **Chinese measures**

- **European pork:** China will impose anti-dumping duties for five years on pork and pig by-products imported from the European Union, following a final ruling that the products were dumped and caused material injury to the domestic industry. The duties will apply from December 17, 2025. China's Ministry of Commerce has set anti-dumping duty rates for EU companies at between 4.9% and 19.8%.
- **European dairy:** On 22 December, China's MOFCOM implemented provisional anti-subsidy duties on European dairy products, with ad valorem subsidy rates ranging from 21.9% to 42.7% for sampled companies, a uniform rate of 28.6% for other cooperating EU producers, and a rate of 42.7% for all other non-cooperating EU producers. The deadline for concluding the investigation and for imposing any definitive measures is 21 February 2026.
- **Beef:** China has announced that it will impose an additional 55% tariff on beef imports exceeding quota levels from Australia, the U.S., and other suppliers. The Australian Meat Industry Council (AMIC) has responded saying it will impact AUD 1bn in exports each year.

### **UK measures**

- **Aluminium foil:** The Government has accepted the Trade Remedies Authority's (TRA) final recommendation to maintain an anti-dumping measure on imports of aluminium foil in rolls from China.
- **UK steel quotas:** On 31 December 2025, the UK Government published Trade remedies notice 2025/26: safeguard measure: tariff-rate quota on steel goods concerning Category 13 Steel. The TRA recommended that the TRQ should be varied so that imports of the goods subject to review originating in Vietnam are no longer excepted from the application of the safeguard measure, and Vietnamese imports of these goods should now have access to the residual quota. The resulting TRQ allocations for category 13 are shown in the Quota amount and allocation for year 8 section. The allocations below

supersede the category 13 year 8 quota allocations in [trade remedies notice 2025/12](#). The UK Secretary of State for Business and Trade accepted the TRA's recommendation.

- **Chinese excavators:** The UK's TRA has [published](#) its final decision in the reconsideration of the recommendation to impose a new anti-dumping measure on imports of excavators from China.
- **Boom lifts:** The UK's TRA has [launched](#) anti-dumping and anti-subsidy investigations into imported boom lifts to defend British manufacturers.

## **WORLD TRADE ORGANIZATION**

### ***Senate Finance writes to USTR on WTO position***

- Senate Finance Committee Ranking Member Ron Wyden, D-Ore., [released](#) a letter on 18 December expressing serious concerns to U.S. Trade Representative Jamieson Greer about his agency's recent submission to the World Trade Organization, which attempted to reverse decades of American trade policy and undermine bedrock trade principles that are written into U.S. law. Wyden's letter comes in response to a December 15 submission by the Office of U.S. Trade Representative (USTR) to the World Trade Organization, indicating that America no longer supports the longstanding trade principle known as most-favoured-nation (MFN) treatment.

### ***Philippines joins WTO E-Commerce Agreement***

- The Philippines [announced](#) that it has officially joined as the 72nd co-sponsor of the WTO Agreement on Electronic Commerce, following its announcement at the WTO General Council's December meeting.

### ***WTO disputes***

- China has [requested](#) WTO dispute settlement consultations with India regarding certain Indian measures on solar cells, solar modules, and information technology goods. China said that the measures in question include India's tariff treatment and certain measures that China said are contingent upon the use of domestic inputs and otherwise discriminate against Chinese imports. The request was circulated to WTO members on 23 December.



## ICC NEWS & PUBLICATIONS

- [ICC calls for enabling policy environments to operationalise global digital cooperation](#),  
18 December 2025.

## WHAT WE'RE READING

- USTR Greer's op-ed in the FT on [The year of the tariff](#)
- [Industrial Policy in the era of geopolitical fragmentation](#) from the Institute for International Trade.
- A brief by the US Congressional Research Service on [Illegal, Unreported, and Unregulated \(IUU\) Fishing: Frequently Asked Questions](#)
- A Project Syndicate article on how [Rogue Hegemons Are Sabotaging the Global Economy](#) from Arvind Subramanian.
- The Asia Global Institute's latest [RCEP Trade Tracker Q2 2025](#)

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