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## New Tariffs Proposed on 60 Trading Partners in Connection with Section 301 Investigation Relating to Forced Labor Import Bans

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On June 2, 2026, the Office of the U.S. Trade Representative (USTR) released a [report](#) in connection with its Section 301 investigations into whether 60 trading partners impose and effectively enforce a prohibition on the importation of goods produced with forced labor. USTR [proposes](#) additional *ad valorem* duties of 10% to 12.5% on substantially all products from these economies, with certain exemptions. USTR is soliciting public input regarding the proposed actions. Written comments are due July 6, 2026, and public hearings begin July 7. Requests to testify at the public hearing must be submitted to USTR by June 22, 2026.

### Background and findings

USTR initiated investigations into 60 economies on March 12, 2026, under Section 302(b)(1) of the Trade Act of 1974. After receiving over 450 public comments, holding hearings, and conducting consultations with 46 economies, USTR determined that 54 economies have failed both to impose and to effectively enforce a forced labor import prohibition—including China, Japan, South Korea, India, Australia, the United Kingdom, Brazil, Vietnam, Switzerland, and others. Six additional economies—Canada, Ecuador, the European Union, Indonesia, Mexico, and Pakistan—were found to have adopted a prohibition but failed to effectively enforce it.

USTR concluded that each economy's failure is unreasonable because it (1) undermines the universal aim of eliminating forced labor; (2) permits firms using forced labor to produce goods at artificially lower cost, distorting market conditions; (3) undermines the profitability of firms that do not use forced labor; and (4) contributes to the circumvention of existing forced labor import prohibitions. USTR concluded these failures “burden or restrict U.S. commerce by subjecting U.S. producers to unfair competition in both export markets and the U.S. market, and by displacing foreign goods produced without forced labor or forced labor inputs into the United States and other markets.”

### Proposed action

As a result of its findings, USTR proposes additional *ad valorem* duties on all products of the 60 investigated economies, subject to exemptions.

- A 10% rate would apply to approximately 14 economies that have taken meaningful steps: those with existing forced labor import prohibitions (Canada, EU, Ecuador, Indonesia, Mexico, Pakistan); those with commitments through Agreements on Reciprocal Trade (ARTs) (Argentina, Bangladesh,

Cambodia, El Salvador, Guatemala, Malaysia, Taiwan); and economies with partial regimes (the United Kingdom).

- A 12.5% rate would apply to the remaining 46 economies, including China, Japan, South Korea, India, Australia, Brazil, Vietnam, Switzerland, Norway, New Zealand, Israel, Saudi Arabia, and Singapore.

USTR has also proposed a textile mechanism under which a certain volume of apparel and textile imports from certain economies would enter at a reduced Section 301 tariff rate. The volume would be linked to U.S.-produced textile inputs exported to that trading partner and to the volume of U.S. cotton products the partner imports.

## Exemptions

Annex A to the Federal Register Notice sets out an extensive list of exempt products. This includes:

- articles and parts currently subject to section 232 tariffs;
- raw materials that if subject to the proposed additional tariffs could lead to the unavailability of domestic supply;
- products that could cause economy-wide disruptions if subject to the proposed additional tariffs;
- certain products that cannot be grown or produced in sufficient quantities in the United States or obtained from other sources.
- informational materials (e.g., books), donations, and accompanied baggage.
- articles “for which additional tariffs may not contribute substantially to the elimination of the investigated acts, policies, and practices described” in the report;
- goods that qualify for the U.S.-Mexico-Canada Agreement (USMCA);
- and textiles and apparel products that enter duty-free under the Dominican Republic-Central American Free Trade Agreement (CAFTA-DR)

## Key Dates

USTR is seeking public comments on the proposed actions in the investigations and has specifically invited input on the scope of covered products, the proposed tariff rates, the textile mechanism, and whether products should be added to or removed from the exemption list in Annex A. [Written comments](#) are due July 6, 2026, and public hearings begin July 7. Requests to testify at the public hearing must be submitted to USTR by June 22, 2026.

If you have questions, please contact Blake Harden ([blake.harden@ey.com](mailto:blake.harden@ey.com)) or Evan Gieseemann ([evan.gieseemann@ey.com](mailto:evan.gieseemann@ey.com)).

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