

# USTR proposes Section 301 actions following forced labor investigations of 60 trading partners

June 4, 2026

## In brief

### What happened?

The Office of the United States Trade Representative (USTR) on June 2 proposed the imposition of tariffs on 60 US trading partners. The proposal was the result of its Section 301 investigation that examined whether the 60 US trading partners failed to impose and effectively enforce prohibitions on the importation of goods produced with forced labor. The report concludes that tariffs are merited and also requests public comments on the proposed actions.

The investigations were initiated in March 2026 under Section 301(b) of the Trade Act of 1974 and focused on whether the acts, policies, and practices of the covered economies were unreasonable or discriminatory and burdened or restricted US commerce. Following its investigations, USTR determined that many of the covered economies failed to impose and effectively enforce prohibitions on the importation of goods produced with forced labor and that these failures burden or restrict US commerce. In connection with these findings, USTR proposed additional tariffs on imports from the covered economies.

The investigation determined that products from 54 economies failed to impose and effectively enforce prohibitions on imported goods produced with forced labor and subsequently USTR proposed an additional 12.5% duty rate on imports from these countries. USTR recognized six economies, including Canada, Ecuador, the European Union, Indonesia, Mexico, and Pakistan, that have a forced labor import prohibition, but fail to effectively enforce it. Further, USTR noted that 10 economies, including Argentina,

Bangladesh, Cambodia, Ecuador, El Salvador, Guatemala, Indonesia, Malaysia, Taiwan, and the United Kingdom, have made commitments in their respective Agreements on Reciprocal Trade to prohibit forced labor importations. For these economies, USTR proposes an additional 10% duty rate on imports.

The proposal would also establish a textile and cotton tariff-rate quote mechanism under which certain apparel and textile imports could qualify for a reduced Section 301 tariff rate up to a specified import volume (effectively a tariff-rate quota). The eligible import volume would be tied to the volume of textile and cotton products that the trading partner imports from the United States, creating new opportunities for US exporters and importers participating in integrated supply chains.

## **Why is it relevant?**

The proposed actions could result in additional tariffs affecting imports from many of the United States' largest trading partners, including Canada, Mexico, the European Union, China, Japan, India, and the United Kingdom. This announcement also represents another significant step in the administration's broader effort to use Section 301 authority to implement trade policy measures following ongoing litigation involving certain tariffs imposed under the International Emergency Economic Powers Act (IEEPA).

## **Actions to consider**

Companies sourcing goods from affected economies should assess potential tariff impacts on supply chains, including effects on sourcing, pricing, and contractual arrangements. USTR is accepting public comments by July 6 on the proposed findings and tariff rates to allow affected businesses an opportunity to help shape the final determination. Companies that could be materially affected should consider participating in the comment process and closely monitoring USTR's final decision.

Companies also should continue monitoring other ongoing USTR Section 301 investigations, including the investigation into industrial capacity and related trade practices, as those proceedings could result in additional trade measures and tariff exposure affecting a broader range of products.

# Let's talk

For a deeper discussion of how the proposed Section 301 actions might affect your business, please contact:

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