USTR Announces Final Tariff Rates, Exclusions, and Tariff-Rate Quotas

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July 24, 2026

What happened?

On Thursday, July 23, 2026, the Office of the United States Trade Representative ("USTR") issued its final action pursuant to its investigation under Section 301 of the Trade Act of 1974, initiated on March 12, related to the failure of 60 economies to impose and effectively enforce a prohibition on the importation of goods produced with forced labor. The final action includes new U.S. import tariffs on all 60 economies investigated, with some differences in country-specific rates and covered product scope from the preliminary rates announced on June 2. The final action also includes Tariff-Rate Quotas for textiles and apparel for certain countries.

These tariffs apply immediately to imports from the 60 economies entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. Eastern Standard Time on July 24, 2026. There is an in-transit exemption for articles that (1) were loaded onto a vessel at the port of loading and in transit on the final mode of transit prior to entry into the United States before 12:01 a.m. Eastern Time on July 24, 2026; and (2) are entered for consumption, or withdrawn from warehouse for consumption, before 12:01 a.m. Eastern Time on July 28, 2026.

These tariffs replace the global 10% tariffs, issued under Section 122 of the Trade Act of 1974, which expired at 12:01 a.m. Eastern Time on July 24.

What are the tariff rates?

USTR announced the following import tariff rates applicable to the 60 economies investigated:

- 10% total, inclusive of most-favored-nation ("MFN" or general) rate (2 economies): the European Union; and Taiwan.
- 10% + MFN rate (17 economies): Argentina; Bangladesh; Cambodia; Canada; Ecuador; El Salvador; Guatemala; Honduras; India; Indonesia; Jordan; Malaysia; Mexico; Pakistan; Sri Lanka; the United Kingdom; and Trinidad and Tobago.
- 12.5% total, inclusive of MFN rate (3 economies): Japan; South Korea; and Switzerland.
- 12.5% + MFN rate (38 economies): Algeria; Angola; Australia; the Bahamas; Bahrain; Brazil; Chile; China, People's Republic of; Colombia; Costa Rica; Dominican Republic; Egypt; Guyana; Honduras; Hong Kong, China; Iraq; Israel; Kazakhstan; Kuwait; Libya; Morocco; New Zealand; Nicaragua; Nigeria; Norway; Oman; Peru; the Philippines; Qatar; Russia; Saudi Arabia;

Singapore; South Africa; Thailand; Türkiye; United Arab Emirates; Uruguay; Venezuela; and Vietnam.

The following country rates changed from the preliminary announcement on June 2:

- The European Union: rate decreased from 10% + MFN, to 10% total.
- Taiwan: rate decreased from 10% + MFN, to 10% total.
- Honduras: rate decreased from 12.5% to 10%.
- India: rate decreased from 12.5% to 10%.
- Jordan: rate decreased from 12.5% to 10%
- Sri Lanka: rate decreased from 12.5% to 10%.
- Trinidad and Tobago: rate decreased from 12.5% to 10%.
- Japan: rate decreased from 12.5% + MFN, to 12.5% total.
- South Korea: rate decreased from 12.5% + MFN, to 12.5% total.
- Switzerland: rate decreased from 12.5% + MFN, to 12.5% total.

What exemptions from the tariffs exist?

The above-referenced tariff rates are country-wide, with certain exceptions: all articles and parts of articles that are subject to Section 232 tariffs; USMCA-compliant goods of Canada or Mexico; and textiles and apparel articles that enter duty-free as a good of Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, or Nicaragua under CAFTA-DR; and informational materials, donations, accompanied baggage.

In addition, USTR announced lists of products exempted from the tariffs on a global basis, as well as products exempted on a country-specific basis.

USTR states that global product exemptions were granted based on the following criteria: (a) raw materials that, if subject to these tariffs, could lead to the unavailability of domestic supply; (b) products that could cause economy-wide disruptions if subject to these tariffs; (c) products that cannot be grown or produced in sufficient quantities or at reasonable prices in the United States or obtained from other sources; or (d) products for which these tariffs may not be effective in obtaining the elimination of the acts, policies, and practices of economies found to be actionable in the investigations.

For Argentina, Bangladesh, Cambodia, Ecuador, El Salvador, the European Union, Guatemala, Indonesia, Jordan, Malaysia, Switzerland, Taiwan, or the United Kingdom, USTR states that country-specific exemptions were granted to encourage these economies to fulfill commitments regarding forced labor import prohibitions or to encourage these economies to enact and effectively enforce a forced labor import prohibition.

Scope limitations apply to some of the exemptions, limiting the exemptions to categories such as use in pharmaceutical applications and in civil aircraft.

Overall, USTR’s announcement excludes an additional 471 products from the tariffs beyond those proposed in the June 2 preliminary announcement.

What else does the announcement include?

As previewed in the June preliminary announcement, USTR formally announced the creation of a Tariff-Rate Quota ("TRQ") for certain volumes of textiles and apparel from Bangladesh, Cambodia, Indonesia, and Malaysia. The quota amount for each country will not be subject to these Section 301 tariffs, and will be determined "as soon as feasible" and based on each economy's importation of U.S. inputs. The TRQs will have an initial duration of three years. Until the TRQs are established, the applicable tariff rates described above apply to imports of textiles and apparel from these economies.

What changed from Section 122?

Several countries covered by the Section 122 tariffs, as well as several covered by the invalidated tariffs previously imposed under the International Emergency Economic Powers Act, are not subject to these tariffs. These include many developing economies in Sub-Saharan Africa and the Pacific Islands. Conversely, the 38 economies now subject to the 12.5% + MFN rate have seen their applied tariff rates increase from the global 10% + MFN rate applied under Section 122. As described above, both the applicable exemptions and textile/apparel TRQ differ from Section 122.

What comes next?

Final rates are not-so-final?

While USTR's announcement was presented as a final action, it will be important to monitor whether these rates are truly final. The purported basis for this investigation was whether economies have implemented and effectively enforced a forced labor import prohibition. Cambodia, Guatemala, Honduras, India, Sri Lanka, and Trinidad and Tobago implemented forced labor import prohibitions during the course of this investigation and saw their tariff rates reduced from 12.5% to 10%. Jordan's rate was reduced from 12.5% to 10% in recognition of its commitment to implement a forced labor import prohibition under the agreement finalized between the U.S. and Jordan on July 21. USTR may similarly modify the announced rates to account for additional countries' implementation of forced labor import prohibitions or commitments to implement such prohibitions in future finalized bilateral agreements. Indeed, Vietnam announced its implementation of a forced labor import prohibition on July 22, although that seems to have come too late for inclusion in the July 23 action. If any of the 60 investigated economies move beyond imposing a forced labor import prohibition and effectively enforce their prohibition by detaining shipments believed to contain forced labor inputs, it will be interesting to see if USTR correspondingly reduces their applicable Section 301 tariff rate below the current 10% floor.

Increasing importance of forced labor compliance and traceability

In addition to the tariff implications of this announcement, there are also important forced labor compliance considerations. When this investigation was initiated on March 12, three countries in the world had implemented forced labor import prohibitions: the U.S., Canada, and Mexico. Today, 13 countries have implemented such a prohibition: the U.S., Canada, Mexico, Cambodia, Ecuador, Guatemala, Honduras, India, Indonesia, Pakistan, Sri Lanka, Vietnam, and Trinidad and Tobago. As the number of such countries with such prohibitions is likely to continue to grow, and as economic incentives to enforce these prohibitions are applied in the form of U.S. import tariff reductions, companies should be mindful of the forced labor compliance and traceability expectations applicable to an increasing number of jurisdictions. While forced labor compliance began as a U.S. customs matter, it is increasingly becoming a global compliance matter.

How will these tariffs stack with anticipated tariffs from other Section 301 investigations?

USTR's announcement does not address other investigations under Section 301 of the Trade Act of 1974, including: the investigation related to structural excess capacity and production in manufacturing sectors of 16 economies initiated on March 11, 2026; the investigation into China's implementation of commitments under the Phase One Agreement, initiated October 28, 2025; the investigation into Vietnam's acts, policies, and practices related to intellectual property protection and enforcement announced on May 29, 2026; or the final 25% tariffs imposed in response to Brazil's unreasonable acts, policies, and practices announced on July 22, 2026. USTR's findings and recommended remedies related to the excess capacity, China, and Vietnam investigations are still forthcoming. Although stacking with the Brazil Section 301 action now in place is not specifically addressed, the absence of an explicit non-stacking provision indicates that imports from Brazil will be subject to the terms of both 301 measures. Indeed, remedies subsequent to each investigation are expected to stack on top of the remedies announced here for economies subject to multiple investigations.