USTR Proposes Section 301 Overcapacity Tariffs on 14 of 16 Economies Investigated; Public Comment Period and Public Hearing Will Precede Any Final Action

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On Wednesday, November 25, the Office of the U.S. Trade Representative (USTR) announced its determinations and proposed tariff actions pursuant to its Section 301 investigations relating to structural excess capacity and production in manufacturing sectors. The announcement begins a public engagement process on the proposed remedy that will include a public comment period (running through January 5, 2027) and a public hearing (commencing January 25, 2027, and continuing as needed) prior to any final actions.

USTR is proposing new import tariffs on 14 of the 16 economies investigated, finding that structural excess capacity and production in those economies is unreasonable and burdens or restricts U.S. commerce. Those 14 economies are: Bangladesh, Cambodia, China, the European Union, India, Indonesia, Japan, Korea, Malaysia, Singapore, Switzerland, Taiwan, Thailand, and Vietnam. USTR has not made determinations with respect to Mexico or Norway at this time (although that could change before final rates are announced).

Notably, USTR is proposing that the overcapacity tariffs ***not*** stack on top of the 10% and 12.5% tariffs implemented earlier this year on 60 economies pursuant to the Section 301 forced labor investigation ("Forced Labor 301"). For products from China, USTR is proposing that the new rates ***do*** stack on top of the Section 301 IP-related tariffs from the first Trump administration ("China IP 301"). For economies ***other than China***, USTR explicitly states that these tariffs would not stack on top of any existing Section 232 tariffs.

For each economy for which a determination has been made, USTR has posted a substantive report and a draft Federal Register Notice (FRN) that includes the proposed economy-specific tariff action. Specific products are exempted for each economy on an individual basis (see the Appendix to each FRN), along with certain "scope limitations" on the availability of some of those exemptions.

Covered Economies and Proposed Rates:

Economy	Proposed 301 Rate	Report	Draft FRN
Bangladesh	18% (net of Forced	Bangladesh	Bangladesh FRN

	Labor 301 tariffs); could go up to 20% if ongoing consultations and existing commitments are found to be unsatisfactory	report	
Cambodia	18% (net of Forced Labor 301 tariffs); could go up to 25% if ongoing consultations and existing commitments are found to be unsatisfactory	Cambodia report	Cambodia FRN
China	20% generally (net of Forced Labor 301 tariffs); 10% for certain products identified in Annex A (net of Forced Labor 301 tariffs); no new tariffs for certain products identified in Annex B, consistent with the U.S. commitments to China under the Board of Trade The 20% and 10% rates could be increased to 40% generally if China does not adequately address the issues raised in the investigation	China report	China FRN
European Union	15% (net of MFN and Forced Labor 301 tariffs); could go up to 20% if ongoing consultations and existing commitments are found to be unsatisfactory	EU report	EU FRN
India	25% (net of Forced	India report	India FRN

	Labor 301 tariffs); could be reduced to 17% if India and the U.S. reach a bilateral agreement		
Indonesia	18% (net of Forced Labor 301 tariffs); could go up to 25% if ongoing consultations and existing commitments are found to be unsatisfactory	Indonesia report	Indonesia FRN
Japan	15% (net of MFN and Forced Labor 301 tariffs); could go up to 20% if ongoing consultations and existing commitments are found to be unsatisfactory	Japan report	Japan FRN
Korea	15% (net of MFN and Forced Labor 301 tariffs); could go up to 25% if ongoing consultations and existing commitments are found to be unsatisfactory	Korea report	Korea FRN
Malaysia	18% (net of Forced Labor 301 tariffs); could go up to 25% if ongoing consultations and existing commitments are found to be unsatisfactory	Malaysia report	Malaysia FRN
Singapore	20% (net of Forced Labor 301 tariffs); could be reduced to 10% if Singapore and the U.S. reach a bilateral agreement	Singapore report	Singapore FRN
Switzerland	15% (net of MFN and	Switzerland report	Switzerland FRN

	Forced Labor 301 tariffs); could go up to 20% if ongoing consultations and existing commitments are found to be unsatisfactory		
Taiwan	15% (net of MFN and Forced Labor 301 tariffs); could go up to 25% if ongoing consultations and existing commitments are found to be unsatisfactory	Taiwan report	Taiwan FRN
Thailand	18% (net of Forced Labor 301 tariffs); could go up to 25% if ongoing consultations and existing commitments are found to be unsatisfactory	Thailand report	Thailand FRN
Vietnam	35% (net of Forced Labor 301 tariffs); could be reduced to 20% if Vietnam and the U.S. reach a bilateral agreement	Vietnam report	Vietnam FRN

USTR asserts that the tariffs on China, the EU, Japan, and others are specifically recommended at rates that USTR believes to be consistent with bilateral agreements the United States has made with each economy. As such, USTR appears to presume that retaliation by each such trading partner is not expected.

The FRNs specific to Bangladesh, Cambodia, India, and Malaysia request comment on whether to establish a textile mechanism to allow for a certain volume of apparel and textile imports to enter the United States at a reduced Section 301 tariff rate. They also ask whether the duty rate on certain textile and apparel products should take into account any textile mechanism established under the Forced Labor 301. The Forced Labor 301 final action directed the establishment of two tariff-rate quotas (TRQs) — one for cotton and one for textiles and apparel — for Bangladesh, Cambodia, Indonesia (not India), and Malaysia. As of this writing, the TRQs have not been implemented.

The actions proposed by USTR are not final. In accordance with the normal procedures under Section 301 and the Administrative Procedure Act, USTR will (a) solicit public comments (***due January 5***),

(b) hold a hearing (***commencing January 25***), and then (c) announce final tariff rates (possibly with an additional hearing), which will then (d) enter into force at a subsequent date certain.

See our March 2026 blog post on the launch of these investigations.