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Trump Unveils Broad Set of New Tariffs

Duties cite forced labor, cover over 80 nations representing 99% ofU.S. trade

Note

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WASHINGTON—The U.S. will impose tariffs ranging from 10% to 12.5% on its major trading partners as part of a new set of duties that the Trump administration says are designed to combat forced labor.

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The new duties, announced by U.S. Trade Representative Jamieson Greer's office on Thursday, are meant to replace Trump's temporary 10% global tariff, which was expiring early Friday. President Trump put that temporary tariff in place in February, after the Supreme Court struck down most of his global tariffs.

The new levies target more than 80 countries that Greer's office says represent about 99% of U.S. trade. Countries that have laws on the books to combat forced labor were given a 10% tariff, while those without such statutes were given a 12.5% tariff.

The new levies were to go into place at 12:01 a.m. Eastern time on Friday, the same time the temporary tariffs were set to expire. Goods covered by separate national security tariffs like steel, aluminum, automobiles and parts, won't be subject to the new tariffs, and certain food and agricultural imports, fertiliz--ers and energy products will also be exempt.

The new levies are based on a frequently used section of trade law—Section 301 of the Trade Act of 1974—that is considered more legally durable than the basis for the tariffs the Supreme Court struck down. Once in place, the levies can remain indefinitely and be unilaterally altered by the president.

The immediate economic impacts of the tariffs are expected to be limited, as the new tariff rates are similar to the 10% global tariff that was expiring early Friday. Even so, trade experts point out that there are a number of other tariff actions planned in the coming months that could further raise costs for busi--nesses and consumers.

Countries that make progress in combating forced labor, such as passing laws prohibiting the importation of goods made with it, could move from a 12.5% tariff to 10%, a senior administration official told reporters Thursday. India, for instance, was slated for a 12.5% tariff when a preliminary report was released by the U.S. government in June, but was downgraded to a 10% tariff after passage of a law combating forced labor.

It remains unclear, however, if any nation could convince the Trump administration to move its forced labor tariffs to zero. The U.S. doesn't currently view any nation in the investigation as sufficiently enforcing its labor protections, even if it has laws on the books, but the official said the administration would continue to monitor the issue.

Despite the stated goal of combating forced labor, critics argue the new levies are actually aimed at rebuilding Trump's global tariff regime in the aftermath of the Supreme Court ruling. Immediately following the decision, senior administration officials said they would replace the illegal tariffs with levies at similar levels, though in recent weeks Greer has been more careful not to prejudge the outcomes of his tariff investigation in case of legal challenges.

"They've shifted, once they launched these investigations, into a more deliberate, rigor--ous process, which you would expect from USTR," said Blake Harden, former trade counsel for the House Ways and Means Committee now at consulting firm EY. "Does that change the fact that they're still trying to re-create the tariff regime? Probably not."

Trade lawyers say the new tariffs are likely to withstand legal scrutiny, as Section 301 gives broad authority to the president to enact tariffs after an investigation. While some critics have argued that Greer's forced labor investigation isn't as thorough as previous Section 301 probes, the Trade Act doesn't require "mathematical precision" for tariffs to pass legal muster, said Tim Brightbill, a partner at law firm Wiley Rein.