



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

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USTR releases findings in its Section 301 Investigation into 'Forced Labour'

MARKET INTELLIGENCE REPORT

Summary

- The Office of the United States Trade Representative (USTR) has proposed a 12.5% tariff under section 301(b) of the Trade Act of 1974 (on top of the regular US MFN tariffs) for New Zealand and 45 other economies.
- The Minister for Trade and Investment made it clear that New Zealand disagrees with the findings of the investigation and will continue to register this with the US Government.
- This is still a proposed measure to be confirmed after a short comment period. However, the US announcement signals that the new tariffs are likely.
- The proposed measure would replace the current 10% 'section 122' tariff (under section 122 of the Trade Act of 1974), which is due to expire on 24 July.
- Current exemptions for goods such as beef and kiwifruit would continue unchanged under this proposed 'section 301' tariff.
- Like the section 122 tariffs, the proposed section 301 tariffs would not stack on top of separate 'section 232' tariffs (under section 232 of the Trade Expansion Act of 1962) which apply on certain products such as on wood, steel, and aluminium.

Report

USTR releases findings after its investigation into forced labour

On 2 June, USTR released its initial findings and proposed action in its section 301 investigation into the acts, policies, and practices of 60 economies – constituting 99% of US imports – into the “failure to impose and effectively enforce a prohibition on the importation of goods produced with forced labor”.

It found that all 60 economies either do not impose an import ban or do not effectively enforce a ban and therefore the acts, policies and practices are “unreasonable and burdens or restricts US commerce and are thus actionable under Section 301(b) of the Trade Act of 1974”.

Proposed tariffs:

USTR proposes an additional 12.5% tariff on most investigated economies, including New Zealand. That rate would look to replace the current 10% section 122 tariff before it expires on 24 July.

For 14 economies with which the US has concluded ‘Agreements on Reciprocal Trade’ or similar bilateral ‘deals’ that include commitments to ban and enforce imports of goods made with forced labour (or that have forced labour regimes in place) **USTR proposes an additional tariff of 10%.**

The **full list of economies** is set out in the table below.

Proposed s301 10% tariff:	Argentina, Bangladesh, Cambodia, Canada, Ecuador, El Salvador, the European Union, Guatemala, Indonesia, Malaysia, Mexico, Pakistan, Taiwan, and the United Kingdom.
Proposed s301 12.5% tariff:	Algeria; Angola; Australia; the Bahamas; Bahrain; Brazil; Chile; China, People’s Republic of; Colombia; Costa Rica; Dominican Republic; Egypt; Guyana; Honduras; Hong Kong, China; India; Iraq; Israel; Japan; Jordan; Kazakhstan; Kuwait; Libya; Morocco; New Zealand ; Nicaragua; Nigeria; Norway; Oman; Peru; the Philippines; Qatar; Russia; Saudi Arabia; Singapore; South Africa; South Korea; Sri Lanka; Switzerland; Thailand; Trinidad and Tobago; Türkiye; United Arab Emirates; Uruguay; Venezuela; and Vietnam.

Exemptions:

- The existing list of products exempt from additional duties is unchanged. These products constitute approximately 30% of New Zealand's exports to the United States, including **beef and kiwifruit**.
- Products subject to section 232 sectoral tariffs – for example wood, steel, aluminium, and copper – will not be subject to these proposed additional duties, and will continue to face section 232 tariffs of 10-50% instead, on top of MFN tariffs.

Forward process:

USTR has invited comment in writing on the proposed actions by 6 July 2026. It will also hold further public hearings on 7 July 2026.

More information can be found in [USTR's Press Release](#), which includes the report.

More info

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