US reinforces tight trade policy with new tariffs on imports from 60 economies | Credendo

Event

Following the expiry of the temporary global tariffs imposed in February, the US imposed new duties ranging from 10% to 12.5% on imports from 60 economies, including the EU, the UK, Canada, Japan, Australia, India and China. The tariffs were justified by the alleged "failure to impose and effectively enforce a prohibition on the importation of goods produced with forced labour", with Section 301 of the Trade Act of 1974 serving as the legal basis.

Impact

On 20 February 2026, the US Supreme Court invalidated most reciprocal tariffs imposed under the International Emergency Economic Powers Act (IEEPA) on "Liberation Day" in April 2025, while leaving sector-specific tariffs unchanged. The US administration subsequently introduced new tariffs under Section 122 of the Trade Act of 1974, including a temporary 10% global tariff on 24 February. These newly imposed tariffs follow the temporary measures expiring this month and are justified by an investigation into forced labour practices, underscoring the administration's efforts to establish alternative legal grounds for its tariff policy. The measures may face further legal challenges in the courts, but they could ultimately remain in place.

Looking ahead, the Trump administration is expected to maintain its tight trade stance by imposing new tariff regimes as temporary measures expire or if existing tariffs face legal setbacks. Recent actions, including the threat to impose a 100% tariff on generic drugs from 2028, the decision not to renew the United States-Mexico-Canada Agreement (USMCA) in its current form and the imposition of tariffs of 25% on selected Brazilian goods under Section 301 of the Trade Act of 1974 and 50% on certain Canadian products under Section 338 of the Tariff Act of 1930, illustrate the administration's determination to maintain trade tariffs through existing legislative mechanisms. Further tariff measures are likely, as the US administration is currently investigating 16 countries over allegations of manufacturing overcapacity.

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