

ICC Global Trade Update

20 August 2026

DISCLAIMER: Given the fast-moving trade policy environment, please ensure that latest developments have been taken into account in your operations and communications. This update is prepared exclusively for ICC members and National Committees. External sharing or publication is not permitted.

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United States of America

Unmanned Aircraft Systems

- On 13 August, President Trump issued a [proclamation](#) and accompanying [fact sheet](#) imposing new Section 232 tariffs on unmanned aircraft systems (UAS), docking stations and specified components, following the Commerce Department national security investigation. From 3 September 2026, imports of UAS above 25kg, UAS integrating thermal imagers, docking stations and critical components listed in Annex I face a 100% ad valorem tariff, with exceptions for retail, agricultural and Department of War use; covered UAS of 25kg or less face 25%. A further 25% applies to additional UAS and aerospace components in Annex III from 9 February 2027. Products from Japan, South Korea, Taiwan, Switzerland, Liechtenstein and the EU face a 15% tariff and UK-origin products no more than 10%, provided substantially all critical components originate from the US or the foregoing partners. An onshoring incentive programme offers temporary relief to firms committing to US production before 20 January 2029. UAS manufacturers and importers should map component origin against the Annexes and assess eligibility for the Blue UAS list delay and the onshoring relief.
- Separately, BIS issued a [final rule](#), effective 13 August 2026, relaxing export controls on commercial unmanned aerial vehicles. The rule expands the set of commercial drones eligible for

less restrictive controls by increasing the flight-endurance threshold from one hour to three hours and removes wind-gust tolerance as a classification parameter. Qualifying aircraft will generally be controlled under ECCN 9A012 for antiterrorism reasons, allowing many civilian drones and related technology to reach most destinations without a licence. Licence requirements can still arise from destination, end user, intended use or technical features, and controlled payloads and missile-technology thresholds continue to apply.

Critical Minerals

- BIS issued a [temporary final rule](#) on 6 August 2026 requiring US sellers of black mass (shredded lithium-ion battery material) and tungsten waste and scrap to allocate 100% of monthly sales to US buyers unless BIS grants an exception. The rule takes effect on 27 August 2026 for about one year, implementing a 30 July presidential determination under Section 101 of the Defense Production Act, and follows Chinese tungsten export curbs.
- USTR [welcomed](#) S&P Global new critical-minerals pricing benchmarks covering gallium, germanium, tungsten, antimony, neodymium and praseodymium, describing them as a step toward transparent, market-based pricing. The move supports the proposed Agreement on Trade in Critical Minerals, which [aims to establish](#) phased, mineral-specific price floors adjusted at the border and common standards across partners, building on action plans with Japan, Mexico and the EU.

Section 232 Derivative Products

- The Commerce Department is proposing to extend Section 232 tariffs on aluminium, steel and copper to 14 additional derivative categories, including electrical conductor cables, fire extinguishers, heat-exchanger parts, welding-machine parts, safes, aluminium powder, cranes, trailers, agricultural trailers and brass instruments, in a Federal Register [notice](#).

Section 301 Forced-Labour Tariffs: State Litigation

- Twenty-five Democratic state governments have [filed](#) a case at the US Court of International Trade challenging the Section 301 tariffs imposed on 60 countries for alleged forced-labour violations, arguing the tariffs are unlawful. The action adds litigation risk to the forced-labour tariff regime that took effect on 24 July.

De Minimis

- The US Court of International Trade [ruled](#) on 13 August in favour of the 2025 decision to rescind the de minimis exemption for certain imports below \$800, concluding that the President had authority under the International Emergency Economic Powers Act to close the exemption for low-value imports from China, Canada and Mexico, while reiterating that IEEPA does not authorise the tariffs themselves.

IEEPA Refunds

- On 7 August, Judge Eaton of the Court of International Trade asked the Department of Justice whether CBP holds any protocol that could result in deletion of entry-related information from the period during which IEEPA duties were collected, a question relevant to the scope of any eventual refunds.

Transshipment

- On 13 August, the White House released a report, [The Great Transshipment Scam](#), alleging that Chinese exporters use 40 countries to evade US tariffs; goods from these countries are likely to face heightened CBP scrutiny.

Regulatory Agenda

- The federal government 2026 [Unified Agenda](#) signals material regulatory change across customs, export controls, defence trade and outbound investment, though it is a planning document whose target dates may slip. Headline items include a DHS proposal (September 2026) to implement the indefinite suspension of the Section 321 de minimis exemption with revised electronic filing and new bonding requirements; BIS rulemakings rescinding and replacing the January 2025 AI Diffusion framework, adding new Export Control Reform Act controls, and an affiliate rule extending Entity List controls to affiliates (November 2026); a narrowed ITAR adding Saudi Arabia and Peru to the major non-NATO ally list; a copper derivative inclusions process; and a Treasury outbound-investment proposal.

AGOA

- The Senate voted 89 to 4 on 3 August to advance legislation extending the African Growth and Opportunity Act and temporarily funding the government. The bill (HR 6500) extends AGOA by two years to 31 December 2028 and extends the Haitian HOPE Act to the same date.

USMCA

- The US [announced](#) the resolution of a USMCA Rapid Response Labor Mechanism matter at the Grupo Yazaki facility in Leon, Guanajuato, and has resumed liquidation of tariffs on goods from the facility, which produces automotive components, wire harnesses and electronic components.

Jones Act

- The Administration has extended the Jones Act waiver, which allows foreign-flagged vessels to transport cargo between U.S. ports, to 15 November 2026; details are set out in CBP [guidance](#).

Canada

Concessions Package to the US

- Canada has presented the US with a package of trade proposals aimed at averting the 50% tariffs scheduled for 19 August, including repealing its retaliatory tariff on US-made autos and offering cooperation on critical minerals, energy and defence, while pressing Washington to reduce levies on Canadian steel, aluminium and autos. Prime Minister Carney has ruled out a narrow deal, seeking a comprehensive arrangement and a commitment to renew USMCA.

Commodities Sectoral Support Program

- The Canadian government has [introduced](#) the Commodities Sectoral Support Program to reduce domestic freight-shipment costs for Canadian steel and steel products. Canadian steel producers and shippers should assess eligibility for freight support.

China

Countermeasures Against US Entities

- On 5 August, MOFCOM [issued](#) Order No. 2 (2026) adding Applied DNA Sciences and five other US entities to its counter-measure list under the Anti-Foreign Sanctions Law, in response to US forced-labour sanctions related to Xinjiang; organisations and individuals in China are prohibited from transactions with the listed entities. In response to recent FCC decisions, China separately [added](#) Compliance Testing LLC to the same list.

Foreign-Trade National Security Investigation

- China has [launched](#) its first foreign trade-related national security investigation, targeting imported office equipment (printing and copying devices) running foreign system software, under the Foreign Trade Law. The probe will assess the impact of such imports on national security interests.

Drone Export Controls

- On 5 August China [updated](#) its list of drone-related dual-use items and tightened export controls to the US.

Exit and Entry Administration

- On 31 July, China [issued](#) new State Council Regulations on Exit and Entry Administration, effective 15 September 2026, tightening exit risk procedures, refining restrictive measures and standardising entry and exit intermediary services.

European Union

CBAM Guidance

- The Commission has [published](#) ten guidance documents for non-EU operators on the CBAM definitive period, covering core concepts, a quick guide for non-EU operators, emissions-calculation methods and sector-specific guidance. Separately, the US Ambassador to the EU argued in an FT [op-ed](#) that Europe's carbon mechanism is a tariff by another name.

Batteries Regulation

- The Commission has [published](#) for feedback a draft implementing regulation under the Batteries Regulation setting out how recycled content in batteries should be calculated and verified.

Brazil

Industrial Tariff Changes

- On 6 August Brazil [modified](#) import duties on around 750 capital-goods lines (a mix of increases and reductions), eliminated duties on 44 IT and telecommunications products, updated the ex-tarifario list for trucks, trailers and agricultural and road machinery, and granted exemptions on certain automotive parts, effective 13 August.

Reciprocity Process Against the US

- On 13 August Brazil [opened](#) a formal procedure under its Economic Reciprocity Law through Camex, responding to the 22 July US 25% tariff and the 12.5% forced-labour duty. The process opens a 60-day consultation window, with ordinary countermeasures requiring at least five months and an expedited interministerial track available.

Japan

Machine-Tool Export Controls

- From 16 August 2026, Japan is [enforcing](#) revised export controls on certain high-end machine tools and related technologies, applying stricter case-by-case licensing to five-axis CNC machine tools, high-precision rotary tables, linear encoders and related design technology. Exporters and buyers of advanced machine tools should build the new case-by-case approval step into procurement timelines.

World Trade Organization

WTO Reform

- On 4 August, the General Council Chair, H.E. Clare Kelly of New Zealand, circulated ([JOB/GC/REFORM/7](#)), annexing the first reports from the four reform facilitators on the informal plenary sessions of 20, 22, 27 and 29 July. The reports cover four tracks: Foundational Issues, Decision-Making, Development and Level Playing Field Issues. Across all four, facilitators stressed that the current phase is a Member-driven discussion rather than a negotiation, intended to clarify differences before any decision points.
- The reports reveal sharp divisions. A large majority, chiefly developing Members, want the WTO foundational principles (most-favoured-nation treatment, transparency, binding dispute settlement and special and differential treatment) reaffirmed, attributing current problems to implementation failures; a smaller group of industrialised Members, including the US, EU and Japan, want to reassess whether those principles remain suited to contemporary conditions. Special and differential treatment is the central flashpoint, with many Members treating it as a non-negotiable treaty right and others pressing for objective differentiation. Restoring a functioning dispute settlement system drew wide support but remains unlikely in the near-term.
- Under the indicative calendar, post-summer stocktakes run from 1 to 4 September, with the next facilitated plenaries on 18, 22, 24 and 28 September. Indicative checkpoints are the December 2026 and February 2027 General Councils and a possible midway ministerial review in 2027.

Members and observers should use the August outreach window to shape facilitator agendas ahead of the September stocktakes.

Trade Remedies

EU Measures

- **Terephthalic acid:** the Commission has [imposed](#) anti-dumping duties on imports from Korea (6.1% to 13.3%) and Mexico (24.1%).

UK Measures

- **Polyethylene terephthalate:** the Trade Remedies Authority has [initiated](#) a new safeguard investigation into PET imports and [notified](#) the WTO Committee on Safeguards.
- **S-PVC:** the Trade Remedies Authority has [initiated](#) a new dumping investigation into S-PVC imports from China, Mexico and South Korea.

Canadian Measures

- **Wood cabinets and vanities:** Canada has [imposed](#) a provisional safeguard tariff on imports of wood cabinets and vanities.

US Measures

- **Silicon metal:** the International Trade Commission determined that US industry is materially injured by dumped and subsidised imports of silicon metal from Australia and Norway; Commerce will issue antidumping and countervailing duty orders.
- **Stainless steel pipe:** on 10 August Commerce [initiated](#) antidumping investigations into welded stainless line and pressure pipe from India, Türkiye and the UAE, with a parallel anti-subsidy investigation covering India and Türkiye.

ICC News & Publications

- **News:** [ICC Trade Register becomes ICC Global Trade Intelligence Report to reflect expanded scope](#) (5 August 2026).

What We're Reading

- **From the Federal Reserve Bank of New York:** [Global Supply Chain Pressure Index \(July\)](#).
- **From the Government of Scotland:** [Trade in Services Report](#).
- **From the Hinrich Foundation:** [These boots are made for walkin, and a lesson in supply chain resilience](#).
- **From ICIS:** [US tariff exposure for recycled plastics](#).
- **From the US-China Business Council:** [Stagnated American Export Licensing Regime Eroding Competitiveness with China](#).
- **From the European Commission Joint Research Centre:** [Assessing the economic impacts of stronger alignment of production standards applied to imported products on the EU agricultural](#)



- [sector.](#)
• **From the Congressional Research Service:** [China One Belt, One Road Initiative: Economic Issues.](#)

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