# ICC Global Trade Update

**6 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.***

## Contents



# United States of America

***USMCA Review***

- The US and Mexico held their third bilateral round under the USMCA review. Ambassador Greer and President Sheinbaum reviewed progress across economic security, labour, agriculture, electronic payments, steel and aluminium, derivative products and the automotive sector. Appearing before the Senate Finance Committee, USTR Greer said he hopes to present options to the three leaders by year end, and confirmed the Administration remains committed to the agreement despite choosing not to trigger automatic renewal. More complex issues, including rules of origin, labour and environment, are likely to be deferred to 2027. See the joint statement.

### Tariff Legislation

- Senate Finance Committee ranking member Ron Wyden introduced the Congressional Trade Powers Reform Act of 2026 on 22 July, which would require Congressional approval for presidential tariffs, establish a bicameral Joint Committee on Tariffs and Trade, require Congressional approval of binding trade agreements, and move USTR outside the Executive Office of the President with an inspector general. Businesses should monitor the bill as a signal of Congressional appetite to constrain executive tariff authority, though near-term passage is unlikely.

### Section 301 Threats Against the EU

- President Trump threatened further tariffs on the EU, flagging a possible Section 301 investigation into Digital Services Taxes and the Digital Markets Act; USTR Greer issued a supporting statement. Separately, House Republicans introduced the Stop EU Overreach Act, directing USTR to open a Section 301 probe into the EU sustainability regime, including the CSDDD, CSRD, Deforestation Regulation and CBAM, which the sponsors claim could impose over $1 trillion in compliance costs on US business. Exporters with EU sustainability exposure should track both tracks for escalation risk.

### Section 232 Aluminium

- President Trump signed a Section 232 proclamation establishing an investment-incentive programme to expand US primary aluminium capacity. Commerce will approve company onshoring plans, after which approved applicants may import primary aluminium matching the facility anticipated annual output at half the otherwise-applicable Section 232 rate. Construction must begin by 20 January 2029, and the benefit can be retroactively rescinded in cases of fraud.

### Defence Supply Chains

- On 20 July President Trump issued an Executive Order securing defence supply chains rather than imposing a tariff. It limits Secretary of Defense waivers for critical materials from covered nations under 10 U.S.C. 4872, directs fuller mapping of designated critical supply chains, and encourages qualification of new domestic and partner-nation sources.

### Section 338 Tariffs on Canada

- President Trump signed three Section 338 proclamations imposing an additional 50% ad valorem duty on specified Canadian goods, effective from 19 August 2026. The measures apply regardless of USMCA origin but exclude energy, potash, goods already subject to Section 232, and certain items such as fish and critical minerals, and do not stack on Section 232 or qualifying civil-aircraft duties. The three actions target motor vehicles, alcoholic beverages and dairy, each citing distinct Canadian measures against US commerce. Importers of the broad basket of covered goods should map exposure and confirm carve-out eligibility before the effective date.

- Canada has responded to the proposed 50% Section 338 tariffs by favouring immediate diplomatic engagement over retaliatory measures, labelling the move an unjustified violation of the USMCA. Prime Minister Carney and President Trump have agreed to intensify negotiations, with Canadian officials heading to Washington for high-level meetings ahead of the August 19, 2026 deadline.

### *US-Jordan Reciprocal Trade Agreement*

- The US and Jordan signed an Agreement on Reciprocal Trade that leaves current tariff rates unchanged. Jordan will continue duty-free access for almost all US goods and committed to enforce environmental and labour laws, prohibit imports of goods made with forced labour, strengthen IP protection, remove non-tariff barriers and expand market access for US agricultural products and vehicles. The two sides will also cooperate on supply-chain resilience, investment security, export controls and duty evasion.

### *Section 232 Pharmaceuticals: CBP Guidance*

- US Customs and Border Protection issued formal guidance on the Section 232 pharmaceutical tariffs. From 31 July 2026, every importer of covered Chapter 29 and 30 goods must report a Chapter 99 heading (9903.04.60 to 9903.04.69) on entry, even at 0%. Headline rates combine the column-one duty with the Section 232 rate: 100% default for patented articles; 15% for Japan, EU member states, South Korea, Switzerland and Liechtenstein; 10% for the UK; 20% for qualifying onshoring plans; and 0% for specified categories. Where more than one rate could apply, the lowest applies. Section 232 duties are collected in addition to any FTA or preference rate, drawback is available, and covered goods entering a Foreign Trade Zone must be admitted as privileged foreign status.

- CBP issued further guidance confirming that patented pharmaceuticals and associated ingredients that are the product of the UK, entered under heading 9903.04.63 from 31 July 2026, are subject to a 0% additional ad valorem duty.

### *Critical Minerals*

- The State Department launched the U.S.-Africa Strategic Investment Program, worth $500 million across two focus areas: Critical Minerals Investment and Commercial Diplomacy Acceleration.

- President Trump issued a memorandum and fact sheet determining under Section 101 of the Defense Production Act that recoverable critical minerals and materials are scarce and essential to national defence. Recoverable materials include black mass, end-of-life rare-earth magnets, swarf and scrap, but expressly exclude copper scrap. Commerce is directed to implement the determination and publish it in the Federal Register.

### *FCC Covered List: Robots and Inverters*

- The Federal Communications Commission added foreign-produced advanced robotic devices, including humanoid and quadruped models, and connected power inverters to its Covered List, generally banning new models from the US market on national-security grounds. The Chinese government responded to strongly oppose the decision and warned that China will take firm countermeasures if the restrictions are not revoked.

### *Duty Evasion*

- CBP and the Commerce Department issued findings under the first investigation brought under the Enforce and Protect Act, recovering millions in evaded anti-dumping duties.

### *Quartz Surface Products Safeguard*

- President Trump issued a proclamation imposing a Section 201 safeguard on imports of quartz surface products following an affirmative ITC injury determination. The measure is a four-year tariff-rate quota with annual liberalisation, effective for goods entered on or after 15 August 2026, applying to all countries except specified FTA and preference partners and qualifying developing economies. USTR retains authority to adjust country coverage.

## United Kingdom

### *Aerospace Package and New Secretary of State*

- The new Business, Innovation, Science and Trade Secretary, Jonathan Reynolds, used the Farnborough International Airshow to announce a £600 million package for UK aerospace, comprising over £500 million for research and technology and a new £100 million Aerospace Supply Chain Fund developed with the British Business Bank and industry. The package sits within the Government reindustrialisation ambition, with 90% of supported roles outside London and the Southeast, and is accompanied by a new MoU with Embraer and an updated Aerospace Growth Partnership strategy.

### *UK CBAM*

- The Government published new guidance for businesses on whether they will fall within the new UK CBAM regime. In-scope importers should assess coverage and prepare reporting systems ahead of implementation.

## China

### *Position on Excess Capacity*

- China issued a 40-page paper on what it terms the "so-called" excess capacity issue, arguing it has never deliberately pursued a trade surplus and that strong exports reflect innovation rather than subsidies. The paper frames the trajectory of the WTO overcapacity debate, which also featured in the level-playing-field track at the General Council.

## European Union

### *21st Sanctions Package Against Russia*

- The Council adopted the 21st package of restrictive measures against Russia, significantly expanding action on the financial sector, cross-border transactions, crypto platforms and the shadow fleet. On trade, the EU extended the export ban on a wide range of products and introduced new import restrictions on copper, nickel, lead and precious-metal ores, unwrought zinc, alkaline-earth metals, certain oxides, glassware, imitation pearls and car parts, extended to goods from and to Belarus. In response to the listing of certain Chinese entities, MOFCOM added 14 EU entities to China export control list, barring dealings and imposing strict end-use controls.

### *EU-Türkiye Customs Cooperation*

- The EU and Türkiye agreed to mutually recognise their respective Authorised Economic Operator (AEO) programmes. The AEO mutual recognition will enter into force once structured information exchanges on operator status are established.

### *Dual-Use Regulation Consultation*

- The Commission launched a public consultation and a targeted consultation on the Dual-Use Regulation as part of its overall evaluation under Articles 5 and 26(4). Businesses have until 11 September to respond to the targeted consultation.

### *Digital Product Passport*

- The Commission launched a new website on the Digital Product Passport, alongside publication of the Implementing Regulation on the DPP Registry.

### *Safeguard Investigations Guide*

- The Commission published a new guide to safeguard investigations, which are normally initiated on a substantiated request by or on behalf of Union producers, pointing to an increased likelihood of safeguard use in the near term.

### *Customs Controls Report*

- A 20 July Commission report on controls at the EU external borders recommends stronger controls and enhanced cooperation to protect consumers and businesses in the internal market.

### *Steel Regulation Consultation*

- On 30 July the Commission launched a targeted consultation on the product scope of the EU Steel Regulation, including whether to bring products such as tubes, wire and forged bars into scope.

### *CBAM Administrative Updates*

- The Commission published two CBAM updates: a Correction of Default Values, Regulation (EU) 2026/1740, correcting several production-route indicators and clarifying benchmark application and units of measurement; and a consolidated update of contact details and responsible CBAM authorities across member states.

### *Packaging and Packaging Waste Regulation*

- The Commission published a new version of its FAQ for the Packaging and Packaging Waste Regulation, which enters into force on 12 August 2026.

## Forced Labour

### *United States: Section 301 Final Action*

- On 23 July USTR announced final action in 60 Section 301 investigations into partners failing to prohibit and enforce against imports of goods produced with forced labour. The Federal Register notice imposes additional duties of 10% or 12.5% on substantially all goods of the covered economies, which USTR states account for 99.4% of US imports. The duties replace the 10% Section 122 tariffs that expired on 24 July, themselves a replacement for the IEEPA tariffs struck down by the Supreme Court, and applied from 24 July with a narrow in-transit allowance to 28 July.

- **Rate bands.** A flat 10% applies to 17 economies that maintain a forced-labour import prohibition, have committed to one through an Agreement on Reciprocal Trade, or run a partial regime; a flat 12.5% applies to the rest. For the European Union and Taiwan the Section 301 duty is capped so the sum of MFN and Section 301 duty reaches 10%, with the same net-of-MFN mechanism applying to Japan, South Korea and Switzerland at 12.5%.

- **Movements.** Five economies moved from 12.5% to 10% after the June draft: Honduras, India, Sri Lanka and Trinidad and Tobago imposed prohibitions, and Jordan committed through an Agreement on Reciprocal Trade.

- **Exemptions.** Annex I carries general carve-outs, including goods in transit, informational materials, civil aircraft, pharmaceutical-use articles, all goods subject to Section 232 duties, USMCA-originating goods of Canada and Mexico, and CAFTA-DR textiles. Annex II runs to 15 parts: Part A applies to all 60 economies (2,120 provisions), with 13 economies holding their own lists. USTR declined to establish a product-exclusion process.

- **Stacking.** The duty is additional to the column-one rate and other Chapter 99 duties and does not displace anti-dumping, countervailing or other duties. Because all Section 232 goods are exempt, it does not stack on steel, aluminium, copper, vehicles, wood products or semiconductors. CBP guidance sets the entry sequence as Section 301, then 122, then 232, then 201.

- **Tariff-rate quotas.** USTR is directed to establish three-year TRQs for Bangladesh, Cambodia, Indonesia and Malaysia once feasible, based on each economy imports of US textile and cotton inputs. No start date has been set; until a separate notice issues, the 10% rate will continue to apply to products intended to fall within the quotas.

- **Legal structure.** USTR structured the measure as 60 separate actions, meaning any legal challenge would likely need to be pursued on a country-by-country basis. Importers should model exposure by origin and heading, test the Section 232 and pharmaceutical carve-outs, and reassess sourcing across the two bands, since the net-of-MFN capping can eliminate additional duty entirely for higher-MFN origins.

### *United States: UFLPA Entity List*

- The Department of Homeland Security is adding 43 companies to the Uyghur Forced Labor Prevention Act Entity List, taking it to 187 entities from 144. Goods made wholly or partly by a listed entity are presumed to be produced with forced labour and generally barred from entry. The additions extend well beyond Xinjiang and cotton, creating exposure across aluminium and battery foil, automobiles, electronics, clothing, packaged food, pharmaceuticals, solar equipment and construction materials. Because the presumption applies to goods containing inputs from listed entities, even a single upstream component could expose a finished product to enforcement risk. The Chinese government responded to strongly condemn and oppose the view. Importers should re-screen supply chains against the expanded list.

### *Vietnam*

- Vietnam issued Decree No. 292/2026/ND-CP, which establishes lists of goods prohibited from export and import, including goods made in whole or in part with forced labour, delegates authority to ministries to add to the lists, and provides for permission applications to import otherwise prohibited goods.

### *Trinidad and Tobago*

- Trinidad and Tobago passed an import ban by amending section 45(1) of its Customs Act to prohibit all goods produced from forced labour as designated by the Minister responsible for trade.

### *South Africa*

- South Africa said it will publish a Gazette notice seeking public comment on its intention to issue a regulation prohibiting goods produced in whole or in part using forced labour and child labour.

### *Canada*

- Canada is consulting on two measures: Bill C-35, prohibiting the importation of goods produced by forced labour, covering how a list of suspect goods would be maintained and what importers must show; and due-diligence and civil-liability measures for Canadian businesses operating abroad. The consultations are open until 21 August 2026.

# World Trade Organization

## *WTO Reform*

- WTO reform discussions continued throughout July but remained marked by procedural disputes and significant policy differences among members. During the 20 July session on foundational issues, facilitator Ambassador Sumathi Balakrishnan of Malaysia sought to restrict floor time to the US, EU and Chinese proposals, prompting points of order from India and Brazil and objections from the Africa Group before all members were allowed to speak. Common threads emerged around dispute settlement and enforceability, MFN and non-discrimination, and development as a central pillar, though members did not directly engage the US call to end unconditional MFN.

- On decision-making, facilitated by Ambassador Katsuro Nagai of Japan, industrialised members plus Argentina and reportedly China favoured moving to "flexible consensus" to ease plurilateral adoption, while the LDC Group, African Group, ACP, India, Brazil, Pakistan and Türkiye defended Article IX consensus as a treaty right. The ACP communication (WT/GC/W/975) framed unqualified consensus as treaty and customary law, while the EU (WT/GC/REFORM/W/7) proposed a "reform by doing" trial.

- On the development track, a session on Special and Differential Treatment produced clashing positions: the US argued self-declaration has damaged the negotiating function and pressed for time-bound, evidence-based provisions, while the African, ACP and LDC groups defended SDT as a treaty-embedded right and opposed forced graduation. On the level-playing-field track, the African Group sought a clarification exercise and mapping of unimplemented mandates; the US focused on transparency, graduation and industrial subsidies; the EU on state enterprises; Japan on non-market policies and overcapacity; and China disputed the term overcapacity. Transparency and notifications surfaced separately, with the US and EU citing very low notification rates and Japan proposing counter-notified subsidies be treated as prohibited absent a timely response. Facilitators promised balanced summary reports before the next round in September, and a transparency session scheduled for 30 August was cancelled.

## *Disputes*

- At a Dispute Settlement Body meeting on 24 July, members considered a request from the Russian Federation to establish a panel on the EU CBAM package and an alleged export subsidy under the EU emissions trading scheme. On 28 July the WTO circulated the panel report in the China case against Türkiye on electric vehicles (DS629). Brazil requested consultations with the US on additional Section 301 duties on Brazilian products, circulated to members on 30 July.

### *Trade Policy Review: India*

- The eighth review of the trade policies and practices of India took place on 21 and 23 July. This follows India's seventh review, which took place on 6 and 8 January 2021.

### *Goods Trade*

- World merchandise trade growth exceeded WTO expectations during Q1 2026, as surging trade in AI-related electronic components offset the impact of the Middle East conflict. Disruption in the Strait of Hormuz is expected to be more fully reflected in the next quarterly data.

### *TRIPS Council*

- At its meeting on 22-23 July, the TRIPS Council discussed IP legislation notifications, pandemic preparedness, technology transfer, the relationship between the TRIPS Agreement and the Convention on Biological Diversity, and cooperation among IP offices.

### *Accessions: Uzbekistan*

- At the Working Party meeting on 27-28 July, Uzbekistan reaffirmed its determination to complete its WTO accession within 2026, stressing the need to maintain engagement and address remaining concerns. Uzbekistan's Working Party was established on 21 December 1994, but faced a series of delays, including a 15-year pause in negotiations (2005–2020).

## Free Trade Agreements

### *Canada-Ecuador*

- Ecuador and Canada signed a free trade agreement under which 99.6% of Ecuador exportable goods will enter Canada duty-free and 97.2% of Canadian goods will enter Ecuador duty-free upon full entry in force. The deal covers goods, services, investment, e-commerce, labour, environment, Indigenous peoples and dispute resolution, with more than 600 Ecuadorian products gaining tariff-free access, while excluding or protecting 227 sensitive agricultural products.

### *Canada-UAE CEPA*

- On 24 July, the UAE and Canada announced the successful conclusion of negotiations for a Comprehensive Economic Partnership Agreement. The negotiations concluded in just 47 days, making it the fastest trade negotiation ever completed by Canada. Once ratified, it will reduce tariffs, improve market access, facilitate investment and cut non-tariff barriers across a range of sectors.

# Trade Remedies

### *EU Measures*

- **Polyamide yarns:** The Commission imposed definitive anti-dumping duties of 60% to 67.6% on imports of polyamide yarns from China.

### *GCC Measures*

- **Glass:** The Gulf Cooperation Council adopted final anti-dumping duties on imports of unreinforced float glass and certain polished or coated glass originating in or exported from China and Iran.

### *UK Measures*

- **Ceramics:** The Trade Remedies Authority opened an interim review examining the increase in imports of ceramic tableware and kitchenware from China.

- **Bicycles:** The Secretary of State determined that the anti-dumping measure on bicycles and certain bicycle parts should apply until 30 August 2029, and amended the definition of Category 2 goods after finding certain bicycle parts had been incorrectly defined in the previous notice.

# Rest of World

### *Vietnam: Dual-Use Goods List*

- Vietnam Ministry of Industry and Trade issued Circular No. 42/2026/TT-BCT setting out the detailed catalogue of dual-use goods under the ministry licensing and control regime. Signed on 29 July, it takes effect on 12 September 2026.

### *Saudi Arabia*

- The Minister of Finance issued Ministerial Decision No. 10-88-1447, published in the Official Gazette on 26 June and effective from publication, under which ZATCA revised duties on 51 agricultural and food tariff lines to between 5% and 15%, an upward adjustment aimed at supporting domestic production under Vision 2030. Goods qualifying under the GCC framework or an FTA may still clear at lower rates where origin rules are met.

- Separately, ZATCA approved a broad set of customs-framework amendments by Decision No. 1448-99-13, amending the Controls Regulating Customs Procedures and the Rules of Bonded Zones. The changes introduce a general five-year maximum storage period in bonded zones, allow acceptance of CN22 and CN23 postal declarations as customs declarations for ordinary mail, revise transit and deferred-duty rules, and strengthen operator reporting and inspection powers.

### *APEC*

- A meeting of ministers and senior representatives in Shenzhen on 30 July called for stronger action to protect Asia-Pacific forests, stressing the importance of combating illegal logging and expanding legal trade, including through predictive AI, DNA profiling and blockchain tracking.

- APEC also endorsed new Best Practice Guidelines to apply its cross-cutting principles on non-tariff measures, translating them into structured questions on notification, stakeholder consultation and less trade-restrictive alternatives, and reinforcing WTO transparency obligations.

## ICC News & Publications

- **Guide:** Financial crime risk controls: vessel checking (31 July 2026)
- **News:** Proposed UN mechanism to reopen Hormuz to commercial shipping (27 July 2026)
- **News:** ICC expresses deep concern over new US Section 301 tariffs (24 July 2026)

## What We're Reading

- **From the WTO and IMF:** Trade Policy Activity Index.
- **From TESS:** The Underused Advantages of Schedules in the WTO for Evolving Trade Dynamics and Sustainable Development and Securing Additional Finance to Boost the Credibility of EU Clean Trade Partnerships.
- **From the Global Trade Alert:** US Tariff Analysis, 24 July.
- **From the IMF:** Industrial Policy and Trade Tensions in Strategic Sectors.
- **From the Chinese Government:** EU CBAM Guide for Chinese Exporters.
- **From the UK Trade Policy Observatory:** E-Commerce Reform in the UK and the EU.
- **From the IEA:** Global Critical Minerals Outlook 2026.

- **From the WCO:** Study on the Origin Determination of Remanufactured and Recycled Goods.

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