

TRADE NEWS WEEKLY

June 8-June 12, 2026

A summary of international business news prepared by the Hawaii Foreign-Trade Zone 9 with the collaboration of the Research and Economic Analysis Division of the Department of Business, Economic Development & Tourism, and based on research and information from various trade publications, which track news and events related to global trade. Other information sources may occasionally be included when appropriate.

Customs Enforcement Overhaul Ordered by President

President Trump issued an executive order (EO) on June 3, 2026, that will impact all importers and entities connected to import transactions. This EO directs a broad tightening of U.S. customs enforcement, with a strong emphasis on importer accountability and vetting, foreign importer restrictions, disclosure obligations, and higher penalties. The most immediate practical effect will likely be an increase in enforcement, bonding, data submissions, and compliance requirements for importers of record (IOR), especially foreign IORs.

Companies should note that these actions are not immediate and that the Department of Homeland Security (DHS) and U.S. Customs and Border Protection (CBP) are expected to engage with stakeholders to implement these actions through the standard rulemaking process. As a result, expect CBP will issue Federal Register notices within the timelines specified seeking public comment, which may allow parties time to adjust operations as needed.

Source: Sandler, Travis & Rosenberg, P.A.

Legislative Actions on Country of Origin and Trade Promotion Origin

The Country of Origin Labeling Online Act (H.R. 9057, introduced May 29, 2026, by Rep. Gimenez, R-Fla.) would require online sellers to clearly disclose a product's country of origin and the seller's principal place of business. "Currently, many products sold in stores must disclose their country of origin, but those

requirements are not consistently applied to online sales," a press release from Gimenez's office explained.

Trade Promotion

The Building Overseas Opportunities and Strategic Trade for American Businesses Act (H.R. 9062, introduced May 29, 2026, by Rep. Kim, R-Calif.) would strengthen the State Department's commercial diplomacy efforts by:

- (1) establishing a new specialized Foreign Service track that recruits officers with private-sector, financial, and business expertise to support U.S. companies in overseas markets,
- (2) building a professional commercial diplomacy workforce trained in commercial advocacy, market access, trade barriers, and business intelligence,
- (3) expanding hiring authorities to recruit trade and economic experts and grow the commercial diplomacy workforce to 500 officers by 2028, (4) strengthening coordination between the departments of State and Commerce to reduce duplication and better align U.S. commercial diplomacy efforts abroad, and (5) elevating economic diplomacy as a national security priority and positioning the State Department to more aggressively advance U.S. economic interests overseas.

Source: Sandler, Travis & Rosenberg, P.A.

U.S. Duty Rates Fell in March

Average U.S. import duty rates fell to 6.8% in March, their lowest since April 2025, following the shift from International Emergency Economic Powers Act (IEEPA) duties to Section



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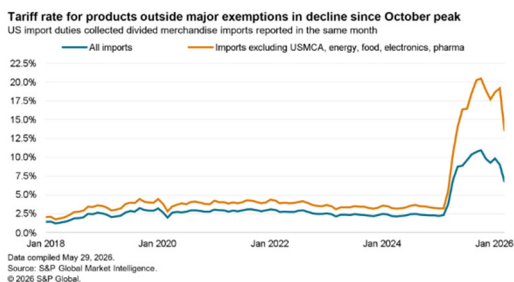
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122 duties in late February. The rate was expected to fall anyway thanks to an increased share of duty-free electronics linked to the AI boom. Adjusting for Section 122-exempt products, the average rate fell to 13.6% in March from 19.2% in February.

The U.S. Court of International Trade (CIT) ruled against the Section 122 tariffs, but suspended the application of its ruling pending appeals, so payment for Section 122 duties is likely to continue until their scheduled end on July 24, 2026.

Two Section 301 reviews of manufacturing capacity and labor practices form the basis of the replacement tariffs once Section 122 duties lapse. The review of labor practices in 60 countries will apply tariffs of between 10% and 12.5%, and covered 99.4% of U.S. imports. The manufacturing capacity review only covers 75.1% of imports that currently pay Section 122 duties and will likely be used to “top up” tariff rates to their prior levels of around 20%.

Section 301 tariffs have a burden of proof showing a specific monetary damage to U.S. business and should be applied on the basis of current account deficits. Additionally, only one of the 44 countries that account for the difference between the two tariff cases’ coverage (i.e., 24.3%) have had forced-labor-related Withhold Release Orders applied in the past. The administration may also be wary of applying widespread higher rates in the face of elevated consumer price inflation.



Source: Panjiva Data

New Section 301 Tariffs Proposed Over Forced Labor Policies

The Office of the U.S. Trade Representative (USTR) is proposing to impose additional tariffs

of 10-12.5 percent on imports from 60 economies following Section 301 investigations into the measures they have taken to prohibit imports of goods produced with forced labor.

Findings

USTR’s report finds that the following 54 economies have failed to impose and effectively enforce such a prohibition: Algeria, Angola, Argentina, Australia, the Bahamas, Bahrain, Bangladesh, Brazil, Cambodia, Chile, China, Colombia, Costa Rica, Dominican Republic, Egypt, El Salvador, Guatemala, Guyana, Honduras, Hong Kong, China, India, Iraq, Israel, Japan, Jordan, Kazakhstan, Kuwait, Libya, Malaysia, Morocco, New Zealand, Nicaragua, Nigeria, Norway, Oman, Peru, the Philippines, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Sri Lanka, Switzerland, Taiwan, Thailand, Trinidad and Tobago, Türkiye, United Arab Emirates, United Kingdom, Uruguay, Venezuela, and Vietnam.

The report also states that the following six economies have failed to effectively enforce such a prohibition: Canada, Ecuador, the European Union, Indonesia, Mexico, and Pakistan.

Proposed Tariffs

In response, USTR is proposing to impose a Section 301 tariff of 10 percent on imports from subject economies that:

- impose a forced labor prohibition (Canada, Ecuador, the European Union, Indonesia, Mexico, and Pakistan);
- have taken on commitments related to forced labor import prohibitions through an agreement on reciprocal trade with the U.S. (Argentina, Bangladesh, Cambodia, Ecuador, El Salvador, Guatemala, Indonesia, Malaysia, and Taiwan); or
- have imposed a partial regime with the effect of preventing the importation of certain forced labor goods (the United Kingdom).

The tariff rate for imports from all other subject economies would be 12.5 percent.



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Product Coverage

These additional tariffs would be imposed on all products except those listed in annex A to this notice. These exceptions include (1) all articles and parts currently subject to section 232 tariffs, (2) raw materials that if subject to the proposed tariffs could lead to the unavailability of domestic supply, (3) products that could cause economy-wide disruptions if subject to the proposed tariffs, (4) certain products that cannot be grown or produced in sufficient quantities in the U.S. or obtained from other sources, (5) informational materials (e.g., books), donations, and accompanied baggage, and (6) articles for which additional tariffs may not contribute substantially to the elimination of the investigated acts, policies, and practices.

Textiles and Apparel

USTR is also proposing a mechanism that would allow for a certain volume of textile and apparel imports from certain economies to enter the U.S. at a reduced Section 301 tariff rate. Under this mechanism the volume of reduced-duty imports from certain trading partners would be equivalent to the quantity of exports of textiles (e.g., U.S.-produced manmade and cotton fiber textile inputs) from the U.S. to that trading partner. A certain volume of textile and apparel imports would also be allowed to enter the U.S. at the reduced rate based on the volume of U.S. cotton and cotton products a trading partner imports from the U.S. during a certain period of time.

Comments

USTR is accepting comments on this proposal by July 6, 2026. A hearing will be held July 7, 2026, and requests to appear at the hearing are due by June 22, 2026.

USTR is particularly interested in comments on the following issues.

- the specific products to be subject to increased tariffs, including whether products should be retained or removed from the scope of the action or whether products currently excluded should be added

- whether products listed in annex A are appropriately excluded

- the level of the increase, if any, in the tariff rate

- whether different tariff rates should be applied to an economy that has made a commitment to the U.S. to impose and enforce a forced labor import prohibition, has imposed a forced labor import prohibition, or has imposed a partial regime with the effect of preventing the importation of certain forced labor goods

- features of a textile mechanism, including the U.S. and foreign products to be covered, the relative market opportunities for each side, and the tariff rate (if any) to be applied to products subject to that mechanism, as well as whether a similar mechanism should apply to any other product or sector.

Source: Sandler, Travis & Rosenberg, P.A.

Legislative Actions – Trade Enforcement & Imports

Trade Enforcement

The House Judiciary Committee passed June 3, 2026, the Protecting American Industry and Labor from International Trade Crimes Act (H.R. 1869, introduced March 5 by Reps. Hinson, R-Iowa, and Krishnamoorthi, D-Ill.), which would strengthen the Department of Justice's (DOJ) enforcement against trade-related crimes by (1) establishing a new task force or similar structure within the DOJ's Criminal Division to investigate and prosecute trade-related crimes (e.g., criminal acts to further duty evasion), (2) enhancing nationwide responses to trade-related offenses by providing training and technical assistance to other federal, state, and local law enforcement agencies, expanding investigations and prosecutions, and allowing for parallel criminal and civil enforcement actions, (3) requiring the DOJ to submit an annual report to Congress assessing its efforts, statistics on trade-related crimes, and fund utilization, and (4) authorizing funding for fiscal year 2026 to support these efforts with appropriate guard rails.

Imports

The Protecting America from Chinese Cars Act (H.R. 9162, introduced June 4, 2026, by Rep. Stevens, D-Mich.) would (1) prohibit the entry



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into the U.S. of connected vehicles manufactured or designed in China or manufactured by a Chinese company or an entity in which Chinese companies have a greater than 15 percent stake, (2) establish a process by which manufacturers could apply for an authorization to allow otherwise prohibited vehicles to enter the U.S., and (3) require U.S. Customs and Border Protection to develop rules and procedures related to implementing these prohibitions, including a list of prohibited vehicles, within 90 days of the bill's enactment.
Source: Sandler, Travis & Rosenberg, P.A.

Tariffs Could be Lowered on Some Imports from China

The Office of the U.S. Trade Representative (USTR) is accepting comments through July 10, 2026, that will “inform the development of negotiations with China aimed at optimizing bilateral trade in non-sensitive products.”

“As long as China maintains its non-market policies and practices and refuses to provide reciprocal treatment to U.S. exports—such as disregard for intellectual property rights, subsidies and other industrial policies creating systemic overcapacity and overproduction in industrial sectors, diverse and deeply entrenched market access barriers, and lack of regulatory transparency—the United States likely will continue to rely on tariffs and other tools to manage trade with China,” USTR said.

However, the U.S. and China also intend to identify non-sensitive products and reach agreement to modify certain non-MFN tariffs imposed on those products by each other. USTR said “additional tariffs imposed through certain U.S. authorities [e.g., Section 232 and Section 301] could be favorably modified as a result ... provided that any modifications would not conflict with U.S. law or economic or national security interests, and that any conditions related to tariff modifications are satisfied.” Similarly, China would be expected to modify tariffs it has imposed on imports from the U.S.

USTR is therefore seeking comments on the following topics.

- which types of Chinese products, or Chinese products in particular sectors, should be considered non-sensitive (i.e., they give rise to few, if any, issues related to economic and national security and supply chain resilience risks)

- which products of China that are currently subject to additional U.S. tariffs the U.S. should import at lower tariff rates (e.g., MFN rates), whether such additional tariffs have resulted in a tariff inversion (i.e., the tariff is higher on a given manufacturing input than on the downstream finished product), and China's share of U.S. imports of such products

- which, if any, U.S. consumers and workers would benefit from or be harmed by such tariff modifications

- which U.S. products currently subject to additional Chinese tariffs U.S. exporters should be able to sell to the Chinese market at China's MFN rates and whether any such products are covered by and listed in Annex 1 of the WTO Agreement on Agriculture, an industrial product the export of which to China has declined significantly in recent years, or a product subject to multiple Chinese tariff actions or exceptionally high Chinese tariffs

- any U.S. products currently subject to Chinese tariffs above the applicable MFN rates whose exports to China have not been significantly affected by those tariffs or for which China appears to be reliant on U.S. exports

USTR is also interested in input on the U.S.-China Board of Trade, a government-to-government channel for discussions on how to manage bilateral trade of non-sensitive products (including tariff modifications) that “will function as an ‘adapter’ mechanism to promote reciprocity, durability, and balance in the U.S.-China trade relationship.” Topics that may be addressed include (1) how frequently this body should meet, (2) how it should assess when and whether to modify the composition or scope of the identified non-sensitive products, and (3) what mechanism should be established to ensure the effective sharing of trade data to allow for the optimal functioning of the board.
Source: Sandler, Travis & Rosenberg, P.A.



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