

## Potential new US tariffs cloud sourcing strategies, peak season demand



*US Trade Representative Jamieson Greer (pictured right) will consult with all 60 different economies named in the investigations, presumably using the threat of tariffs as negotiating leverage. Photo credit: LAURENT GILLIERON / POOL / AFP via Getty Images.*

[Eric Johnson, Senior Technology Editor](#) | Mar 17, 2026, 11:18 AM EDT

Importers buoyed by a February US Supreme Court decision that overturned billions of dollars of tariffs they paid are now coming to grips with a new wave of tariffs that are likely to burden their inventory replenishment and holiday shipping plans.

The US Trade Representative (USTR) last week launched two separate Section 301 investigations covering a total of 60 countries: one related to “structural excess capacity and production in manufacturing sectors” and a second aimed at forced labor. Should the investigations result in additional tariffs — widely expected to be the outcome — those duties will heap more cost pressure and customs administrative work on US importers, as well as reduce the appeal of sourcing from countries seen as lower-tariff alternatives to China.

More immediately, the tariffs could land just as US retailers typically begin peak season ordering ahead of the winter holidays.

That will have an impact on containerized US import market share. Vietnam, for example, saw its share of inbound US volumes rise to 12% in 2025 from 9.9% in 2024, mostly at the expense of mainland China, whose share fell to 36% from 40.4% in 2024, according to PIERS, a sister product of the *Journal of Commerce* within S&P Global.

## Expected pivot

The two sets of investigations can be viewed as the Trump administration clearly pivoting from tariffs assessed through executive order, by way of the International Emergency Economic Powers Act (IEEPA), to ones with a more straightforward track record of surviving legal challenges.

The Supreme Court on Feb. 20 ruled that the IEEPA tariffs had been levied illegally, and the US Court of International Trade has ordered US Customs and Border Protection to create a process to refund importers more than \$160 billion in tariffs they paid, plus interest.

Trade experts said they expected the administration to quickly use other tools to progress with its tariff-focused foreign trade policy in the event the IEEPA tariffs were struck down.

The structural capacity investigation will look into whether 16 different countries or trading blocs, including China, India, Vietnam, Indonesia and the EU, are imposing policies or practices that “burden or restrict US commerce.”

The broader investigation into forced labor covers virtually every major US trading partner and can be seen as the US Trade Representative (USTR) trying to replicate the scale of President Trump’s so-called Liberation Day tariffs that were eventually struck down. In the interim, Trump has used Section 122 of the Trade Act to temporarily assess 10% tariffs on all US imports, outside of goods exempted through existing trade agreements.

The pace of the investigations also hints at the administration’s desire for the new tariffs, or at least the threat thereof, to be in place by the time the Section 122 duties expire on July 27. Comments on both investigations are due April 15, with hearings for the forced labor and structural capacity inquiries scheduled for April 28 and May 5, respectively.

In announcing the probes, USTR said it has requested consultations with all governments named in the investigations. All the economies named in the structural capacity inquiry are also involved in the forced labor investigations, which means the trade representative will be looking to have conversations with 60 different entities in the coming months, presumably to use the threat of tariffs as leverage.

### **‘One of the most powerful weapons’**

Deborah Elms, head of trade policy at Singapore-based Hinrich Foundation, said the USTR’s use of Section 301 in this context, while likely to be effective in that it will allow the administration to impose new tariffs, runs counter to the initial intent of the statute.

During President Trump’s first term, the USTR was able to assess 25% Section 301 tariffs on Chinese goods that have remained despite two changes of power in the executive branch. The scope of the new Section 301 tariffs the USTR is seeking would dwarf those previously implemented, although there has yet to be any formal discussion about the level of tariffs that might result from these investigations

“Section 301 was originally intended as a tool to get countries to negotiate and remove barriers to US exports,” she wrote in a March 12 blog. “This administration appears keen to retaliate first and discuss mostly later.”

For importers, the intent of Section 301 tariffs matter because they are likely to be more durable and legally defensible than either the IEEPA or Section 122 tariffs. Additionally, unless countries are able to negotiate their way out of prospective Section 301 tariffs by providing market access to US exporters or curtailing domestic production subsidies, importers will find there are fewer avenues to escape an added cost on international trade.

Elms described Section 301 as “one of the most powerful weapons in the trade policy arsenal for any US executive branch pursuing aggressive unilateralism,” adding that it provides a range of options under the broad category of “relief from unfair trade practices.”

Elms noted the 16 industries under investigation in the “structural capacity” probe range from steel production in China to chemical manufacturing in Germany and currency manipulation in Switzerland.

The two investigations are also unlikely to be the last. USTR Jamieson Greer has previously hinted at the potential for cases focused on digital trade and digital services taxes.

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