Breaking News | The U.S. Restarts Section 301 Tariffs! As Early as May Implementation, Cross-border Sellers Be Alert!

Escalation, the global cross-border landscape is undergoing drastic changes!

In March 2026, the United States officially launched two Section 301 investigations, targeting 16 economies worldwide, covering key trading partners including China, the European Union, Japan, South Korea, Vietnam, and Mexico. The earliest official announcement of additional tariffs may come by the end of May, effective in June, and fully replacing temporary tariffs in July. A tariff storm affecting all categories has entered the countdown stage!

Policy Core: From “Temporary Tariffs” to “Long-term Section 301”, Higher and More Stable Barriers

Previously, the U.S. Supreme Court ruled that the 10% global temporary tariff (IEEPA) was unconstitutional, and it will expire and become invalid on July 24. To ensure seamless transition and strengthen trade restrictions, the U.S. government has shifted to Section 301, which has a more solid legal foundation and no upper limit on tariff rates. The objective is clear — to restore and further increase the original tariff levels, locking in high barriers for the long term.

Two Major Investigations Implemented, Full Industry Impact Without Blind Spots

01 Overcapacity in Manufacturing Investigation (Launched on March 11)

• Covering 16 economies: China, the EU, Japan, South Korea, Vietnam, Indonesia, Malaysia, etc.

• Key industries: electronics, automobiles (including electric vehicles), machinery, steel, chemicals, and other core manufacturing sectors

• Expected tariff rates: Chinese goods are highly likely to return to the main rate of 25%; electric vehicles/batteries/semiconductors may surge to 50%-100%; Southeast Asian countries such as Vietnam at 10%-15%, EU/Japan/South Korea at 10%-20%

02Forced Labor Investigation (Launched on March 12)

• Covering 60 trading partners (accounting for 99% of U.S. imports), almost global coverage

• Core objective: strictly investigate supply chain compliance, paving the way for further tariff increases and bans, with compliance costs escalating again

Cross-border Sellers Facing “Triple Impact”, Profits Severely Squeezed

• Tariff stacking, soaring costs: existing 10% temporary tariffs + new Section 301 tariffs + state taxes + port fees, overall costs surge by 30%-50%, “taxes higher than goods value” becoming the norm

• Duty exemption cancelled, pressure on small parcels: duty-free treatment for shipments below USD 800 completely cancelled, tax burden on China-to-U.S. small parcels rises sharply, margins on lightweight and low-value goods are almost entirely eroded

• Strict compliance checks, rising risks: U.S. CAPE duty drawback system launched, risks of under-declaration and grey customs clearance (DDP with tax-inclusive) surge significantly, additional duties + fines may erode annual profits at any time

Key Timeline (Must Remember!)

• May 5–8: Section 301 hearings, tariff plans basically finalized

• End of May: earliest official announcement of additional tariffs, effective in June

• July 24: expiration of temporary 10% tariffs, full takeover by new Section 301 tariffs, long-term solidification of barriers

Urgent Response: 4 Strategies to Reduce Risk and Protect Profits

1. Product diversification: high-tariff sensitive goods (electric vehicles, machinery, steel) prioritize shifting to Southeast Asia/Middle East/Latin America markets; China direct shipments focus on low unit price, lightweight goods

2. Supply chain shift: complete self-check of under-declaration for U.S.-bound in-transit cargo before May 15; accelerate deployment of overseas warehouses in Vietnam/Malaysia/Thailand to avoid single-market risk

3. Pricing and compliance: Amazon/eBay sellers increase prices by 15%-25% in advance to lock in profits; optimize HS codes, improve supply chain traceability documentation, eliminate under-declaration and misdeclaration

4. Platform strategy: Temu/SHEIN prioritize Southeast Asia sites to reduce reliance on the U.S. market; fully managed sellers adjust shipping models, high-margin goods via overseas warehouses, low-frequency non-standard goods cautiously shipped directly

Final Reminder

This is not a short-term fluctuation, but the solidification of long-term trade barriers! The May window period is fleeting. Only by early planning, early diversification, and early compliance can you stay firm in this tariff storm and safeguard your profit margins!