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Notable US Trade Policy Developments in 2H 2026

US decision to not renew the USMCA for another six years (July 1, 2026).

Triggers annual reviews and raises US withdrawal risk.

DOJ escalation of customs and duty enforcement (July 21, 2026).

More rigorous enforcement framework with criminal & civil penalties for tariff evasion.

Broadening of Section 301 US tariff regime (July 24, 2026).

More durable, legally binding framework, with "forced labor" rationale, to replace prior Sec 122 regime. 10-12.5% tariffs across 60 countries.

Bilateral US-China Tariff Negotiations and Rate Modifications (Sept 28, 2026).

Extension of trade truce to Jan 10, 2027. Reciprocal $30 bn tariff reduction framework. Creation of US-China Board of Trade. Extension of selected Sec 301 tariff exclusions.

Direct import bans and tariff escalation for Canadian products (Sept 29, 2026).

Additional products subject to 50% Sec 338 tariffs (i.e., paper, auto, metals); other products removed (i.e., liquor, materials). Direct import bans on specific goods (i.e., certain auto, furniture, paper products).

Series of Sec 232 investigations launched and tariffs implemented (July - Sept, 2026).

100% tariffs implemented on selected pharma. Investigation launched on unmanned aircraft & drones. Proclamations directing diplomatic negotiations on aerospace, aircraft & jet engines.

Trump suspends Graham Act Russia tariffs (Oct 16, 2026).

Trump EO suspending nearly all US tariffs against Russia authorized by the US Congress, including 500% tariffs on Russian goods and 100% tariffs on five largest Russian oil & gas buyers. Reversible by Trump alone.

Completed Section 232 Investigations

The Trump administration has initiated over a dozen Section 232 investigations across a range of sectors since Feb 2025, with nine of those concluded investigations resulting in tariffs.

Section 232 investigations

SECTOR	ANNOUNCEMENT OF ACTION	TARIFF RATE
Auto & auto parts	Effective Apr 2025	25%
Steel & aluminum	Effective Jun 2025; May 2026 expansion	50%
Copper	Effective Aug 2025; Apr 2026 expansion	50%
Timber & lumber	Effective Oct 2025	10 / 25%
Heavy-duty vehicles & parts	Effective Nov 2025	25%
Semiconductors	Effective Jan 2026	25%
Patented (branded) pharma	Effective Jul 2026 (large firms); Sep 2026 (small)	100%
Drones & unmanned aerial vehicles	Effective Sep 2026	25 /100%
Generic pharma	2-year grace period; Aug 2028 & Aug 2029	100 / 200%
Polysilicon	Effective Dec 2026	15%

Source: (1) US Commerce Department. Various News Sources. Covington, "Current and Forthcoming Section 232 Actions by the Trump Administration." As of October 2026.

Active Section 232 Investigations

There are currently seven active section 232 investigations that are likely to remain a source of market volatility across impacted sectors and their supply chains.

Section 232 investigations

SECTOR	ANNOUNCEMENT OF ACTION	TARIFF RATE
Critical minerals	Jan 14: Deferred tariff action in favor of targeted trade negotiations	–
Commercial aircraft & jet engines	Jul 9: Deferred tariff action in favor of targeted trade negotiations	–
Wind turbines & parts	Oct 22: Deferred tariff action in favor of targeted trade negotiations	–
Pers. protective & medical equip.	Decision pending	TBD
Robotics & industrial machinery	Decision pending	TBD
Anthracite coal	No later than late-Jun 2027	TBD

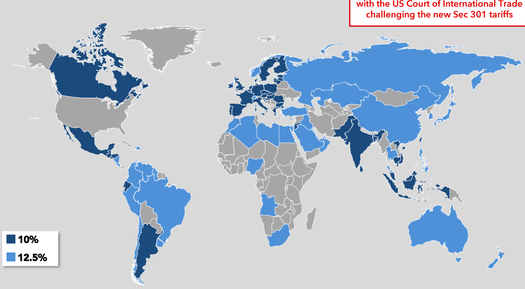
Source: (1) US Commerce Department. Various News Sources. Covington, "Current and Forthcoming Section 232 Actions by the Trump Administration." As of October 2026.

Section 301: Forced Labor Tariffs

The USTR concluded its Section 301 forced labor investigation, resulting in a tiered-tariff system of 10% and 12.5% that went into effect on July 24, 2026. These measures replace the temporary 150-day Section 122 tariffs that were enacted earlier this year and stand on a more durable, legally defensible trade framework.

Section 301 forced labor tariffs

On Aug 3, 2026, 25 states filed a lawsuit with the US Court of International Trade challenging the new Sec 301 tariffs



Source: (1) USTR. Data as of October 2026.

Global Corporate & Investment Banking Capital Markets Strategy Team

Tom Joyce
Managing Director
Tom.Joyce@mufgsecurities.com
(212) 405-7472

Stephanie Kendal
Director
Stephanie.Kendal@mufgsecurities.com
(212) 405-7443

Angela Sun
Associate
Angela.Sun@mufgsecurities.com
(212) 405-6952

"Macro stability isn't everything, but without it, you have nothing."