



US-Taiwan Business Council

To:	OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
From:	The US-Taiwan Business Council
Date:	April 13, 2026
Topic:	Docket No. USTR-2026-0133 - Section 301 Investigation of Acts, Policies, and Practices of Various Economies Related to the Failure to Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced with Forced Labor

The US-Taiwan Business Council (USTBC) thanks the Office of the United States Trade Representative (USTR) for this opportunity to submit comments on the *Section 301 Investigation of Acts, Policies, and Practices of Various Economies Related to the Failure to Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced with Forced Labor*.

It is our understanding that USTR seeks to identify countries who have failed to impose and effectively enforce prohibitions on importing goods produced with forced labor, and that the investigation includes the top 60 sources of goods imports to the U.S. in 2024. Taiwan is included in this investigation as one of the top 10 sources of imports in 2024.

USTBC is a member-based organization that has worked since 1976 to foster bilateral trade and business relations with Taiwan and to support U.S. companies on the island. USTBC offers these comments on behalf of the organization and of our member companies doing business in both the United States and Taiwan.

Comments

Taiwan has faced some labor challenges that include inadequate oversight of supply chains - particularly within fisheries and certain manufacturing industries such as textiles - as well as labor regulations that render many migrant workers reliant on brokers and employers. A significant challenge lies in tracing labor conditions throughout subcontracting chains, particularly in instances where production is linked to Taiwan, but where recruitment fees, document retention, and wage withholding occur outside of Taiwan. The monitoring and enforcement system in Taiwan was admittedly not fully mature, posing a genuine risk of its products being associated with forced labor.

Due to increased global scrutiny of labor abuse, pressures from its trading partners including the U.S., evolving labor rights standards promoted by the United Nations and the European Union, and domestic pressures, Taiwan has recently taken additional steps to counteract some of those structural problems. The Taiwan government has said that it wants to align with U.S. and global standards regarding ethical supply chains. It is developing domestic review procedures and establishing business guidelines aimed at prohibiting forced labor on the island and in its supply chains.

The U.S.-Taiwan Agreement on Reciprocal Trade (ART) was signed on February 12, 2026.¹ As part of the agreement, Taiwan is committed to adopting and implementing forced labor import prohibitions and to working with the U.S. on this issue. As part of its commitments under the ART:

1. Within two years Taiwan will amend the Labor Union Act to make unionization more streamlined.
2. Within three years Taiwan will formally prohibit the collection of recruitment fees and related charges from migrant

¹ *Fact Sheet on U.S.-Taiwan Agreement on Reciprocal Trade*, Office of the U.S. Trade Representative, February 12, 2026, <https://ustr.gov/about/policy-offices/press-office/fact-sheets/2026/february/fact-sheet-us-taiwan-agreement-reciprocal-trade>.



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workers in the manufacturing and fishing industries to mitigate debt bondage and exploitation.

3. Within five years Taiwan will amend the Labor Union Act and the Act for Settlement of Labor-Management Disputes to further streamline unionization efforts in small and medium-sized enterprises and adjusting thresholds for the right to strike.

Taiwan's Ministry of Labor has said that it intends to implement the framework established by Section 307 of the U.S. Tariff Act of 1930, with Taiwan initiating its own assessments. On February 13, 2026, Taiwan also issued the "*Enterprise Reference Guidelines for the Prevention of Forced Labor*," to help Taiwan companies implement preventive measures in accordance with the International Labor Organization's Fair Recruitment Initiative (ILO-FAIR).

Additional legislative efforts are in place to further meet the commitments under ART and to improve the rights of the Taiwan workforce – with a specific focus on migrant workers. On April 9, 2026, the Taiwan cabinet approved a draft legal revision that would ban employers or labor brokers from retaining migrant workers' identity documents or expropriating their personal property, a practice that can limit autonomy and foster coercive environments. Labor organizations in Taiwan have expressed their support for these initiatives, highlighting that these reforms bring Taiwan in line with international labor standards.

Conclusion

Taiwan is a like-minded democracy, a top tier trading partner, and an essential strategic ally for the United States. While Taiwan has some structural issues in its labor market that may impact its ability to fully ensure an ethical supply chain, the Taiwan government is already working with its trading partners and its domestic companies to identify and mitigate many of those issues.

We note that this investigation features some countries that have already enacted regulations regarding supply chain due diligence and that have already taken measures to prevent importing goods produced through forced labor. It also includes several trading partners, like Taiwan, who are committed to doing just that under recently signed Agreements on Reciprocal Trade (ARTs).

We encourage USTR and the U.S. government to work with Taiwan to implement the relevant provisions under the ART, and to communicate with Taiwan to address any additional issues under existing trade dialogues such as the Trade & Investment Framework Agreement (TIFA). The United States should give Taiwan the time necessary to follow through on its existing commitments to adjust its labor market structures, before determining that they have failed to impose and effectively enforce forced labor prohibitions.

Should USTR wish to discuss these comments with the US-Taiwan Business Council, please contact us as follows:

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