

## White House moves to exclude Chinese e-commerce from duty-free import

Textile group calls for Trump to eliminate de minimis program

[Eric Kulisch](#)

Friday, January 17, 2025



Air mail networks are a prime conduit for cross-border e-commerce shipments, which U.S. officials say are difficult to monitor for illegal drugs and counterfeit products. (Photo: U.S. Postal Service)

Following up on earlier action this week aimed at controlling the influx of unidentified e-commerce shipments from China, U.S. Customs and Border Protection on Friday proposed that low-value imports no longer qualify for duty-free entry if the products are subject to tariffs or other national security restrictions.

The proposal could result in higher consumer prices for small shipments and dampen demand, but logistics and trade professionals expect Chinese online retailers will be able to quickly adapt.

[The tentative measure](#) formally covers a broad swath of goods – including washers, dryers and steel – from many countries but will predominantly apply to goods from China subject to Section 301 tariffs imposed during the first Trump administration. That’s because the de minimis exemption under U.S. trade law applies to goods valued at \$800 or less that a single person in one day can import free of duty and taxes. De minimis shipments also have less rigorous information requirements. Appliances and industrial products typically have higher values and already require a formal declaration describing details of the shipment and its value for determining duty payment.

The agency on Monday proposed a rulemaking that would require shippers to provide more data on shipments with multiagency oversight or if they want an expedited clearance process.

The Biden administration in September [signaled its intent to clamp down on the surge in e-commerce shipments](#) coming through air express and postal delivery networks. It will be up to the incoming Trump administration to finalize and implement the proposals. President-elect Donald Trump says he

intends to reverse many executive actions taken by his Democratic predecessor, but as a harsh critic of China for its trade surplus and source of fentanyl shipments, he is expected to endorse the change in de minimis rules.

Officials say the lack of visibility around de minimis shipments makes the program attractive for bad actors to smuggle synthetic opioids like fentanyl, precursor ingredients and pill presses, products that don't meet U.S. safety codes, and counterfeit goods.

"We cannot let Chinese-founded e-commerce platforms gain an unfair trade advantage while American businesses play by the rules," said National Economic Advisor Lael Brainard in a news release. "Today's actions are an important step forward to level the playing field for American workers, retailers, and manufacturers and to enforce U.S. laws that protect the health and safety of our consumers."

Over the past decade, the number of shipments entering the United States claiming de minimis treatment has increased more than sevenfold to more than 1 billion by fiscal year 2023, according to CBP. The total value of all imports claiming the exemption was \$54.6 billion. The raise in de minimis value from \$200 to \$800, increased online shopping triggered by the COVID crisis and e-commerce platforms shifting logistics by unbundling container imports and shipping each package direct to the consumer triggered the surge in cross-border parcel shipments, experts say.

Currently, merchandise subject to quotas or antidumping and countervailing duties are not eligible for the de minimis administrative exemption, but goods subject to Section 201, 232 and 301 tariffs may still claim the exemption. CBP is now proposing to exclude those goods from de minimis, meaning that if they are covered by the 301 tariffs they would require a formal entry and payment of duty of up to 25% of the value.

The textile industry applauded CBP's action, saying the de minimis program has undermined U.S. competitiveness by allowing low-cost, subsidized goods often made with forced labor into the country.

"This rulemaking represents a step forward in minimizing the impact of this disastrous loophole in U.S. trade law that has facilitated a surge of duty-free imports that are normally subject to penalty tariffs under various U.S. trade remedy statutes. Failure to collect these duties has exacerbated the flow of goods found to be in violation of U.S. trade laws that are costing American jobs and damaging our manufacturing sector," said Kim Glas, president of the National Council of Textile Organizations, in a statement.

She urged the Trump administration to go further and terminate de minimis by executive order.

International trade professionals say consumers likely won't be deterred if their \$10 jeans from China now cost \$12. And [Chinese marketplaces are likely to adapt](#) by fulfilling orders and labeling each box at origin, bringing them to the United States in containers under a consolidated entry and handing them to national or regional couriers for final-mile delivery to the buyer. Or they could set up warehouses in the U.S. and Mexico to do order fulfillment, with inventory arriving by ocean vessel.

Cirrus Global Advisors, an e-commerce and freight logistics consulting firm, predicted in a LinkedIn post that such a B2B2C model likely means delivery time will take one to two days longer and 20% to 35% increase in prices.

The public has 60 days to submit comments about CBP's notice of proposed rulemaking.

