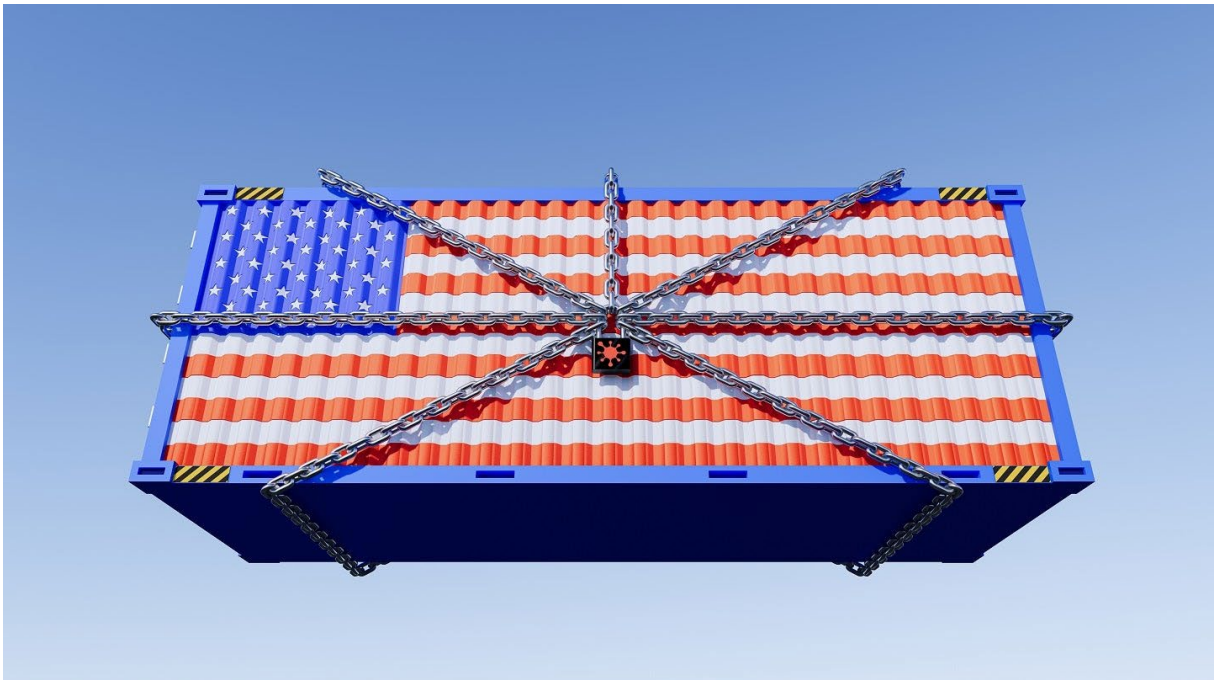


US textile sector supports CBP's stricter low-value import rules

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The National Council of Textile Organizations (NCTO) has welcomed the United States Customs and Border Protection's (CBP) Notice of Proposed Rulemaking (NPRM) that seeks to revise regulations concerning the exemption for shipments of minimal value (de minimis).



This exemption currently allows for goods valued at no more than \$800 to be imported into the US without being subjected to duties or certain taxes.

The proposed adjustments intend to exclude specific merchandise from this exemption, particularly items affected by designated trade or national security measures.

The proposal necessitates that shipments leveraging this exemption must provide a detailed classification of the merchandise using the ten-digit Harmonized Tariff Schedule of the United States (HTSUS).

The suggested regulatory changes aim to fortify protections around intellectual property, consumer health and safety, and bridge enforcement gaps. These measures are designed to defend US industries and labour against inequitable trade practices.

This Notice of Proposed Rulemaking (NPRM) represents one part of a two-pronged initiative announced by the Biden Administration on 13 September 2024, which focuses on safeguarding

US consumers, workers, and businesses. Following up on this initiative on 13 January 2025, CBP introduced an NPRM concerning the Entry of Low-Value Shipments (ELVS).

Over the past decade, there has been a significant surge in the number of imports availing themselves of the de minimis exemption. From approximately 139m in fiscal year (FY) 2015, these imports have escalated by over 600%, reaching beyond 1bn annually by FY23.

In FY24, this figure further climbed to upwards of 1.36bn shipments. Such a dramatic rise poses challenges for CBP's capacity to enforce compliance with US trade laws, as well as regulations pertaining to health and safety, intellectual property rights, and consumer protection.

The US textile industry, also vital for military and PPE supplies, is facing significant demand loss due to 4m daily de minimis shipments of cheap, often illegal imports. This results from an outdated trade provision that allows Chinese e-commerce platforms and importers to bypass tariffs and flood the US market.

“Both the volume and combined worth of low-value, or de minimis, shipments to the United States have risen significantly over the past ten years,” said Homeland Security Secretary Alejandro Mayorkas.

“The exemption of these goods from duties or taxes has undermined American businesses and workers and flooded our ports of entry with foreign-made products, making CBP’s vital work screening these goods for security risks more difficult. The actions announced today to tighten this exemption will strengthen America’s economic and national security.”

NCTO welcomes 'meaningful action' for domestic textile industry

Commending the rulemaking, NCTO's president and CEO Kim Glas said: “We welcome CBP’s announced notice of proposed rulemaking exempting de minimis tariff-free benefits on imports ‘specified as trade and national security actions.’”

“The administration’s decision to initiate the rulemaking process in its final days is a significant and meaningful action for our domestic industry and that of other manufacturing sectors. We urge CBP to expedite the rulemaking process to the fullest extent possible and appreciate the agency’s strong engagement with our industry,” Kim Glas added.

The NCTO also called upon the Trump administration to endorse and swiftly implement a comprehensive solution to tackle the escalating de minimis issue beyond the announced action.

Glas urged President Donald Trump to take immediate steps to abolish de minimis through an executive order and encouraged Congress to collaborate with the new administration on a permanent resolution to close this loophole decisively.

The NCTO, a trade association based in Washington, DC, represents domestic textile manufacturers. In 2023, the US textile supply chain employed 501,755 people and saw shipments worth \$64.8bn. That same year, US exports of fibre, textiles, and apparel totalled \$29.7bn.

Earlier this month US apparel industry associations told Just Style they look forward to reviewing the new proposals for de minimis, while an industry insider said sellers from China would face the biggest burden from the new rules.