China's E-Commerce Exports and U.S. *De Minimis* Policies

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The People's Republic of China's (PRC's or China's) e-commerce policies have promoted PRC exports while limiting the scope of PRC e-commerce imports. Between 2018 and 2025, the PRC expanded its global e-commerce exports more than 21-fold (2,032%); PRC global exports of low-value single packages increased from $5.3 billion in 2018 to $113 billion (**Figure 1**). While PRC e-commerce exports expanded, PRC e-commerce imports fell from $13.3 billion in 2018 to $5.9 billion in 2025. In response to such a rapid growth in PRC exports, and considering China's restrictions on e-commerce imports, since 2025 the United States and other trading partners have sought to limit PRC imports or restrict the preferential treatment of products traded via e-commerce, particularly from China.

U.S. *De Minimis* Trade Policy

Until recently, imports under Section 321 of the Tariff Act of 1930 were the primary path for PRC e-commerce imports into the U.S. market. Section 321 allows for U.S. imports under a *de minimis* threshold to enter free of tariffs, fees, and taxes. In 2016, Congress raised the threshold from $200 to $800 per shipment, thereby allowing shipments valued at $800 or less to be eligible for duty-free *de minimis* exemption. In February 2025, President Trump withdrew *de minimis* treatment for PRC imports, among other trade actions, because the PRC government had not taken decisive actions to address China's role in fentanyl and synthetic opioid trade.

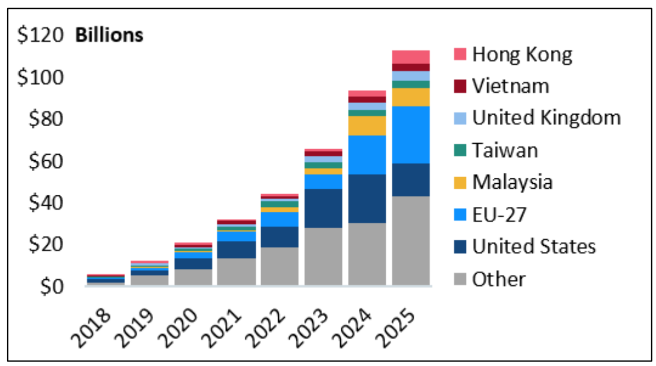
The Trump Administration indefinitely suspended *de minimis* treatment for products from the PRC and Hong Kong, effective May 2025, and for products of other countries, effective August 2025. With the enactment of the FY2025 reconciliation law (P.L. 119-21) in July 2025, Congress repealed Section 321 for all commercial shipments effective July 1, 2027. Low-value imports are now subject to applicable U.S. tariffs. U.S. Customs and Border Protection (CBP) says that it collected over $1 billion in duties on over 246 million low-cost shipments between May and December 2025. (See CRS In Focus IF12990, *U.S.-China Tariff Actions Since 2018: An Overview*.) In July 2026, CBP launched an entry process for postal shipments valued at $800 or less, and in September 2026 is to pilot a voluntary electronic process for postal shipments valued at $2,500 or less.

U.S. *De Minimis* Imports from China

A key part of China's global e-commerce growth has been the expansion of PRC and PRC-tied e-commerce firms into the U.S. market. PRC exports to the United States expanded more than 11-fold from $1.4 billion in 2018 to $16 billion in 2025 (**Figure 1**). The U.S. retail e-commerce market (estimated at $1.2 trillion in 2025 by the U.S. Census Bureau) makes up about 22% of all global e-commerce sales, and China has constituted a large share of U.S. *de minimis* imports. CBP does not provide Section 321 import data by country but estimates that from FY2018 through FY2021, 67.4% ($228.3 billion) of U.S. *de minimis* imports were from the PRC ($149 billion from mainland China and $79.3 billion from Hong Kong). According to PRC trade data, in 2025 the United States accounted for about 14.2% ($16 billion) of PRC e-commerce exports (**Figure 1**). This value may be higher when considering PRC exports to the United States that transit via third markets.

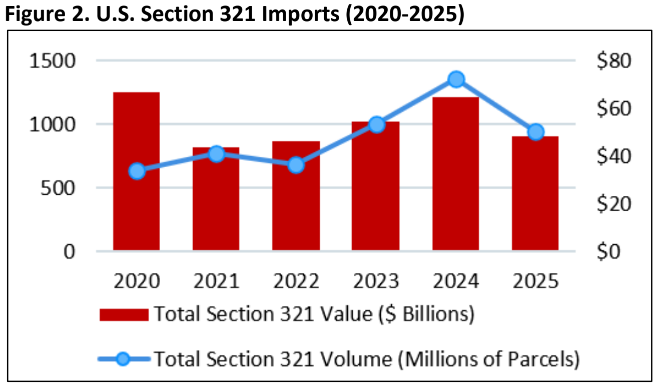
With U.S. policy changes on *de minimis* imports in 2025, PRC e-commerce exports to the United States fell from $22.9 billion in 2024 to $16 billion in 2025. In the first half of 2026, PRC global e-commerce exports fell by 6.7% (or $3.9 billion), and e-commerce exports to the United States fell by 27% (or $2.9 billion) over the first half of 2025. PRC e-commerce exports to trading partners that restricted PRC e-commerce trade (e.g., Australia, the European Union, Japan, South Korea, Thailand, Turkey, and Vietnam) also fell over this period. In contrast, PRC exports to Russia rose over 300%, from $971.1 million in 2024 to $3.9 billion in 2025. CBP estimates that U.S. *de minimis* imports fell from 1.3 billion parcels valued at $64.6 billion in 2024 to 942.5 million parcels valued at $48.1 billion in 2025. Much of the decline was likely due to a fall in imports from China (**Figure 2**).

Figure 1. PRC *De Minimis* Exports by Destination (2018-2025)



Source: CRS with PRC trade data accessed via Trade Data Monitor.
Note: PRC low-value postal shipments shown in HS Code 9804.

Figure 2. U.S. Section 321 Imports (2020-2025)



Source: CRS with data from U.S. Customs and Border Protection.

PRC E-Commerce Policies

In 2019, China enacted a new e-commerce law and raised its *de minimis* threshold for e-commerce imports from about $276 to $690 and its annual transaction limit from about $2,800 to $3,587 (**Table 1**).

Table 1. PRC *De Minimis* Thresholds

Import Type	Transaction Limit
Personal (Individual Use)	RMB 50 (US$6.90) daily
E-Commerce	RMB 5,000 (US$690) daily RMB 26,000 (US$3,587) annual

Source: PRC Customs and State Tax Administration.

While PRC polices have encouraged e-commerce trade, they have also limited the scope of imports that qualify for *de minimis* treatment. Such PRC policy limits include

- **confining cross-border e-commerce trade and the use of *de minimis* provisions to pilot zones.** Since 2015, China has allowed some e-commerce in certain pilot areas. As of December 2024, the program included 165 cities.
- **limiting *de minimis* qualification to products defined in a catalogue; many items are not in the catalogue.** The catalogue, last updated in 2018, lists 1,321 types of goods.
- **placing an annual *de minimis* cap per importer and exporter**, which limits a broader use of *de minimis* trade for wider corporate operations.
- **imposing a value added tax (VAT) and consumption tax** for certain e-commerce imports.
- **restricting U.S. and foreign e-commerce firms' operations in the PRC market** through data and content policies and requirements that foreign firms operate as joint ventures with PRC firms.

In July 2026, the PRC proposed amending its e-commerce law to align its treatment of retail and online sales; influence the development of global e-commerce standards; and protect PRC firms overseas through PRC retaliation against foreign countries' restrictions.

PRC-Tied E-Commerce Firms

PRC and PRC-tied firms are among the top e-commerce firms globally. This standing is based mostly on the firms' market position in China where PRC firms have developed and grown in a protected market. For example, about 88% of Alibaba's global ranking is based on its sales in China. Global rankings of PRC firms in 2025, according to merchandise volume, were as follows: Alibaba (#1 at $1.3 trillion), PDD Holdings (Temu) (#2 at $873 billion), ByteDance (TikTok) (#4 at $672 billion), and JD.com (#5 at $556 billion). U.S. firm Amazon was ranked #3 globally at $852 billion and U.S. retailer Walmart was ranked #6 at $270 billion. In the U.S. market, the top e-commerce retailers in 2025 were Amazon (41%) and Walmart (9%); PRC-tied firms Temu and Shein together made up about 4% of the market with a higher market share in the U.S. discount market (e.g., fast fashion, toys, and consumer goods).

Many large PRC and PRC-tied e-commerce companies are first and foremost data companies. E-commerce retail is part of these firms' broader businesses, and the platforms support other offerings (e.g., gaming, social media, and entertainment). Some PRC and PRC-tied e-commerce firms sell only outside of China. For example, Shein does not sell within China; it contracts firms in China to make and ship clothing directly to global consumers. Some prominent PRC and PRC-tied e-commerce firms have incorporated overseas. In 2023, Temu's parent firm, PDD Holdings, which operates China's Pinduoduo e-commerce platform, changed its legal domicile from the PRC to Ireland. Similarly, Shein's parent company is based in Singapore and tied to a holding company in the British Virgin Islands. Some PRC-tied e-commerce firms have warehousing in third countries. Products might be imported to these markets from China as finished products, or components to be assembled, and reexported to the United States. Some such trade may benefit from U.S. preferential tariffs under agreements such as the U.S.-Mexico-Canada Agreement.

The end of U.S. *de minimis* treatment has prompted PRC e-commerce firms to adjust strategies. For example, in May 2026, Shein said it would acquire the U.S. clothing brand Everlane. Shein has allowed third-party vendors to sell on its site to diversify product offerings and tariff effects. PDD's Temu has shifted to using U.S.-based warehouses and vendors to support the U.S. market in lieu of its original model in which it shipped directly to individual U.S. customers from China. Shein has disclosed that the Federal Trade Commission is investigating Shein's U.S. business. Shein has faced U.S. and EU scrutiny over its labor practices in China and illegal products sold online. After facing obstacles to listing in the United States and the United Kingdom, Shein is pursuing an initial public offering in Hong Kong. Temu's parent, PDD, is listed on the U.S. Nasdaq.

Issues for Congress

U.S. trade policy has traditionally sought to reduce costs and barriers to global e-commerce trade to promote U.S. trade and reduce costs for U.S. consumers and businesses. Proponents of *de minimis* policy reform argue that such trade allowed a growing volume of PRC imports to evade U.S. tariffs, and was unfair to U.S. retailers who paid U.S. duties on imports from China. PRC-tied e-commerce firms were expanding in the U.S. market while PRC policies restricted U.S. firms in China, some said. Critics contended large volumes of small packages imported from China under Section 321 could be a path for illicit goods or goods produced by forced labor.

The 119th Congress may consider whether to

- conduct oversight over new U.S. import procedures and the potential for noncompliance and circumvention of U.S. tariffs and duties through third markets;
- enhance CBP's capacity to inspect low-value postal shipments and oversee existing programs, such as those established by the Uyghur Forced Labor Prevention Act (P.L. 117-78);
- require CBP to report on imports of low-value postal shipments by source (e.g., PRC and Hong Kong, PRC firms in third markets, and imports with PRC content); and/or
- exercise provisions for "foreign-adversary" owned e-commerce applications (apps) in P.L. 118-50 (Division H) to restrict PRC and PRC-tied e-commerce firms of concern from using apps to operate in the U.S. market.

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