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Tariffs Reshape Global Ecommerce: FlavorCloud Unveils Key Trends in 2025 Tariffs Report

Customs holds increase 251% in Mexico and conversion rates decrease 80% for Made In China goods forcing merchants to rethink sourcing, pricing, and fulfillment

SEATLE, WA, UNITED STATES, June 18, 2025 /EINPresswire.com/ -- FlavorCloud, a leading cross-border logistics and compliance platform, today released Part II of its State of Cross Border Commerce: Tariffs and Customs. Drawing on proprietary data from hundreds of millions in gross merchandise value (GMV) shipped globally, the report reveals a structural shift in global trade. As tariffs are no longer episodic but a defining feature of international commerce, the report offers a comprehensive view into how customs enforcement, tariff policy, and sourcing decisions are reshaping global fulfillment strategies and ecommerce resilience in 2025.

The report reveals a structural transformation in global trade, driven by escalating tariffs, regulatory volatility, and intensified customs scrutiny. With 3,000+ new trade interventions introduced in 2024 alone—triple the volume of five years prior—merchants are facing unprecedented complexity in cross-border fulfillment.

Key Findings Include:

- Tariff Turbulence: U.S. tariffs on goods Made In China, Canada, and Mexico, as well as reciprocal tariffs, have triggered consumer fall out, reshaping trade lanes and increasing landed costs across key verticals like apparel, beauty, and health & wellness.
- De Minimis Disruption: As of May 2025, goods Made In China are no longer eligible for Section

321 de minimis entry into the U.S., forcing merchants to pay more in tariff costs and adopt more costly and complex customs procedures.
• Country of Origin (COO) Sensitivity: Misidentifying COO—especially for goods made in China—now disqualifies shipments from de minimis entry and triggers full tariff exposure. 34% of mixed shipments contain China or Hong Kong COO items, making them ineligible for duty-free clearance.
• Conversion Concerns: Conversion rates for Made In China goods into the U.S. dropped from 13.5% in January to just 2.2% in May. Some verticals were hit hard for US outbound shipments, including Health & Wellness with a 50% drop in conversion.
• Customs Holds Surge: Mexico saw a 251% increase in customs holds for products shipped into the country, while Portugal and Italy experienced 88% and 74% increases, respectively—highlighting growing friction in key trade lanes.

“Our data shows that tariff enforcement and customs scrutiny are reshaping cross border economics,” said Rathna Sharad, CEO and Co-founder of FlavorCloud. “From conversion rates to sourcing decisions, the ripple effects are real—and merchants need to adapt fast. This report underscores the urgent need for merchants to build flexible, compliant, and data-driven cross-border strategies.”

The report also outlines key predictions for the remainder of 2025, including the continued realignment of trade lanes, the rise of B2B air freight, the mainstreaming of supplier diversification, and the regionalization of fulfillment.

To see more critical cross border compliance trends, download the full State of Cross Border Commerce: Tariffs and Customs report here to deep dive into conversion drops, compliance crackdowns, and the new era of cross border commerce. For additional insight, listen to an upcoming live discussion of the findings.

About FlavorCloud
FlavorCloud powers the industry’s largest, carrier agnostic, cross-border network optimizing shipping and returns “anywhere to anywhere.” With DTC and B2B services spanning 220+ countries and a 300+ multi-carrier global mile network, FlavorCloud enables brands and 3PLs to operate seamlessly on a global scale. Its technology uses deep learning and AI to power carrier selection, optimize supply chains, and automate product classification, customs, and trade compliance. Learn more at https://flavorcloud.com

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