

# TRADE OBSERVER

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**RUMP RELAUNCHES TRADE WAR:  
NEW U.S. TARIFFS SET OFF GLOBAL DOMINO EFFECT**

**TARIFFS, IMAGE WARS AND DISGUISED COUNTERFEITS:  
THE UNEXPECTED TIKTOK FIGHTBACK  
FROM CHINESE MANUFACTURERS**

**CUSTOMS AND E-COMMERCE:  
THE END OF LOOPHOLES FOR LOW-COST PARCELS**

**YOUR CUSTOMS MONITORING**



## TRUMP RELAUNCHES TRADE WAR: NEW U.S. TARIFFS SET OFF GLOBAL DOMINO EFFECT

**On April 2, 2025, U.S. President Donald Trump announced a series of new tariff measures aimed at protecting domestic industry and reducing the U.S. trade deficit. Among these measures is a universal 10% tariff on nearly all imports, along with specific duties of up to 60% on certain products, primarily those coming from China.**

This announcement, in line with the "America First" doctrine initiated during his first term, immediately sent shockwaves across the globe. Financial markets reacted with rare severity: the S&P 500 lost over \$5.8 trillion in just four days, and the Nasdaq officially entered bear market territory. European and Asian stock markets followed suit, once again highlighting the extreme interdependence of the global economy.

### China targeted, swift retaliation

The European Union quickly voiced its concerns, calling the unilateral decisions a “serious threat” to the international trade order and the rules upheld by the World Trade Organization (WTO). Japan, South Korea, and Brazil also condemned the risk of lasting fragmentation in global trade.

But the consequences are not limited to diplomacy or finance. International companies like Audi have already suspended shipments to the United States, pending clarification on the additional costs associated with the new tariffs. On the American consumer side, a widespread rise in prices is expected, prompting precautionary purchases and adding pressure to supply chains.

### Tariff sovereignty with global impact

The surge in trade barriers highlights an inescapable reality: in the era of globalization, tariff policies are no longer mere tools of economic sovereignty. They act as geopolitical levers, capable of disrupting the balance of international trade.

The WTO has already warned that this new wave of tariffs could lead to a 1% contraction in global trade in 2025. In other words, a decision made in Washington can now trigger economic aftershocks in Beijing, Berlin, or Tokyo.



## TARIFFS, IMAGE WARS AND DISGUISED COUNTERFEITS: THE UNEXPECTED TIKTOK FIGHTBACK FROM CHINESE MANUFACTURERS

**Under pressure from new U.S. sanctions, some Chinese manufacturers are taking to social media to showcase their craftsmanship and reclaim control of the narrative. The U.S.-China trade war is heating up once again. In response to the announcement of new American tariffs reaching up to 145% on certain Chinese products, Beijing has retaliated with tariff hikes of up to 125%. But beyond official channels and traditional retaliation strategies, a new form of resistance is emerging—on TikTok.**

In recent weeks, viral videos have featured Chinese factory owners claiming they manufacture luxury garments for Western brands. These clips, sometimes racking up millions of views, assert that items labeled “Made in Italy” or “Made in France” are in fact partially produced in China—and have undergone only minimal processing in Europe, insufficient to genuinely earn non-preferential origin status such as “Italy” or “EU.”

The message is clear: China is no longer just the world’s factory—it wants the world to know it.



### Pingti vs. Prestige: The New Luxury Battle

These videos don’t showcase crude knockoffs, but so-called “pingti”: high-end imitations using similar materials, patterns, and finishes as luxury brands. Their value proposition? “Same quality, half the price.” The line between subcontracting, inspiration, and disguised counterfeiting becomes intentionally blurred.

While European craftsmanship remains a key marker of luxury, these videos aim to highlight the industrial know-how of Chinese manufacturers as a crucial—yet overlooked—pillar of the global value chain. Viewers are shown fabric reels, cutting-edge machinery, and skilled teams at work, often with brand logos blurred out. Ironically, by revealing the behind-the-scenes of a usually discreet industry, these manufacturers are asserting their legitimacy.

### An Influence Weapon in a Tariff War

This phenomenon is far from trivial. It reflects a broader strategy: the trade war is no longer just about tariff rates—it’s also about public opinion. Much like traditional soft power campaigns, these videos seek to:



- Rehabilitate the “Made in China” label, often associated with low quality;
- Undermine Western brands by sowing doubt about the transparency of their supply chains;
- Divert consumption toward alternative purchasing channels (via WhatsApp or white-label marketplaces).

This exposure strategy is not without risk for the brands mentioned. Some may face accusations of misleading consumers—especially by blurring the line between provenance (the country from which a product is shipped) and origin (the country where a product is fully manufactured or substantially transformed, according to origin rules in force).

That’s why it’s critical for companies to understand and apply the correct origin rules—to avoid labeling mistakes and the serious consequences that may follow.



### Exemptions to Appease, but Tensions Simmer

Meanwhile, the Chinese government is trying to ease tensions. Talks have begun with over 80 foreign companies operating in China to identify products that could be exempted from the 125% surtaxes.

An unofficial list of 131 product categories is reportedly circulating in industrial circles. If confirmed, it could offer tariff relief for up to \$45 billion in U.S. imports—a sign that Beijing is still seeking to preserve key economic partnerships, while maintaining a firm stance toward Washington.

The current U.S.-China trade tensions highlight how customs duties have become powerful geopolitical tools. But this time, the counterattack goes beyond traditional means: by lifting the veil on their role in luxury manufacturing, some Chinese players are shifting pressure onto brands, consumers, and public perception. It’s a stark reminder that customs issues now extend well beyond borders—right into the realm of social media.

\*Soft power: a country or organization’s strategy to influence other nations or foreign audiences not through force (hard power), but through cultural appeal, persuasion, and communication

## CUSTOMS AND E-COMMERCE: THE END OF LOOPHOLES FOR LOW-COST PARCELS

**May 2, 2025, marks a turning point in international trade: the United States has ended the so-called de minimis customs exemption for parcels valued under \$800 coming from China. This decision, far from trivial, reshuffles the deck of global e-commerce—where speed and volume have too often taken precedence over fairness and regulatory compliance.**

For several years, platforms like Temu and Shein have built their business models on this customs advantage, shipping millions of parcels directly to American and European consumers without paying traditional customs duties. The result: a blatant distortion of competition with local players, who face much stricter fiscal, social, and environmental obligations.

Ending this exemption on the U.S. side—coupled with surcharges of up to 145%—aims to level the playing field. But it could also trigger a domino effect across Europe. France is already considering the introduction of “handling fees” on non-EU parcels as early as 2026, pending a possible EU-wide reform of the €150 exemption threshold, scheduled for 2028. For many French retail stakeholders, that’s too little, too late.



The threat is clear: if the U.S. closes its market, these shipping flows could shift en masse toward the EU, which is already the primary destination for cheap Chinese parcels. In 2024, over 4.6 billion parcels under €150 crossed European borders—over 90% directly from China. Without a swift, coordinated response, the risk is twofold: the weakening of local commerce and the loss of control over the health, safety, or ethical standards of imported goods.

It’s time to move beyond a purely fiscal approach and start thinking in terms of commercial sovereignty. A flat-rate deterrent tax on non-EU parcels, a reduction of the de minimis threshold, and—most importantly—a strengthening of actual customs inspections are all concrete levers to activate. If France acts alone, the impact will be limited. The urgency calls for a harmonized European response, in line with the scale of the challenge.

Digital commerce can no longer exist in a legal vacuum. Today, Europe must choose: endure or adapt.






## YOUR CUSTOMS MONITORING

**ORIGIN – PEM ZONE: UPDATE ON DIAGONAL CUMULATION RULES**


On April 28, 2025, the European Commission published in the Official Journal of the European Union (OJ C/2025/2459) a Communication detailing the conditions for applying diagonal cumulation within the Pan-Euro-Mediterranean (PEM) zone under the transitional rules of origin.

 The document presents, in clear table format, the cumulation possibilities between countries that have adopted these transitional rules, thus making it easier to identify eligible supply chains.

**Key takeaway:** Special attention must be paid to the alignment of agreements and the effective application of transitional rules between partners—an essential condition for benefiting from cumulation.

**BREXIT – UPDATE ON THE WINDSOR FRAMEWORK**

The OJEU of April 28, 2025, publishes Decision (EU) 2025/800 of April 14, 2025, clarifying the EU's position within the Joint Committee established by the UK Withdrawal Agreement.

 Objective: Add a new EU act to Annex 2 of the Windsor Framework, thereby ensuring continued application of certain EU regulations in Northern Ireland.

In accordance with the protocol, this update aims to maintain a stable customs and regulatory framework between Northern Ireland and the EU, despite Brexit.

**BREXIT – LAUNCH OF THE MANDATORY LOGISTICS ENVELOPE (ELO)**

The French Customs Authority (DGDDI) announced in Operator Notice No. 25000089 of April 25, 2025, the launch of the ELO system as of April 28, 2025, with a transitional period until September 1, 2025.

 This online service complements the smart border system with the UK.

**Usage guidelines:**

- For exports with full trucks: ELO is accessible via the operator's douane.gouv.fr account.
- For imports/exports with empty trucks: Same access via individual account.
- For imports with full trucks: If an Entry Summary Declaration (ENS) is required, it must now be lodged in ICS2 to enable ELO creation.
- Key takeaway: A transition period runs until September 1 to allow operators to adapt to this new tool, now essential for smooth cross-Channel flows.






## YOUR CUSTOMS MONITORING

### CHEMICAL PRODUCTS REGULATION

The decree of February 27, 2025, published in the Official Journal of the French Republic (JORF) on April 19, 2025, specifies the import and export procedures for certain sensitive chemical products, in accordance with the 1993 Chemical Weapons Convention (CWC).

#### **Products concerned:**

- Products listed in Table 1, for both import and export: prior authorizations and declarations are mandatory.
- Products listed in Table 3, for export only to a non-state party to the Convention.
-  The legal references are based on the Defense Code (articles L. 2342-8 to R. 2342-29).
- For the concerned operators: carefully check the relevant tables, recipient countries, and anticipate administrative procedures via the competent authorities.

### ORIGIN – TOWARDS DIGITIZATION OF PROOF OF ORIGIN

The Official Journal of the European Union (OJUE) on April 24, 2025, publishes Decision No. 310/2024 from the EEA Joint Committee, which lays the groundwork for the recognition of electronic certificates of origin in the European Economic Area (EEA).

 To be accepted, an electronic certificate must:

- Replicate the official format required by Protocol No. 4 of the EEA Agreement;
- Be verifiable online via a secure portal of the exporting customs authority;
- Have a unique serial number, potentially accompanied by security features.

Objective: Facilitate trade while ensuring the reliability of origin documents within a modernized and secure customs framework.

### DUAL-USE GOODS– IMPROVED COORDINATION OF NATIONAL CONTROL LISTS

To enhance the EU's economic security, the European Commission publishes new recommendations for coordinating national controls related to dual-use goods .

#### Objectives:

- Harmonize national control lists with European and international standards
- Encourage information exchange among Member States
- Create a coordination mechanism to share draft lists with the Commission and other Member States before official adoption.

This system aims to better regulate sensitive exports while ensuring a consistent approach at the European level.

