

## CUSTOMER ADVISORY

## MEXICAN GOVERNMENT ENDS DUTY-FREE FULFILLMENT FOR APPAREL & TEXTILE IMPORTS

December 27, 2024,

## Dear Valued Customer,

On December 19, Claudia Sheinbaum, the President of Mexico, announced a decree that took effect immediately, which terminated a program that permitted U.S. textile and apparel importers to bypass duties by utilizing Mexican warehouses as distribution centers. This action also raised tariffs on a range of apparel and textile items to create a more equitable market for Mexican manufacturers. Import duties on apparel and textile products have increased from 20-25% to 35%.

This change is likely to affect fulfillment providers operating in Mexico. It could prompt a considerable shift of e-commerce fulfillment services back to the U.S. or to providers located in Asia.

For more information, please see the articles below:

- JOC.com: Mexico curtails duty-free fulfillment option for apparel, textile importers
- Freightwaves.com: Mexico ends border-skipping loophole e-commerce companies frequently exploit

APL Logistics is actively monitoring this situation as it continues to evolve. We will provide updates as needed. If you have any questions, please contact your APL Logistics representative.

Sincerely,

**APL Logistics**