Amazon Tariffs Price Impact, Prices Stay Low Despite Hikes

Amazon CEO Andy Jassy confirmed Monday that recent tariffs on Chinese imports have not caused significant price increases on the company's platform. Speaking on CNBC's Mad Money, Jassy credited strategic inventory moves and competitive seller behavior for keeping prices stable, reinforcing arguments that tariffs do not necessarily fuel inflation as critics long claimed.

Jassy noted that Amazon conducted "forward buying" months ago to stockpile inventory ahead of the tariff hike. He added that many of Amazon's two million third-party sellers also pre-positioned goods to avoid potential disruptions. As a result, the marketplace has been able to maintain price competition, with some sellers absorbing added costs to gain market share.

"If someone raises prices, others likely won't," Jassy explained. "There's a lot of competition on our platform."

His comments align with government inflation data released since April, which show minimal impact from the tariff increases. Producer prices rose less than expected in May, and consumer inflation indicators have remained stable or slowed. This data contradicts years of warnings that tariffs would inevitably hurt American consumers by driving up prices.

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Jassy emphasized Amazon's preparation, but also hinted that the size and flexibility of the platform allow it to absorb shocks better than smaller retailers. He did not offer opinions on the trade policy itself, but his remarks add to a growing body of evidence suggesting targeted tariffs can be used without spiking consumer costs.

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The company also previewed its upcoming Prime Day event, starting July 8, promising “very significant discounts” despite trade tensions. Jassy said the deals were coordinated with sellers to reflect real customer demand, showing that Amazon remains focused on affordability during uncertain economic times.

Earlier this year, Jassy made similar remarks to shareholders, stating there had been “no meaningful average selling price increases” tied to tariffs. He also confirmed that Amazon had dropped a controversial plan to display tariff-related surcharges after President Trump personally contacted Amazon founder Jeff Bezos. The White House reportedly viewed the pricing display as politically charged. Amazon canceled the proposal shortly after.

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The latest update from Amazon comes as economic observers debate the long-term effects of renewed tariffs. Some suggest price hikes may still come if inventories run low. But for now, Amazon’s leadership insists that it has held the line on prices, thanks in part to strategies first encouraged during President Trump’s push for tougher trade measures against China.

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