U.S. Restricts Chinese Apparel and Tech Products, Citing Forced Labor

The new restrictions, announced Monday, fall short of a broader ban on cotton and tomatoes from Xinjiang that the administration was poised to announce last week.

By Ana Swanson

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WASHINGTON — The Trump administration on Monday announced new restrictions on imports of apparel, hair products and technology goods from certain Chinese companies, saying those entities had used forced labor in the Xinjiang region to make their products.

The measure would allow U.S. customs agents to detain and potentially destroy goods brought into the country that are made by the named companies or entities in Xinjiang, a far western region where China has detained <u>as many as a million Uighurs and other ethnic minorities</u> in internment camps and prisons.

While the move is likely to further inflame tensions between the United States and China, it stops short of <u>a more sweeping ban on cotton</u> and tomatoes produced in Xinjiang that the administration <u>was poised to announce</u> last week. That measure had alarmed apparel companies that use Chinese cotton and spurred concern among some administration officials, who were worried it could hurt economic relations with China and prompt possible retaliation on American-grown cotton, according to people familiar with the internal discussions.

In a briefing with reporters on Monday, officials with the Department of Homeland Security said that the broader measure was undergoing further legal analysis, and that more announcements could soon follow.

The so-called 'withhold release orders' announced by Customs and Border Protection on Monday target all products made with labor from the Lop County No. 4 Vocational Skills Education and Training Center in Xinjiang, which provides prison labor to nearby manufacturing entities, the border agency said.

The orders will also restrict hair products made in the Lop County Hair Product Industrial Park, apparel produced by Yili Zhuowan Garment Manufacturing Company and Baoding LYSZD Trade and Business Company, cotton produced and processed by Xinjiang Junggar Cotton and Linen Company, and computer parts made by Hefei Bitland Information Technology Company. "These extraordinary human rights violations demand an extraordinary response," Kenneth T. Cuccinelli II, the acting deputy secretary of homeland security, said of China's actions in Xinjiang. "This is modern-day slavery."

In a daily press briefing on Tuesday, Wang Wenbin, a spokesman for China's foreign ministry, said the movie would snarl up global supply chains. He also denied that companies in Xinjiang use forced labor. "This fully exposes the hypocritical faces and sinister intentions of those in the U.S. hoping to curb Xinjiang's development and progress and sow Chinese ethnic dissension," Mr. Wang said.

The economic scope of the order was not immediately clear, and border agency officials declined to specify the dollar value of imports from these companies.

Hefei Bitland has said on its website that its cooperative partners include major technology companies such as Google, HP, Haier, iFlytek and Lenovo. Yili Zhuowan has produced gloves for the French clothing brand Lacoste, <u>according to the Workers Rights Consortium</u>, a nonprofit.

Hefei Bitland "is not a direct supplier to HP," a spokesperson for HP said in a statement. "We have robust policies in place to protect human rights and prohibit the use of involuntary labor of any kind across our supply chain. We are committed to ensuring everyone in our supply chain is treated with dignity and respect."

American law bans the importation of any goods produced with forced labor. But human rights groups say the practice has long been widespread in Xinjiang, where many detainees are recruited into programs that assign them to work in factories, on cotton farms or in textile mills.

Xinjiang accounts for about 85 percent of China's cotton production, according to the <u>U.S.</u> <u>Agriculture Department</u>, and about one-fifth of cotton production globally. Brands including <u>Muji</u>, <u>Uniqlo</u>, <u>Costco</u>, <u>Caterpillar</u>, <u>Lacoste</u>, <u>Ralph Lauren</u>, <u>Tommy Hilfiger and</u> <u>Hugo Boss</u> have been named in reports tying them to Xinjiang factories or materials. Some companies have denied the allegations.

Amid the tensions of President Trump's trade war and a growing spotlight on human rights abuses in Xinjiang, some major apparel brands have tried to limit their exposure to the region in recent years, including by moving textile and clothing operations to Bangladesh, Indonesia and Vietnam. In July, the sportswear maker Patagonia <u>announced that it was exiting Xinjiang</u>, and that it had told its global suppliers that using fiber made in the region was prohibited.

But human rights groups and industry analysts say supply chains in China remain opaque, allowing companies to profit off involuntary labor by Uighurs and other ethnic Muslims. Travel restrictions in Xinjiang can prevent companies from investigating their supply chains there, and companies that carry out audits of their suppliers may see only what the Chinese factories want them to see.

Concerns about the prevalence of forced labor in these supply chains led Customs and Border Protection to draw up more sweeping restrictions on products made with cotton and fabric from Xinjiang. On the morning of Sept. 8, an agency official told The New York Times that the import bans would cover the supply chains for cotton, from yarn to textiles and apparel made in the Xinjiang Autonomous Region, as well as tomatoes and tomato paste.

<u>But that order was never announced</u>. Officials from the Agriculture Department, the Treasury Department and the U.S. Trade Representative intervened to raise objections about the measure, saying it could threaten American cotton exports to China, or put the trade deal Mr. Trump signed with China in January at risk, people familiar with the matter said.

In their call on Monday, homeland security officials denied that any intervention prompted the delay, saying the legal review had been "driven by the unique nature" of the policy. "We want to make sure that once we proceed that it will stick," Mr. Cuccinelli said.

<u>Under a withhold release order, importers are still allowed to bring their products into the</u> <u>United States if they are able to provide proof to customs that the goods were not made with</u> <u>forced labor</u>, for example through an extensive audit of the manufacturing facilities, said John Foote, a partner at Baker & McKenzie who specializes in international trade and forced labor issues. If the importer is not able to produce that proof, the product must be sent back, or it is subject to seizure by U.S. customs.

In August<u>, labor and human rights groups</u> including the A.F.L.-C.I.O. and the Uyghur Human Rights Project filed a petition asking Customs and Border Protection to issue a withhold release order on all cotton goods from the Xinjiang region.

"The system of forced labor is so extensive that there is reason to believe that most cottonbased products linked to the Uyghur Region are a product wholly or in part of forced labor," the petition read.

Customs has issued several withhold release orders in the past against individual companies with ties to Xinjiang, including clothing makers Hetian Taida Apparel Company and Hero Vast Group. Other entities and people in Xinjiang have been subject to sanctions, including <u>the Xinjiang Production and Construction Corps</u>, an economic and paramilitary group that plays an important role in Xinjiang's development, and Esquel Group, which said it has ties to Ralph Lauren, Hugo Boss and Muji. Esquel denies that it uses forced labor in its supply chain and says it is appealing the listing.

<u>In July, the Departments of State, Treasury, Commerce and Homeland Security issued an</u> <u>advisory jointly warning American companies</u> to monitor their activities in China, particularly in Xinjiang, saying they could face "reputational, economic and legal risks associated with certain types of involvement with entities that engage in human rights abuses."