

US to block import of cotton goods produced by China's leading supplier in Xinjiang

- Xinjiang Production and Construction Corps (XPCC), responsible for a third of China's cotton production, is accused of widespread use of forced labour
- The move by the US Customs and Border Protection agency also applies to products made by companies that use XPCC cotton in their supply chain



[Owen Churchill](#) in United States and [Jacob Fromer](#) in Washington

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Cotton harvesters in a field in northwest China's Xinjiang Uygur autonomous region. On Wednesday, the US said it would block the import of all cotton products made by the Xinjiang Production and Construction Corps, citing concerns the entity is responsible for widespread use of forced labour.

Photo: Xinhua

The US government said on Wednesday it would begin blocking the import of all cotton products made by the Xinjiang Production and Construction Corps (XPCC), citing concerns that the sprawling, quasi-military entity in northwest China is responsible for widespread use of forced labour.

The new ban will apply not only to cotton products made by the XPCC and its affiliates but also garments made by other entities – including those outside China – that use raw cotton harvested by the XPCC in the Xinjiang Uygur autonomous region.

The XPCC is responsible for about a third of China’s cotton production and is deeply enmeshed in supply chains across the country and beyond. Textile industry experts say that it is effectively impossible to source textile goods from China without some kind of involvement of the XPCC.



Mark Morgan, US Customs and Border Protection’s acting commissioner, said that “China’s systemic abuse of forced labour in the Xinjiang region should disturb every American business and consumer”. Photo: AP

Under the new measures, any products entering the US that authorities determine contain cotton produced by the XPCC will be seized at the border and released only if the importer can provide conclusive evidence that forced labour was not used in the production of the goods.

Speaking with reporters on Wednesday, law enforcement officials acknowledged the new order would pose significant challenges to US firms that will have to make drastic changes to their supply chains.

But, the officials argued, companies had been “on notice” for some time, following a string of warnings and previous actions by the government.

“China’s systemic abuse of forced labour in the Xinjiang region should disturb every American business and consumer,” acting head of the Customs and Border Protections (CBP) agency, Mark Morgan, said. “Forced labour is a human rights violation that hurts vulnerable workers and introduces unfair competition into global supply chains.”

The Chinese embassy in Washington did not immediately respond to a request for comment. Beijing has previously denied the existence of forced labour in Xinjiang.

The CBP’s move builds on measures it took in September to ban the import of cotton, hair products and computer parts from a number of companies based in Xinjiang. At the time, US officials vowed to enact further restrictions on goods sourced from the region.

Officials said that the US was considering further action, including a region-wide ban on all cotton goods sourced from Xinjiang.

Each year, the US imports more than 500 million garments containing XPCC cotton, according to estimates by the Workers Rights Consortium (WRC), an apparel industry watchdog.

“This is the strongest economic challenge to the Chinese government’s human right abuses in the [Xinjiang Uygur autonomous region] to date, and a step towards restoring the rights of Uygurs and other Turkic and Muslim peoples across the region,” the group’s executive director, Scott Nova, said of the latest action in an emailed statement.

But Nova said that the ultimate efficacy of the order would hinge on the rigour with which it is implemented, pointing to a view held by some advocacy groups that the CBP’s enforcement of previous Withhold Release Orders (WROs) – as the bans are known – has lacked transparency.

The latest WRO against XPCC-linked cotton products follows the Treasury Department’s designation in July of the entity on a sanctions list, seizing any US-held assets and generally prohibiting US companies from dealing with it. Those sanctions went into full effect on Monday.

Officials sought to distinguish between the two measures on Wednesday, stressing that the Treasury targeted “money” where the CBP targeted “products”. Moreover, the CBP’s action potentially casts the net wider, given that it covers goods sourced outside of Xinjiang that use raw cotton harvested by XPCC farmers.

“As our technology gets better, we’re going to be more effective at identifying those types of garments and products,” said, Ken Cuccinelli, acting deputy secretary of the Department of Homeland Security.

The latest action addressing human rights concerns in China comes as Congress assembles a cluster of legislation meant to put pressure on Beijing over its policies in Xinjiang. With little time left before the end of the session, any bills that do not pass must be reintroduced once the new Congress begins in early January.

Two bills targeting China’s exports to the US have already passed the House of Representatives, but have not yet moved forward in the Senate.

One of them, the Uyghur Forced Labor Prevention Act, would ban companies from importing any goods from Xinjiang unless the companies could prove they were not produced using forced labour.

The other, the Uyghur Forced Labor Disclosure Act, would require publicly traded companies in the US to notify the Securities and Exchange Commission (SEC) if any of their imports were connected to forced labour in Xinjiang.

A third bill would ban US exporters from selling any goods to China that might be used by authorities there to suppress human rights. It passed as an amendment to the House version of the annual national defence bill, but it is unclear if it will be included in the final bill.

The legislative push has been resisted by lobbying efforts to soften the bills from some US corporations that have business interests in Xinjiang and the rest of China.



A Coca-Cola billboard in San Francisco, California. Photo: AFP

Records show that Nike, Coca-Cola, the Gap and the VF Corporation, an apparel giant which owns The North Face and Timberland, have all lobbied against the Uyghur Forced Labor Prevention Act.

Congressional aides say those efforts are unlikely to stop passage of all the measures – the issue of Uyghur human rights has found widespread bipartisan support on Capitol Hill – though it is possible the bills may be altered before a final vote.

Following its introduction earlier this year, the House version of Uyghur Forced Labor Prevention Act was amended to remove a list of 20 companies reportedly implicated in the use of forced labour in their supply chains. Among those companies struck from the bill's language were Nike, Patagonia, Coca-Cola, Calvin Klein and Adidas.

Representatives ended up approving the bill by an overwhelming 406-3 vote.