

U.S. Department of Homeland Security

# Fact Sheet: In Just Two Years, Forced Labor Enforcement Task Force and the Uyghur Forced Labor Prevention Act Have Significantly Enhanced Our Ability to Keep Forced Labor Out of U.S. Supply Chains

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Ending forced labor is a moral, economic, and national security imperative. Keeping goods made with forced labor out of our supply chains promotes American values of free and fair trade, the rule of law, and respect for human dignity, and addresses unfair competition for compliant U.S. and international manufacturers.

DHS plays a critical role in combatting forced labor through the work of U.S. Customs and Border Protection (CBP) in enforcing laws that prohibit imports of goods made with forced labor. In its role as Chair of the interagency Forced Labor Enforcement Task Force (FLETF), DHS leads thirteen federal agencies leveraging their collective authorities, expertise and resources to address the global challenge of prohibiting the importation of goods mined, produced, or manufactured wholly or in part with forced labor. With the passage of the Uyghur Forced Labor Prevent Act (UFLPA), the FLETF was tasked with developing and implementing a multi-pronged strategy to prevent goods made in whole or in part with the forced labor of Uyghurs and other members of ethnic and religious minority groups from the Xinjiang Uyghur Autonomous Region (XUAR). In the two years since the June 2022 implementation of its enforcement mechanism, the rebuttable presumption that certain goods are produced with forced labor, the UFLPA has become a key part of U.S. efforts to eradicate forced labor and promote accountability for the ongoing genocide and crimes against humanity against Uyghurs and other religious and ethnic minority groups in the XUAR.

As a result of our enforcement efforts and robust partnerships with stakeholders, the trade community has responded by enhancing its due diligence programs to ensure compliance. The growing demand for compliant supply chains has impacted global sourcing strategies, resulting in greater innovation, growth and diversification among trusted trading partners, making our supply chains more resilient and sustainable.

### **Expanding and Enforcing the UFLPA Entity List**

The UFLPA establishes a rebuttable presumption that the importation of any goods produced by an entity on the UFLPA Entity List is prohibited from importation into the United States. The FLETF has taken numerous steps to expand and enforce the UFLPA Entity List:

- Since implementation of the rebuttable presumption in June 2022, CBP has reviewed <u>more than 9,000 shipments</u> (<a href="https://www.cbp.gov/newsroom/stats/trade/uyghur-forced-labor-prevention-act-statistics">https://www.cbp.gov/newsroom/stats/trade/uyghur-forced-labor-prevention-act-statistics</a>) valued at over \$3.4 billion, covering a broad range of products from apparel, automotive parts, chemicals, electronics, flooring, and solar panels.
- The <u>UFLPA Entity List (/uflpa-entity-list)</u> now includes 68 entities, 48 of which were added in the last 13 months. These entities represent a large number of industry sectors and are located in the XUAR and other provinces in China, demonstrating how far these illicit goods can reach into global supply chains. The list helps responsible industry partners avoid entities that benefit from forced labor.
- The FLETF has implemented an improved and streamlined process that builds on best practices to support expansion of the UFLPA Entity List, providing greater transparency for the trade community.

## **Impact of UFLPA Implementation and Enforcement**

The UFLPA has led to actions intended to keep goods made with forced labor out of supply chains for a variety of U.S. sectors:

- Solar: In response to demands for solar supply chains untainted by forced labor, U.S. polysilicon producers have entered into more than \$7 billion in long-term sales agreements with component manufacturers and invested more than \$575 million in increased production capacity, according to U.S. producers. This increased capacity will allow the United States to reach our climate goals faster than was anticipated in 2022 before the UFLPA was implemented.
- **Textiles and Apparel:** More than 20% of the world's cotton is grown in China. As a result of DHS' focus on enforcement in apparel and cotton products, importers have shifted supply chains from the PRC to mitigate their risk. Apparel industry reports indicate that more than 95% of U.S. companies have actively enhanced their supply chain due diligence efforts with the use of technology and verification tools. With its new <u>Textile</u>

<u>Enforcement Plan (/news/2024/04/05/new-dhs-textile-enforcement-actions-crack-down-illicit-trade-support-500000)</u>, DHS is expanding its enforcement efforts to address risk of XUAR-sourced cotton in de minimis shipments and to protect the textile and apparel industries' investments in clean Free Trade agreement supply chains.

- **Automotive:** There is widespread reporting of forced labor in automotive supply chains. Due to the UFLPA's call to enhance efforts to exclude supplies with higher risks of forced labor, automakers are conducting more comprehensive due diligence, identifying and mitigating risk in their supply chains. Companies are taking proactive steps to ensure that goods brought into the United States are free from inputs that do not demonstrate an absence of forced labor from Xinjiang or produced by a named entity on the UFLPA Entity List.
- Polyvinyl Chloride (PVC) in Flooring: The XUAR produces 10% of the world's PVC, the majority of which is used to manufacture vinyl flooring.
  U.S. imports of PVC products declined by 48% in the last 12 months as U.S. importers shifted away from suppliers that utilized XUAR-sourced PVC in certain flooring products. Industry reports acknowledge these shifts away from PRC supply chains and have resulted in new and expanded PVC and flooring production capacities in the United States, Mexico, India and Vietnam.

### **Updates to the UFLPA Strategy**

The UFLPA Strategy outlines a multi-pronged approach to combatting forced labor in global supply chains. This year's updates outline how the FLETF has significantly advanced our objectives through several initiatives:

- Strong Enforcement by U.S Customs and Border Protection ensures that goods made in whole or in part with forced labor are prohibited from the U.S. market, holding companies that use or facilitate these human rights abuses accountable. CBP is tasked with enforcement of the UFLPA's rebuttable presumption, which prohibits goods from being imported into the United States that are either produced in whole or in part in the XUAR or produced by entities identified on the UFLPA Entity List, unless the importer can prove, by clear and convincing evidence, that the goods were not produced with forced labor. CBP's enforcement has been strong and surgical targeting high-risk shipments while facilitating legitimate trade and keeping the American economy flowing. Since implementation of the enforcement mechanism in June 2022, CBP has reviewed more than 9,000 shipments valued at over \$3.4 billion, covering a broad range of products from apparel, automotive parts, chemicals, electronics, flooring, and solar panels.
- Expansion of the UFLPA Entity List provides responsible business with information to keep tainted goods from U.S. supply chains. The UFLPA Entity List now includes 68 entities, 48 of which were added in the last 13 months. These entities represent a large number of industry sectors ranging from agriculture, batteries, electronics, food additives, household appliances, nonferrous metals, plastics and textiles and are located in the XUAR and other provinces in China, demonstrating how far these illicit goods can reach into global supply chains. The FLETF has implemented an improved and streamlined process that builds on best practices to support- expansion of the UFLPA Entity List, providing greater transparency for the trade community.
- Designating New High Priority Sectors for Enforcement allows importers to focus due diligence on supply chains that intersect with these sectors and empowers U.S. agencies to consider additional enforcement actions. Congress and the FLETF originally identified apparel, cotton and cotton products, silica-based products including polysilicon and tomatoes and downstream products as high priority sectors for enforcement. With this year's updates, the FLETF is identifying new high priority sectors aluminum, polyvinyl chloride (PVC) and seafood involving a higher risk of forced labor or state labor transfer of Uyghurs and other ethnic minorities from the XUAR. The FLETF has already included entities in these sectors on the UFLPA Entity List and will continue to prioritize review for additional entities in these sectors. In addition, entities in these sectors will be prioritized for review by the FLETF for a variety of other enforcement actions, including export limitations, economic sanctions, and visa restrictions, to curtail the economic incentives to participate in or facilitate human rights abuses, including forced labor.
- Greater Collaboration with Stakeholders strengthens enforcement and supports compliance. One of the hallmarks of the UFLPA Strategy is the recognition that stakeholders from the private sector, nongovernmental organizations, and our international partners all have an integral role in the "whole of society" response to the challenge of forced labor goods in global supply chains. With established partnerships with industry and civil society, the FLETF is leveraging these relationships to build awareness of the risks of forced labor and expand our collective knowledge of best practices to identify and isolate bad actors. DHS and the FLETF are actively engaging with our like-minded international partners, including Canada, the EU, Japan, and Mexico, as they develop their own approaches and enforcement regimes to keep goods made with forced labor from legitimate markets.

DHS and the FLETF remain dedicated to ensuring the United States is doing its part in promoting human rights, upholding fair labor standards, and allowing American workers and manufacturers a fair and equal playing field in the global marketplace. Forced labor schemes and practices undermine the global trading system and our national security, and the United States will remain diligent in standing up against these human rights abuses.

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#### **Topics**

TRADE AND ECONOMIC SECURITY (/TOPICS/TRADE-AND-ECONOMIC-SECURITY)

#### Keywords

CUSTOMS AND BORDER PROTECTION (CBP) (/KEYWORDS/CUSTOMS-AND-BORDER-PROTECTION-CBP) FORCED LABOR (/KEYWORDS/FORCED-LABOR)

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