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Illustration: Lau Ka-Kuen

Jump in Xinjiang exports to US raises eyebrows

August saw large surge in American orders from region despite law blocking shipments over claims of forced labour, but some observers question the data from China’s side

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On August 29, at the height of the busy import season before the US Christmas shopping boom, a crate of T-shirts and toys arrived at the Port of Long Beach in California after a journey of thousands of miles from Yantian Port in southern China.

The 21kg of shirts and 3kg of toys were on their way to Massachusetts and New York – two almost negligible entries in the billions of dollars in US-China trade every year. But both consignments were shipped from the Xinjiang region.

I think that [US Customs and Border Protection] hasn’t quite hit their stride on detentions

ANA HINOJOSA, FORMERLY WITH THE CUSTOMS AGENCY

Despite a new Washington law meant to effectively block all imports from the far-west region of China due to forced labour allegations, shipping records and customs data suggest that companies from Xinjiang are still sending their goods to the US – and at a much higher volume than before.

Chinese customs data showed that Xinjiang entities exported US\$56.8 million worth of goods to the US in August, the most in 10 months, and appearing for the second consecutive month to defy the new law.

The value more than doubled that of July – the first full month after the Uygur Forced Labour Prevention Act went into effect – and was almost seven times that in June. It had surged 592.8 per cent compared to a year earlier.

With the apparent jump in exports, the US became the far-west region’s fifth biggest trading partner in August, after three neighbouring Central Asian countries and Russia, up from 12th in July.

The surge in trade also bucked the overall trend of weakening Chinese exports to the US, which recorded a year-on-year decline in August for the first time since May 2020.

For the second month in a row, the figure surprised industry observers in both countries, who expected it would plummet to zero after the law took effect. They said the apparent rise in exports did not mean all these shipments had entered the United States.

“I think that [Customs and Border Protection] hasn’t quite hit

their stride on detentions yet,” said Ana Hinojosa, a former executive director for law enforcement at US Customs and Border Protection (CBP), which is tasked with enforcing the regulation.

“CBP probably needs to do more, especially to address all of the different modes that these goods might potentially be using to circumvent inspection and detention.”

The US agency said it would not comment on data provided by other countries.

According to China’s customs records, Christmas goods remained the top product exported to the US for two months in a row, worth US\$4.8 million in August, followed by toys, totalling US\$2.5 million.

Apparel shipments to the US – already flagged by officials in Washington as a category of particular concern for potential forced labour – added up to more than US\$9 million, the highest value since October 2020.

That included nearly 8 million pairs of socks, and hundreds of thousands of shirts, trousers, jackets and dresses.

Olga Torres, founder of Washington-based Torres Law, which specialises in trade and national security, said that either US customs was overwhelmed and not stopping everything, or the Chinese numbers were wrong.

“At this point, I don’t think people would be shipping more if they can’t meet the burden of proof [required by the law],” she said.

The act assumes that all goods from Xinjiang are at risk of being tainted by forced labour, and bans US imports of any materials produced in the region unless the

importers can prove otherwise. Beijing has denied allegations of forced labour in Xinjiang.

Companies can appeal if they can provide “clear and convincing” evidence to US customs authorities that their supply chains are free of forced labour, but meeting the requirements would be extremely difficult, if not impossible, lawyers said, due to the opaqueness of the region and how difficult it would be for auditors to conduct inspections.

Xinjiang’s human rights situation has come under renewed scrutiny in recent weeks after the United Nations’ top human rights official published a report at the end of August linking Beijing’s employment policies in the region to forced labour.

According to shipping records provided by trade database ImportGenius, cargo from Xinjiang arriving in the US after the new law took effect included T-shirts and toys as well as backpacks, wool jumpers, faux marble sinks and tools used for drilling.

They also included 48 tonnes of cotton wrap from Shihezi – a region controlled by the quasi-military Xinjiang Production and Construction Corps, which was sanctioned by the US in 2020.

Kevin Cai Kaiming, a senior partner at Dentons law firm in Beijing, said the trade data might imply that “the US is still open to [Xinjiang] products that have actual demand”. Cai is also the deputy director of the trade and economics expert committee at the China Council for the Promotion of International Trade.

But Michael Roll, a customs and trade lawyer in Los Angeles at Roll and Harris, said the data only showed China’s exports, and not what the US actually let in through its borders. “One would expect the numbers to go in the other direction,” Roll said. “But if CBP sees the goods coming from a Xinjiang manufacturer – US importers of textiles or apparel do have to report the manufacturer – I would bet those goods are being stopped per the [act].”

Hinojosa, the former US customs official, said the exports might also include individual garments bought by Americans on e-commerce platforms, as opposed to bulk shipments for clothing retailers.

“If it’s a large container, that’s going to be a little bit easier to track,” she added. “But if it’s two shirts in a bag, or a tube top in a bag, that’s either going through the mail or going through one of the express carriers, it’s going to be more difficult for them to target those.

“There’s so many of them that the value of them could easily reach the numbers [shown in the Chinese data].”

According to Chinese customs records, Xinjiang exported just 45 unidentified items to the US via e-commerce in August, worth US\$3,786.

Neither the General Administration of Customs or Ministry of Commerce responded to requests for comment.

Roy Liu, a partner at the Washington law firm Hughes Hubbard & Reed, said the export data would increase lawmakers’ scrutiny of the US customs agency’s enforcement of the law.

“Such scrutiny already is substantial,” Liu said, referring to a letter sent this month by lawmakers to the customs agency and the Treasury Department’s Office of Foreign Assets Control, which oversees US economic sanctions, concerning the enforcement of the act.

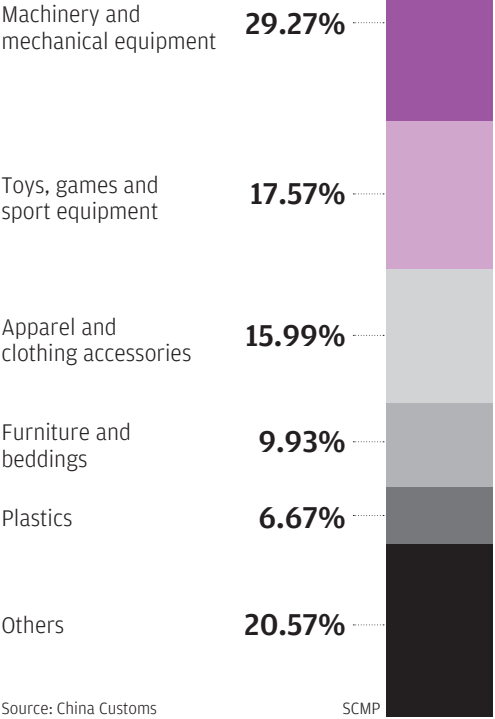
The legislators focused on red jujube dates, a speciality of Xinjiang that can often be found in Asian supermarkets in the US, after a recent investigation by the Washington-based Uygur Human Rights Project detailed the fruit’s links to potential forced labour in the region.

“It is also possible that US customs will be pressured to release more data on the volume of detentions related to the act, which may shed light on how much of the volume actually did not enter the US market,” Liu said.

According to US customs, in August the agency targeted 838 entries valued at some US\$266.5 million for suspected use of forced labour in the production of imported goods, including those subject to the new law.

US customs has identified four “high-risk” sectors that it said would be scrutinised under the law, including apparel, cotton,

Breakdown of Xinjiang exports to the US in August



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KEVIN CAI KAIMING, A LAWYER IN BEIJING

Cotton is harvested in the Xinjiang region, where Beijing is accused of human rights abuses. Photos: Getty Images, Handout



US customs officers in Atlanta inspect apparel from Xinjiang suspected to have involved forced labour.

