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Recently Released UFLPA Enforcement Statistics Underscore the Need for Robust Due Diligence Processes

In June 2022, the Uyghur Forced Labor Prevention Act's rebuttable presumption – that goods produced in the Xinjiang Uyghur Autonomous Region of China, or by entities specified by the U.S. government, are produced using forced labor – took effect. Last week, almost nine months after the presumption took effect, U.S. Customs and Border Protection published statistics on enforcement of the UFLPA. Those statistics are discussed in this Alert.

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Our earlier Alert describing the UFLPA is available [here](#). Our additional Alert on policies, procedures and processes for complying with the UFLPA can be found [here](#).

Number of Denied, Released and Pending Shipments

Since the UFLPA's forced labor presumption took effect, 3,237 shipments with a collective value of \$961 million have been detained by CBP.

Of these, 424, or 13%, were denied entry into the United States. One thousand and ninety shipments (34%) have been cleared for entry into the United States. The remaining 1,723 shipments are still pending (53%). A shipment is "pending" when CBP is awaiting importer action, such as providing documentation to support an applicability or exception review, or CPB is reviewing importer-provided materials to make a determination.

As noted in guidance and other materials published by CBP, if a shipment is detained, the importer generally will need to provide documentation that details the order, purchase, manufacture and transportation of inputs throughout the supply chain.

Countries of Origin

As would be expected, China had the highest number of originating shipments and the highest percentage of shipments denied entry into the United States. However, shipments from other countries also have been detained. The Strategy required to be developed by the Forced Labor Enforcement Task Force pursuant to the UFLPA indicates that CBP will prioritize illegally trans-shipped goods with inputs from the XUAR and likely to contain inputs from that region. Below are statistics on the shipments originating from each country for which CBP has published data:

- **China:** 1,165 shipments, 310 of which were denied (27%), 498 released (43%) and 357 of which are still pending (30%). The total shipment value from China was \$90 million. The largest number of shipments were from the apparel, footwear and textiles industry, with 345 shipments (30% of the total shipments originating from China), followed by industrial and manufacturing materials with 244 shipments (21%).
- **Malaysia:** 927 shipments, seven of which were denied (1%), 290 released (31%) and 630 of which are still pending (68%). The total shipment value from Malaysia was \$491 million. All shipments originating from Malaysia were from the electronics industry.
- **Sri Lanka:** 4 shipments, all of which were released. The total shipment value was \$2 million, and all were from the apparel, footwear and textiles industry.
- **Thailand:** 16 shipments, all of which were released. The total shipment value was \$7 million, and all were from the electronics industry.

- **Vietnam:** 1,106 shipments, 109 of which were denied (10%), 269 released (24%) and 728 of which are still pending (66%). The total shipment value from Vietnam was \$370 million. The majority of the shipments were from the electronics industry, with 664 shipments (60% of the total shipments originating from Vietnam), followed by the apparel, footwear and textiles industry with 263 shipments (24%).
- 51 shipments originated from an “other” country, with 15 shipments denied (29%), 17 shipments released (34%) and 19 still pending (37%).

Industries

Overall, the top three industries targeted for enforcement have been (1) electronics, (2) apparel, footwear and textiles and (3) industrial and manufacturing materials. The Strategy included a list of high-priority sectors for enforcement. Among others, these included apparel and cotton and cotton products. The industries targeted for enforcement to date underscore that CBP’s focus is not limited to just the high-priority enforcement sectors indicated in the Strategy.

The greatest number of denied shipments are apparel, footwear and textiles (261 shipments, or 62% of denied shipments), pharmaceuticals, health and chemicals (69 shipments, or 16% of denied shipments) and industrial and manufacturing materials (44 shipments, or 10% of denied shipments). While only 17 shipments from the electronics industry have been denied entry, the electronics industry has the majority of pending shipments (1,058 shipments, or 61% of pending shipments), followed by industrial and manufacturing materials with 280 shipments (16% of pending shipments).

Of the 261 denied apparel shipments, approximately 62% originated from China and 38% originated from Vietnam.

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