



April 15, 2026

The Honorable Jamieson Greer
The Office of the United States Trade Representative (USTR)
600 17th St. NW
Washington, DC 20006

Re: Docket ID USTR-2026-0133

Dear Ambassador Greer,

The Battery Materials & Technology Coalition (BMTC) appreciates the opportunity to comment on the Section 301 Investigations of Acts, Policies, and Practices of Various Economies Related to the Failure to Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced with Forced Labor. We applaud the Trump Administration's ongoing commitment to enacting trade policies that prioritize the American worker and strengthen America's national and economic security.

BMTC strongly supports USTR's investigation. As USTR recognizes, forced labor distorts global markets, creates artificial cost advantages, and undermines fair competition. These distortions are particularly acute in the critical minerals and battery supply chains, where China plays a dominant role.

Even where third countries do not themselves engage in forced labor, their failure to prohibit imports of goods produced with forced labor—particularly from China—constitutes an actionable practice under Section 301 because it allows forced labor inputs to permeate global supply chains, distorting competition and harming U.S. commerce. China is the central node of forced labor risk in battery and critical mineral supply chains, and third countries that are integrated with China through ownership, processing, or trade flows are effectively enabling and benefiting from that forced labor. In fact, China's overwhelming production demands throughout the supply chain can lead to the creation of new forced and child labor markets in the third countries that are home Chinese operations.

About BMTC and the Importance of Advanced Batteries

BMTC is a coalition of 17 companies across the United States and Canada that produce critical materials that are vital to America's national and economic security, including the materials and components essential to power innovative battery technologies used in defense and space systems, energy storage systems, industrial applications, transportation, and more.

Advanced batteries are foundational to U.S. national security, energy resilience, and economic competitiveness, and are integral inputs across military, industrial, transportation, telecommunications, and AI-related applications. However, China and its proxies dominate the supply chains for the critical minerals and components that make up these batteries. To counteract China's dominance, the United States must implement trade protections that protect domestic and

allied producers and create an environment conducive to establishing independent supply chains. Failing to do so leaves us beholden to a dominant foreign actor for these materials, posing a grave national security risk to the U.S.

Our comments below will focus on a central issue: China’s state-sponsored forced labor system—particularly in the Xinjiang Uyghur Autonomous Region (“Xinjiang”)—and the role of third countries in enabling the continued flow of forced labor-tainted goods into global markets.

China is the Source of Forced Labor Risk in Battery Material Supply Chains

China is the central driver of forced labor risk in global critical mineral and battery supply chains. A substantial and well-documented body of evidence demonstrates that the Chinese government has implemented a state-directed system of forced labor in the Xinjiang Uyghur Autonomous Region (“Xinjiang”), including through coercive labor transfer programs, mass detention, and industrial placement schemes targeting Uyghur and other Turkic minority populations.¹

Importantly, recent investigations confirm that forced labor in Xinjiang is deeply embedded in industrial and critical mineral supply chains that are essential to battery production and advanced manufacturing. These include the production and processing of battery minerals such as lithium and graphite, in addition to other critical minerals such as magnesium, titanium, beryllium, and aluminum, which are foundational inputs across a wide range of industrial and energy technologies.² A 2025 investigation identified dozens of companies operating in critical mineral sectors within Xinjiang, as well as numerous downstream firms linked through complex supply chains, demonstrating that forced labor risks are not confined to upstream extraction but extend throughout the value chain.³

China’s dominance in the processing and refining of critical minerals amplifies these risks on a global scale. Because China controls a substantial share of midstream and downstream production capacity for many battery materials, forced labor-tainted inputs are frequently incorporated into intermediate goods that are exported worldwide. These materials are then used by manufacturers in third countries, making it difficult to isolate or exclude forced labor from finished products absent robust traceability and import controls.

Furthermore, China’s widespread dominance of upstream materials inevitably leads to the same inputs being used to manufacture a variety of downstream materials. This creates many difficult detection scenarios, as one downstream product could be flagged as tainted, but not another which uses the same upstream materials. For example, while Chinese polysilicon made with tainted metallurgical grade silicon and silane has largely been prevented from entering the U.S., silicon-carbon (Si/C) anode material has not been – despite being comprised of the same two inputs.

In effect, China’s central role in global supply chains enables the export of forced labor risk far beyond its borders, embedding it within internationally traded goods and industrial ecosystems. Accordingly, any meaningful effort to address forced labor in critical mineral and battery supply chains must also account for China’s systemic role as the primary source of such risk.

¹ Bureau of Investigative Journalism. [China’s Economy Runs on Uyghur Forced Labor](#). May 2025.

² The Guardian. [Carmakers may be using aluminum made by Uyghur forced labor](#). Feb 2024.

³ Global Rights compliance. [Critical Mineral Supply Chains in Xinjiang](#). June 2025.

Countries That Import from China and Fail to Impose Prohibitions

Among the economies covered by this investigation, **Vietnam, Indonesia, Morocco, and Malaysia**, warrant particular attention because each is materially integrated with Chinese battery and critical mineral supply chains, but in different ways and at different points in the value chain. In some cases, these countries import large volumes of finished batteries or battery cells from China for use in downstream assembly and manufacturing. In others, Chinese firms have embedded themselves in local midstream production—such as precursor, cathode, anode, and refining capacity—creating industrial ecosystems that remain functionally tied to Chinese-origin inputs, technology, and supply relationships.

The lack of import controls instituted by these countries has material consequences. Evidence indicates that goods associated with entities restricted or barred in the United States due to forced labor concerns continue to enter these third-country markets and are subsequently incorporated into globally traded products.⁷ In the absence of effective import prohibitions and enforcement mechanisms, these countries permit the continued commercialization of forced labor-tainted inputs, enabling firms to benefit from artificially low-cost production while avoiding accountability. This dynamic not only undermines international efforts to combat forced labor but also distorts global competition by allowing such goods to compete with products manufactured in compliance with higher labor standards.

Accordingly, the failure of these countries to impose and effectively enforce prohibitions on the importation of goods produced with forced labor constitutes precisely the type of “unreasonable” practice contemplated by Section 301.¹ By allowing forced labor-tainted goods and inputs to enter their markets and supply chains, these countries facilitate a persistent pattern of conduct that permits forced labor to influence global trade flows. In doing so, they contribute directly to the economic harm identified by USTR, including the displacement of fair-market producers and the erosion of labor and human rights standards in international commerce.

Vietnam

Vietnam is best understood as a downstream manufacturing and assembly market that remains heavily reliant on China for battery inputs. Recent trade data indicate that China is by far Vietnam’s largest foreign supplier of lithium batteries, accounting for 93 percent of Vietnam’s lithium battery imports.⁴ Vietnam is simultaneously trying to move further up the value chain through domestic battery-cell and battery-pack production, including new projects tied to Chinese partners. A recent battery supply-chain assessment for Vietnam notes both a planned battery energy storage systems project with China’s Cospowers and broader collaborations with Chinese firms such as Gotion and CATL.⁵

Indonesia

Indonesia occupies a different position: it is a major upstream mineral producer, especially in nickel, but remains deeply integrated with China in the midstream and downstream battery chain. Trade data show that in 2024 Indonesia imported \$50 million of lithium batteries from China and \$575 million of electric batteries from China.⁶ Indonesia also imported \$42.35 million of natural

⁴ IndexBox. [Vietnam’s Lithium Battery Market Report 2026](#). April 2026.

⁵ Energy Transition Partnership. [Vietnam’s Battery Supply Chain](#). May 2025.

⁶ OEC. [Lithium Batteries in Indonesia](#). April 2026.

graphite from China in 2025, a significant point because natural graphite in the Xinjiang region is heavily linked to the use of forced labor.⁷

Morocco

Morocco is emerging as a strategically important midstream hub for Europe-facing battery supply chains, but much of that growth is occurring through Chinese participation and China-linked inputs. Notably, Morocco is rapidly building out Chinese-connected materials processing capacity. In 2025, the Sino-Moroccan joint venture COBCO began producing nickel-manganese-cobalt (“NMC”) precursors and indicated plans to add lithium iron phosphate (“LFP”) cathode production later.⁸ Separate reporting indicates that Morocco is also attracting projects tied to lithium refining, while Chinese firms are helping create an industrial cluster spanning precursors, cathode and anode materials, electrolyte materials, battery manufacturing, and refining.⁹

Malaysia

Malaysia is a significant importer of Chinese batteries and is increasingly positioning itself as a Southeast Asian manufacturing base for battery materials. In 2025, Malaysia imported \$508 million of batteries, with China as the largest source at \$185 million.¹⁰ Malaysia is not merely an end market; it is also attracting Chinese investment into battery-material manufacturing. In 2025, Hunan Yuneng announced that it would establish its first Southeast Asian manufacturing facility in Malaysia dedicated primarily to lithium battery cathode materials.¹¹

Taken together, these four countries illustrate different pathways through which Chinese battery supply chains – and the trade of products made with forced labor - extend beyond China’s borders. Vietnam is most exposed at the downstream battery and pack stage; Malaysia sits at the battery-import and cathode-material stage; Morocco is developing as a precursor, cathode, and refining hub linked to Chinese firms; and Indonesia combines domestic nickel production with dependence on China in graphite, imported batteries, and Chinese-led precursor/cathode/cell manufacturing

Conclusion

USTR correctly recognizes that domestic prohibitions on forced labor, standing alone, are insufficient to prevent the entry and circulation of goods produced with forced labor in global markets. While many countries subject to this 301 investigation formally prohibit forced labor within their own jurisdictions, far fewer have adopted comprehensive measures to prohibit the importation of goods produced wholly or in part with forced labor, and fewer still have demonstrated effective enforcement of such measures.

In contrast to the United States’ Uyghur Forced Labor Prevention Act (“UFLPA”), which establishes a rebuttable presumption against the importation of goods linked to Xinjiang, most countries lack robust legal frameworks requiring supply chain due diligence, traceability at the input level, or meaningful penalties for non-compliance. As a result, companies operating in these jurisdictions are often able to source and utilize inputs linked to forced labor without significant regulatory scrutiny or consequence.

⁷ Horizon Advisory. [How Beijing Controls the Global Battery Supply Chain](#). November 2024.

⁸ OEC. [Lithium Batteries in Morocco](#). April 2026.

⁹ Electrive. [COBCO starts EV battery material production in Morocco](#). June 2025.

¹⁰ OEC. [Lithium Batteries in Malaysia](#). April 2026.

¹¹ Malaysian Investment Development Authority. [Malaysia Chosen for Battery Hub](#). August 2025.

China's systemic use of forced labor—particularly in Xinjiang—cannot be viewed in isolation from the global supply chains through which its products and inputs flow. As demonstrated above, countries such as Vietnam, Indonesia, Morocco, and Malaysia are deeply integrated with Chinese battery and critical mineral supply chains at multiple stages, including the importation of processed materials, precursor and cathode production, and battery cell and pack manufacturing. In the absence of effective import prohibitions and enforcement mechanisms, these linkages allow forced labor-tainted inputs to enter third-country markets and be incorporated into globally traded goods, perpetuating the very harms this investigation seeks to address. Accordingly, USTR should find that such failures constitute actionable practices under Section 301 and take targeted action to ensure that goods produced wholly or in part with forced labor—whether directly or through supply chain integration—are not allowed to distort global markets or undermine U.S. commerce.

Sincerely,

Ben Steinberg
President
BMTC