

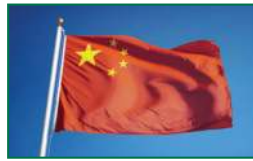


# U.S. Bans Ninestar Products

## Companies restricted for targeting persecuted groups

by: Tricia Judge, International Imaging Technology Council

On June 9, the U.S. Department of Homeland Security (DHS) announced that Ninestar Corp. and eight of its Zhuhai, China-based subsidiaries have been added to the list of companies whose products will be restricted from entering the United States due to their involvement in business practices that target members of persecuted groups, including Uyghur minorities in China.



The embargo shocked the imaging supplies industry. Ninestar and the named subsidiaries are based largely around Zhuhai, which is located on the southeast coast of China. The Uyghur minorities and the “reeducation centers” are located in Xinjiang, an autonomous territory in northwest China. The Uyghur Forced Labor Prevention Act (UFLPA) was signed into law by President Joe Biden in December 2021. It prohibits goods from being imported into the United States that are either produced in Xinjiang, or by entities identified on the UFLPA Entity List, unless the importer can prove, by clear and convincing evidence, the goods were not produced with forced labor.

The inclusion of Ninestar and its subsidiaries brings the total number of Chinese companies on the UFLPA Entity List to 22. So far, no company named to the list has been removed. U.S. Customs and Border Protection (CBP) began enforcing the Ninestar ban on June 12. The eight banned subsidiaries are: Zhuhai Ninestar Information Technology Co. Ltd., Zhuhai Pantum Electronics Co. Ltd., Zhuhai Apex Microelectronics Co. Ltd., Geehy Semiconductor Co. Ltd., Zhuhai Pu-Tech Industrial Co. Ltd., Zhuhai G&G Digital Technology Co. Ltd., Zhuhai Seine Printing Technology Co. Ltd. and Zhuhai Ninestar Management Co. Ltd.

“Our department will not tolerate governments abusing human rights and will continue to restrict all goods at our ports of entry that use materials or workers from the Xinjiang Uyghur Autonomous Region where the People’s Republic of China aggressively oppresses and exploits Uyghurs and other Muslim-majority communities,” said Secretary of Homeland Security Alejandro N. Mayorkas.

United Nations (U.N.) experts and rights groups estimate that more than 1 million people, mainly Uyghurs and Muslim minorities, have been detained in camps in China’s western Xinjiang region in recent years, with many saying they were subject to ideological training and abuse. China has denied all accusations of abuse.

Ninestar has several subsidiaries in the United States, including Lexmark International and Static Control Components. However, the products of these subsidiaries have not been banned.

Both Lexmark and Static Control Components have released statements stating that they have stopped shipments from Ninestar and its affected subsidiaries to the United States and will replace Ninestar as a supplier globally. Ninestar appears to be attempting to circumvent the embargo by using established subsidiaries in Hong Kong that are also not on the UFLPA and by buying a new one there. According to Actionable Intelligence, Lexmark, Static Control, Green Project and others have received printers or printer parts from these subsidiaries after the embargo. Ninestar also has established subsidiaries in the United States and elsewhere, which will make enforcement more difficult.

Several of Ninestar’s U.S.-based dealers have reported being low on or out of stock on certain popular cartridge models. Ninestar also sells its products extensively on Amazon and other e-commerce platforms. The International Imaging Technology Council (Int’l ITC) has identified at least 56 brands that it believes are manufactured by Ninestar.

Actionable Intelligence reported that Ninestar is being sued by U.S.-based ML Products for its e-commerce selling practices. ML Products alleged that Ninestar and its subsidiaries have set up an “opaque web of sham business entities” to “create the false appearance of competition among its own toner and ink brands.” Given the large number of brands and businesses that Ninestar has established in both China and the United States, CBP has its work cut out for it in enforcing this ban.

However, violating the ban on importing goods produced with forced labor carries serious consequences. Eric Choy, executive director for trade remedy law enforcement for CBP’s Office of Trade told Dow Jones that companies that knowingly import goods produced with forced labor could face criminal investigation. Choy said that “once that risk is made aware to you, the potential that [a commodity] could be made with forced labor, there could be potential civil and criminal liabilities.”

The full impact of the ban is yet to be seen and it will likely unfold over the coming months. However, with hefty criminal charges and fines attached to a violation, supplies dealers are looking to other printer and cartridge sources in the United States as the situation plays out. ■

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