

HKSAR Government officially launches dispute settlement procedures in accordance with WTO mechanism on US' new requirement on origin marking

The Hong Kong Special Administrative Region (HKSAR) Government today (October 30) formally launched procedures in accordance with the World Trade Organization (WTO) Dispute Settlement Mechanism with respect to the new requirement on origin marking for Hong Kong products announced by the United States (US) Customs and Border Protection on August 11.

The Permanent Representative of the HKSAR to the WTO today sent to the Permanent Representative of the US to the WTO Hong Kong's request for consultations with the US Government in respect of the new US requirement in accordance with the WTO Dispute Settlement Mechanism. The Secretary for Commerce and Economic Development, Mr Edward Yau, also wrote to the United States Trade Representative to inform the US that the HKSAR has officially taken action against the US under the WTO mechanism.

Mr Yau said, "The US' unilateral and irresponsible attempt to weaken Hong Kong's status as a separate customs territory is highly inappropriate. Such a move also confuses the market and undermines the rules-based multilateral trading system. The US' new requirement concerns Hong Kong's status as a separate customs territory conferred by the Basic Law, which is a basic principle under 'one country, two systems'. The HKSAR Government will do its utmost to safeguard it. The HKSAR Government issued a notice to the US today, launching formal procedures to take action against the US under the WTO mechanism. We will robustly advance our arguments to defend Hong Kong's interests."

According to the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes, the US shall respond to Hong Kong's request for consultations within 10 days, and conduct consultations with Hong Kong within 30 days. If the two parties fail to resolve the dispute through consultations within 60 days, the HKSAR Government has the right to take further action and request the Dispute Settlement Body to establish a panel to consider the dispute.

Mr Yau reiterated that under "one country, two systems", Hong Kong is an inalienable part of the People's Republic of China, and the special status of the HKSAR is conferred by the motherland through the Basic Law. Pursuant to Articles 116, 151 and 152 of the Basic Law, the HKSAR is a separate customs territory and may, using the name "Hong Kong, China", participate in international organisations such as the WTO and Asia-Pacific Economic Cooperation as a separate member, and develop mutually beneficial economic and trade relations with economies around the world. The special status of Hong Kong has been widely recognised and respected by the international

community, and Hong Kong's economic and trade status is on par with that of other WTO members. The "Made in Hong Kong" marking on Hong Kong products has been accepted internationally for many years. This not only conforms to Hong Kong's status as a separate customs territory and complies with WTO rules, but also provides consumers with clear and accurate information on product origin.

The HKSAR Government formally took issue with the US Government on September 16, strongly objecting to the US' new requirement and requesting that the requirement be withdrawn immediately. The Hong Kong Economic and Trade Offices in Washington, DC, and Geneva have also been following up on the matter with relevant US authorities. At the WTO General Council meeting on October 13 (Geneva time), the Permanent Representative of the HKSAR to the WTO clearly expressed Hong Kong's position that it strongly objected to the new US requirement. However, in the past six weeks, the US has not made any substantive response to the request of the HKSAR Government, and has so far not withdrawn the new requirement which means that it will be implemented on November 10.