

LCQ16: Hong Kong Authorized Economic Operator Programme

Following is a question by the Hon Frankie Yick and a written reply by the the Secretary for Commerce and Economic Development, Mr Algernon Yau, in the Legislative Council today (June 11):

Question:

According to the information of the Customs and Excise Department, since the launch of the Hong Kong Authorized Economic Operator Programme, about 90 enterprises have become Authorized Economic Operators (AEOs), and their goods transported to the 16 economies with which Hong Kong has entered into AEO mutual recognition arrangements (MRAs) can enjoy customs facilitation arrangements, which is instrumental in facilitating seamless cross-boundary movement of goods. However, there are views that the current rate of enterprise participation in the Programme and the coverage of the Programme are not extensive enough. In this connection, will the Government inform this Council:

(1) of the volume and value of imported and exported goods involving Hong Kong AEOs in the past three years, as well as their respective percentages in the total volume and value of such goods;

(2) as there are views that in order to enhance the efficiency of the import and export of local and Mainland goods, Hong Kong must further extend the coverage of the MRA network, of the progress of the authorities' entering into MRA agreements with more economies; and

(3) as there are views that apart from enabling enterprises to enjoy speedy customs arrangements, being accredited as the AEOs also helps enhance the management standards of enterprises, and the Mainland has even set up training bases to encourage more enterprises to become the AEOs, of the measures put in place by the Government to encourage more local enterprises to become the AEOs?

Reply:

President,

Having consulted the Customs and Excise Department (C&ED), the reply to the question raised by the Hon Frankie Yick is as follows:

The volume and value of imported and exported goods involving Hong Kong Authorized Economic Operators (AEOs) in the past three years, along with their respective percentages in the total volume and value of imported and exported goods, are shown below:

Year	Volume of imported and exported goods involving Hong Kong AEOs (consignment)	Percentage in Hong Kong's total volume of imported and exported goods
2022	1.78 million	1.79%
2023	3.14 million	3.11%
2024	3.52 million	4.04%

Year	Value of imported and exported goods involving Hong Kong AEOs (\$)	Percentage in Hong Kong's total value of imported and exported goods
2022	842 billion	8.89%
2023	1,073 billion	12.15%
2024	1,318 billion	13.90%

At present, Hong Kong has ratified AEO mutual recognition arrangements (MRAs) with 16 economies, ranking fourth globally in terms of the number of MRAs after Mainland China, Korea and the United States. The C&ED has been proactively expanding the global network of AEO MRAs with good progress made in recent years. It has signed action plans for AEO MRAs with eight economies including Türkiye, Saudi Arabia, Cambodia, the Philippines, the United Arab Emirates, Laos, Peru and Chile, marking a significant step towards the conclusion of the MRAs by both sides. The C&ED is now actively engaged in discussions and follow-up work with the customs administrations of these economies regarding the MRAs.

Looking ahead, the C&ED will continue its efforts to expand the MRA network by actively liaising with Hong Kong's major trading partners and dovetailing with the national development strategy on the Belt and Road Initiative. Priority will be given to discussing the MRAs with Belt and Road economies, including member states of the Association of Southeast Asian Nations, the Cooperation Council for the Arab States of the Gulf, and economies in the South American and African regions, with a view to benefitting more enterprises.

To encourage local enterprises to become Hong Kong AEOs, the C&ED has continuously collaborated with the industry, major chambers of commerce and relevant partners to organise different types of publicity and promotional events, including briefing sessions and exhibition booths, to enhance enterprises' understanding of the Hong Kong AEO Programme. Last year, the C&ED set up exhibition booths and hosted thematic seminars at major events, such as the Belt and Road Summit jointly organised by the Belt and Road Office and the Hong Kong Trade Development Council (HKTDC), as well as the Asian Logistics, Maritime and Aviation Conference organised by the Hong Kong Special Administrative Region Government and the HKTDC, with a view to fostering exchanges with different fields and industries. In addition, the C&ED has been disseminating the latest information on the developments of

local and global AEO programmes through its website and social media channels, so as to extend the reach of its publicity and promotional efforts as well as strengthen communication and engagement with stakeholders.

To further enhance the appeal of the Hong Kong AEO Programme, the C&ED has been actively seeking co-operation with various organisations to offer more benefits to the AEOs. For instance, the C&ED collaborates with the Hong Kong Export Credit Insurance Corporation to provide Hong Kong AEOs with free buyers' credit checks to help them cope with market risks. In addition, the C&ED signed the Memorandum of Understanding (MoU) on Enhancing AEO Co-operation in the Greater Bay Area among Mainland, Hong Kong and Macao Customs under the AEO MRAs with the General Administration of Customs of the People's Republic of China and the Macao Customs Service in 2023. Through such initiatives as the mutual referral mechanism on AEO applications, enhanced joint publicity and staff training, the MoU deepens the co-operation among the three customs administrations and supports enterprises of the three places to seize development opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area.