

HKSARG welcomes WTO ruling that US' origin marking requirement is inconsistent with WTO rules

The Hong Kong Special Administrative Region (HKSAR) Government today (December 21) welcomed the ruling made by the Panel established under the World Trade Organization's (WTO) Dispute Settlement Body (DSB) that the origin marking requirement imposed on Hong Kong products by the United States (US) is inconsistent with WTO rules.

The Panel has submitted its report to the DSB, which clearly ruled that the US' origin marking requirement imposed upon Hong Kong products is inconsistent with the most-favoured-nation treatment requirement in respect of origin marking under the General Agreement on Tariffs and Trade 1994. The Panel also completely refuted the US' invocation of security exceptions, and recommended the US to bring the measure into conformity.

The Secretary for Commerce and Economic Development, Mr Algernon Yau, said, "We welcome that the Panel has fully affirmed the status of Hong Kong, China as a separate customs territory. The ruling has once again confirmed that the US has disregarded international trade rules, attempted to impose discriminatory and unfair requirements unilaterally, unreasonably suppressed Hong Kong products and enterprises, and politicised economic and trade issues.

"The revised origin marking requirement is politically motivated and a vain attempt to interfere with Hong Kong's internal affairs through weaponising trade. The US' despicable intent and ulterior motives will neither stand nor be accepted by the international community. Not only is the requirement imposed on Hong Kong products by the US unwarranted, it also seriously violates WTO rules. It completely disregards the rules-based multilateral trading system and irresponsibly infringes on Hong Kong's rights as a member of the WTO. The HKSAR Government strongly condemns such a measure.

"The Panel has in its report categorically refuted the erroneous and groundless views of the US, and gave a clear ruling that the US has violated WTO rules. I have written to the US Trade Representative, urging the US to respect the ruling and immediately withdraw the requirement which violates WTO rules," Mr Yau stressed.

Under "one country, two systems", 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 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. The rights and obligations of Hong Kong in the WTO are 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 shows factually that Hong Kong is a separate customs territory and complies with relevant WTO rules, but also provides consumers with clear and accurate information on product origin.

Since November 10, 2020, the US has required that all products exported from Hong Kong to the US may no longer be marked as originating in "Hong Kong", but must be marked to indicate "China". The HKSAR Government swiftly and robustly advanced an objection via bilateral and multilateral means. The WTO's DSB agreed at its meeting on February 22, 2021, to Hong Kong, China's request to establish a panel to consider the dispute.

The HKSAR Government will continue to closely monitor and follow up on the development of the issue, and will maintain communication with the trade via different means.