

## SCED speaks on US' new rule on origin marking of Hong Kong products (with video)

Following is the transcript of remarks by the Secretary for Commerce and Economic Development, Mr Edward Yau, on the new rule of the United States (US) on origin marking for Hong Kong products at a media session today (October 30):

Reporter: Since the US is considering withdrawing from the WTO (World Trade Organization), do you think any rulings from the WTO will be binding on the US?

Secretary for Commerce and Economic Development: I have not seen any concrete actions for the US, being the world's largest trading entity, to withdraw from the most important multilateral trading organisation. Although I pick up news saying, from time to time, that they may not necessarily stay on (in the WTO) if some rules are not in their favour. I don't think that is a responsible way of taking part in a multilateral trading organisation like the WTO. Because it is the most important member-driven organisation in which all 164 members sit together to come up with rules that all members agree to and promise to abide by it. So it's a very important commitment for every single member.

The WTO is a very consensus-based organisation. It's nothing like that the rules are imposed on one or another. All the rules were in fact proposed, discussed and agreed by all members. Therefore it is the obligation for every member to abide by them.

Reporter: You did not say explicitly whether Hong Kong manufacturers are still required to label as "Made in China" before the US' response. Can you respond to this question, as you only said that exports would be affected? Second question, do you think your move would take too long to see an effect because it takes years to take effect if a panel (under the WTO) is set up and the ruling is out? Third question, will you ask the Mainland to help give pressure on the US to give a response, and (the reason) why?

Secretary for Commerce and Economic Development: For the first question, the US is unilaterally imposing this new requirement without any valid reason and with blatant violation of the WTO rules on Hong Kong, which is why we have to fight against the US under the WTO Dispute Settlement Mechanism. For the time being, if the US would continue to proceed with this requirement as they claim to take effect on November 10, Hong Kong exports would be affected. At the same time, I think the US imports would be affected too.

For the second question, the WTO dispute settlement of course would take time but it is also a very important step and an important procedure that members' rights, including Hong Kong's, are being protected. So we are

focusing on to what extent we should use this mechanism to protect our own rights. As a WTO member, we take any violation of such rules by other members very seriously. It is not just for Hong Kong's interests but it is for the interests of all other members within this multilateral trading system.

For your last question, the Basic Law confers to Hong Kong a separate customs territory (status) and also a high degree of autonomy, including and in particular, in the trade and customs territory. Therefore, it is a matter that Hong Kong can handle on our own. Also, being a separate and independent member of the WTO, Hong Kong has this right in our own hands and that is why we are taking this up with the WTO against the US. Thank you.

(Please also refer to the Chinese portion of the transcript.)