

## [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 of Hong Kong products at a media session today (September 16):

Secretary for Commerce and Economic Development: As you might have been aware, the US Government has taken some new measures, following the presidential executive order, to impose a new requirement on Hong Kong exports to the US, in brief not allowing Hong Kong-made products to use the "Made in Hong Kong" label. We take issue with this US measure, and are taking a formal step in dealing with the US.

This morning, I met with the Acting US Consul General to Hong Kong and asked him to convey a letter that I present to the US Trade Representative (USTR), asking the US to withdraw this new origin marking requirement immediately and also presenting our strong objection to it. The basic reason for Hong Kong's action is that such requirement on origin marking goes contrary to the WTO regulations. And it also infringes Hong Kong's right as a separate customs territory and our rights under the WTO. We take issue with that. We are also telling the US that such measures in fact go contrary to the US-Hong Kong trade relations, and in fact caused a lot of market confusion.

In parallel to what I have done this morning, I have asked my Economic and Trade Office in Washington to convey the same message to our counterparts in the US administration. Meanwhile, we are also asking our representative in the WTO in Geneva to convey the same message and request to the US representative in the WTO. Hong Kong takes the WTO and the rules-based system very close to our heart, because we are an independent and separate member in the WTO, and Hong Kong has always been a vocal voice in guarding the rules-based system. We believe that Hong Kong has the obligation to ask the US to uphold its obligation and responsibility under the WTO. Depending on the response from the US, we will reserve our rights under the WTO in taking the matter forward, including through the disputes settlement mechanism.

Reporter: Why is it taking a month to file a letter to the US Trade Representative to the Acting Consul General? Can you tell us how long Hong Kong would wait before bringing the case to the WTO in Geneva? What are the grounds for filing the case?

Secretary for Commerce and Economic Development: This is part of a process that we had started since the US announced this new requirement. You may recall that on the day of August 11, when the US introduced this new measure

through its Customs (and Border Protection), Hong Kong Government made it crystal clear that we strongly object to this practice. We issued a statement, and we also conveyed our strong objection through various channels.

At the same time, we need to prepare ourselves to find out more about this new requirement. Our research confirmed our understanding that the US' new requirement on origin labelling goes contrary to the WTO or GATT (General Agreement on Tariffs and Trade) provisions. Therefore, we see there is a case for us to take US into a consultation and, if necessary, the WTO processes. As I mentioned at the outset, in taking the matter forward, we would like to formally raise our objection to the US, through the letter I passed on to the USTR through the US Acting Consul General in Hong Kong. I have also conveyed the message through our respective offices, both in Washington and Geneva, particularly the latter where both Hong Kong and the US have representatives in the WTO. This is a necessary process under the spirit and practices of the WTO, (having bilateral) consultation before leading to the dispute settlement (mechanism). So this is part of the whole processes that we are talking about. I will await US' response and determine the next action we are going to take.

Reporter: Do you have a deadline regarding the US communication because we can see the new rule will come into effect by early November? Could you give us a time frame regarding the following proceedings about taking the matters to the WTO if there is no response, for example, by a certain period of time?

Secretary for Commerce and Economic Development: I wouldn't frame this on a timeline because we have been asking since day one. We have raised our strong objection, and in my letter to the USTR I asked them to withdraw this requirement immediately. Depending on the response of the US side, of course, we will determine the next step forward which we have some game plan in mind. But I don't think it is appropriate for me to disclose this game plan at this point of time. There are procedures and practices governing the WTO processes, which are very transparent to every member. I believe the US should respect all these procedures and I will be waiting for US' response before I take any further action. Thank you.

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