

SCED's opening remarks on US' new rule on origin marking of Hong Kong products (with video)

Following are the opening 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):

With respect to the new requirement on origin marking for Hong Kong products announced by the US in August, the HKSAR Government today formally launched procedures in accordance with the World Trade Organization (WTO) Dispute Settlement Mechanism against the US measures.

Our Permanent Representative to the WTO has sent to the US' Permanent Representative (to the WTO) today a request for formal bilateral consultations with the US on its new requirement under the WTO Dispute Settlement Mechanism. I have also written to the United States Trade Representative, informing the US that the HKSAR has officially taken action against the US under the WTO Dispute Settlement Mechanism.

You may recall that the HKSAR Government formally took issue with the US Government on September 16, requesting that the requirement be withdrawn immediately. We took the action in accordance with the spirit and practices of the WTO with a view to resolving the matter with the US through bilateral discussion prior to formal WTO dispute settlement. However, the US has not made any substantive response to the HKSAR Government's strong objection and request for the withdrawal of the requirement. The US has so far not withdrawn this new origin marking requirement.

In the past few weeks, the Hong Kong Economic and Trade Offices in Washington, DC, and Geneva have been following up the matter with relevant US agencies.

Our Economic and Trade Office in Washington, DC has met with the US Customs and Border Protection and also the Office of the USTR (United States Trade Representative) but to no avail.

At the same time, at the WTO General Council meeting held on October 13, our Permanent Representative clearly expressed that:

- we strongly object to the new US origin marking requirement and reiterated that the new requirement disregards Hong Kong's status as a separate member of the WTO;
- the US origin requirement undermines the rules-based multilateral trading system; not to mention that,
- they clearly violate WTO origin rules.

Unfortunately, the US' Representative to the WTO has not made any concrete response.

Given the disappointing response of the US in the past six weeks, it is necessary for the Hong Kong Government to take further action against the US on the multilateral front.

According to the WTO mechanism, 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, and will, take further action and request the Dispute Settlement Body to establish a panel to consider the dispute.

As a responsible WTO member, Hong Kong always abides by the WTO rules. The US' new requirement undermined Hong Kong's separate customs territory status conferred to us through the Basic Law, which is a basic principle under "one country, two systems". We will therefore robustly defend Hong Kong's interests.