

**General Council
Meeting on 15-16 October 2024**

Statements by Hong Kong, China

Item (2) Incorporation of Investment Facilitation for Development Agreement into Annex 4 of the WTO Agreement

- Thank you, Chair. First, let me start by bidding farewell to the Polish Permanent Representative and extend my warm welcome to the 12 new ambassadors.
- Now on item (2), HKC must express our sincere thanks for the tireless efforts of Ambassadors Boza and Park in engaging non-participants in candid and informed dialogues.
- We certainly take delight in welcoming Pakistan, the 126th member party to the agreement. The growing number of participants speaks volume about the value of the IFD Agreement.
- To the few Members who still have some questions about the IFD Agreement, my key message is that we are sincere in engaging you. HKC firmly believes the beauty of the multilateral trading system includes its malleability to accommodate differences. The MTS grows not only when everyone sees rooms for reciprocity, it also grows when we find rooms to live and let live. Incorporation of plurilateral agreements is one such example.
- There was a historical context to the discussion of plurilaterals. Plurilateral agreement was a novelty in the Tokyo round when our predecessors looked for ways to accommodate the remainder of the Tokyo Round “codes”, which were not subscribed by all parties to the GATT.
- Now, it is our turn to consider plurilaterals within the WTO when the urgency for the WTO to deliver concrete outcomes is critical.
- As I mentioned last time, Article X.9 of the Marrakesh Agreement provides a legal path for a WTO member to add a plurilateral trade agreement, while Article II.3 provides the necessary assurance that plurilaterals do not create either obligations or rights for non-parties. The task before us today is how we can uphold the letter and spirit of the

Marrakesh Agreement to allow for binding plurilateral rules to address contemporary challenges – one of which is the yearning of over 90 developing and least developed members to attract investment to better the lives of their people.

- In exercising your rights under Article X.9 to scrutinize requests for incorporation of plurilaterals., I would just encourage fellow Members to think deep as to whether your recurrent and resounding “NO’s” within the WTO are actually adding weight to the calls of the business community for taking plurilaterals outside the WTO. The last thing HKC wants to see is a withering WTO, which forces people to start making rules elsewhere. This, in our view, would truly fragment the multilateral trading system.

Item (6) Follow-up to the 8 July Retreat

- Thank you, Chair. Hong Kong, China (HKC) is one of the dozen co-sponsors which asked that this item be on the agenda. So, I would like to start by saying why we see the need to have it.
- First, the retreat is a fond memory from the perspective of HKC because first it started with the self-awareness of the whole membership that this organization is not functioning effectively and something needs to be done to improve its operation.
- Then, at the retreat, we had very candid, very collegial, and open-minded discussions. Afterwards, thanks to the Chair, we also have a list of actionable suggestions in the Chair’s takeaway (JOB/GC/402), which HKC considered to be a fair and balanced summary of the retreat. Many areas of improvement have already been put into place and action. Why we consider it important to have a follow up on the retreat is that there are areas where their potential have not been fully developed.
- When I listen very carefully to colleagues’ intervention, I have the worry that sometimes we take a very simplistic view about the decision making of the WTO, or we have this myth that things are particularly difficult in our time. I think in the WTO, at any one time, coming to a decision is

difficult, but somehow our predecessors seem to be more willing to explore alternatives and more flexible. There is potential for us to do better, or at least learn from them.

- Amongst all the follow up suggestions, one area which we all should support further discussion is to seek workable, forward-looking solutions. There are a number of tools that have been used by our predecessors. Why we need further discussion is that we (representatives of missions) come and go, and our institutional memory is short. We may feel threatened to use some tools when we don't know well enough of them. It would be useful for us to have an informed discussion - first to get the assistance of the Secretariat to let us know when and where those tools have been used before to produce success, to produce collective position. Then we can decide whether our current circumstances would also benefit from these possible tools, or we can be more innovative than what has been tried, used and proven to work. So I would hope that the Secretariat can help us to draw on the expertise and the institutional memory in our toolbox. This is also in line with the suggestion to enhance the role of the WTO Secretariat.
- Let us be more open-minded and make informed decisions before we jump to any conclusion. We need to be cautious, but let's base our caution on facts and evidence. So, a factual note from the neutral Secretariat would really help us. That is the call HKC would like to make under this agenda item. Thank you very much.

Item (7) Practical Steps to Enhance the Process for the Appointment of Officers to WTO Bodies

- Thank you, Chair. First of all, I welcome the communication. It represents the shared interest in the timely appointment of chair so that the work of the WTO can carry on effectively. On the other hand, as illustrated by some of those who have taken the floor before me, we have concern on a number of proposals in the communication.
- When we try to find solution to a problem, we need to identify the problem first. What is in front of us with respect to the appointment of

chair may be more a phenomenon rather than a problem itself. We need to get to the root cause of the problem before we talk about whether the solution will be the right tool. For illustration, the automatic reappointment for the second year, or the deferral of the power to appoint an interim chair to the Chair of CTG and CTS, these are the things that we need to think much more deeply, because rotation and the balance of representation and the involvement of the whole membership are key features that we need to preserve. Thank you.

Item (8) Implementation of the MC 13 Ministerial Decision on Dispute Settlement Reform

- Thank you, Chair. I would like to thank Brazil for requesting this agenda item. If the dispute reform process is a long distance track race, the agenda item today is the bell rung to remind everyone of us that we are at the final lap.
- Hong Kong, China is very thankful to the Facilitator, Ambassador Usha Dwarka-Canabady, for her very methodical way to uphold transparency and inclusiveness of the whole process. We are also indebted to the team of Co-conveners and the experts of all Members for taking us to where we are today.
- On the other hand, we can but align with Brazil on raising concerns about the state of play of the reform. If we fail to deliver the mandate this time, it is not just another unfulfilled mandate of the WTO, because this mandate is a mandate to rescue this organization from deterioration. If the DS system is like a house, the roof of which has been blown away. So, the core issue is the restoration of that roof, that is, the restoration of a fully and well-functioning mechanism with the second tier in the next 10 weeks. That must be our focus.
- Hong Kong, China has all along been very flexible and accommodating, but we are not prepared to concede on the restoration of the second tier of DS System. We ask that the migration of the work to the drafting process should also apply to the drafting on the review/appeal mechanism.

- We started this reform to address the issue that the Appellate Body has been ground to a halt. If by the end of this reform, all we can produce is a system without that second tier, I am afraid we have to stand ready to face the music that the reform this organization is conducting is a scam, because it is not addressing the very core issue that the reform is about. In the coming 10 weeks, Hong Kong, China will continue to work very constructively with every Member in this room to rebuild a two-tiered system. Thank you.

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