

Trade Policy Review of Japan (First Session on 6 July 2020)

Statement of Hong Kong, China (HKC)

- Thank you, Chair. I would like to thank Japan and the Secretariat for the comprehensive reports that they have prepared for this review, and Ambassador SØRLI of Norway, for sharing his insights with us as the discussant.
- Japan and HKC are close economic and trade partners. Japan has been among our top five trading partners for decades, while Hong Kong was Japan's 5th largest export market and the largest export market for agricultural and food products in 2018.
- HKC and Japan signed a bilateral Investment Promotion and Protection Agreement in 1997, and we issued a Joint Statement in 2018 to reiterate our commitments to forging broader and deeper co-operation on various fronts, including liberalisation and facilitation of trade and investment. Japan and HKC are a major source of inward as well as a destination of outward direct investment of each other. There are more than 1 400 Japanese companies operating in Hong Kong, among them, more than 230 are regional headquarters, and 430 regional offices.
- We are pleased to note Japan's commitment to strengthening and maintaining the multilateral trading system, particularly at a time when protectionism and trade-restrictive measures are rising around the world.
- Now let me turn to a few specific areas in Japan's trade policies.
- We appreciate Japan's contribution and leadership in the Joint Statement Initiative on e-Commerce. HKC looks forward to working with Japan on this initiative, which is crucial to the business world today.
- We also commend Japan's effort in enhancing and promoting trade facilitation in the multilateral context. Japan has expanded its offer of Authorised Economic Operator (AEO) customs clearance facilitation for more Members, and has provided AEOs with the flexibility to lodge their declarations at any customs office to enhance efficiency and reduce costs. Japan has also enlarged the scope of online logistics services provided by its single electronic window.

- On investment facilitation, we highly appreciate Japan's active participation in the Joint Statement Initiative on Investment Facilitation for Development. HKC looks forward to working closely with Japan and other like-minded Members to further develop the multilateral framework on investment facilitation, with a view to working towards a concrete outcome at MC12.
- On tariffs, we are pleased to note Japan has bound 98.1% of its total tariff lines and the high degree of predictability in Japan's tariff regime. Nonetheless, noting that tariff peaks exceeding 15% apply to nearly 8% of Japan's tariff lines, we encourage Japan to consider reducing such tariff peaks.
- On agriculture, Japan's last notification to the WTO on domestic support only covers the fiscal year 2016. We would urge Japan to submit the outstanding notifications to the WTO more timely to enhance transparency.
- Chair, HKC would like to reiterate our commitment to fostering our economic and trade cooperation with Japan, and collaborating further in pursuing progressive liberalisation of international trade at this challenging time. We thank Japan for its replies to our written questions and wish Japan a successful trade policy review.
- Thank you very much.

Hong Kong Economic and Trade Office in Geneva
July 2020