

**Informal Trade Negotiations Committee
and Heads of Delegations Meeting on 2 March 2020**

Statement of Hong Kong, China (HKC)

- Thank you, Chair.
- I would like to thank you and the Negotiating Group Chairs for their comprehensive reports. As many colleagues have pointed out, MC12 is only three months away, and it is of paramount importance for Members to focus on what is realistic and pragmatic in our preparation for the ministerial conference.
- On negotiations, I would reaffirm HKC's commitment to working constructively with other Members to achieve a meaningful outcome on fisheries subsidies rules by MC12, which would not only ensure the sustainability of our fisheries resources, but also demonstrate that the negotiating arm of the WTO is alive and well. We simply cannot afford to miss the negotiation deadline again.
- Another important area where the WTO can demonstrate that it is able to make new trade rules corresponding to the evolving needs of international trade is for Members to continue to make headway under the various Joint Statement Initiatives, including e-commerce, investment facilitation for development, services domestic regulations and MSMEs. In this regard, HKC will continue to participate constructively in the relevant discussions.
- On the Appellate Body (AB) issue, HKC is concerned that there has been no sign of progress in resolving the impasse even after the AB had lost its quorum to hear new appeals. Some Members have agreed, in good faith, not to appeal against panel reports to avoid holding up the dispute cases in the future, which is an honourable act, but it cannot and should not be a substitute for the appeal mechanism agreed to by Members and enshrined in existing WTO agreements. The AB is an essential element of the WTO's dispute settlement system, safeguarding the rules-based multilateral trading system and Members' fundamental interests. It is therefore important that the vacancies in the AB should be filled as soon as possible to restore a proper two-stage adjudication system for settlement of trade disputes among Members.

- Chair, we must not take the current situation as the new norm of the WTO and must continue with our constructive engagement to find solutions. It is in this same spirit that HKC initiated last year some discussions on improving the functioning of the Council for Trade in Goods (CTG) and its subsidiary bodies. During those discussions, it was clear that there were plenty of interests among Members and the Secretariat to streamline and enhance the operation of the organisation. We also saw a stronger connection developing between Members and the Secretariat, and we believe this will provide a solid basis for greater collaboration as we move forward.
- We have considered a number of small steps to make operational improvements, e.g. a year plan of meetings to help smaller delegations to plan their attendance at various meetings, and to ensure that meetings of subsidiary bodies would be scheduled before their respective council meetings.
- But such benefits would be limited if these facilitating practices are confined to the CTG and its subsidiaries only. In fact, soon after the WTO was established, Members put in place guidelines on the scheduling of meetings throughout the organisation. It is perhaps time for us to implement what we have agreed, and see for ourselves what a difference this could make.
- Chair, we have pressing challenges on multiple fronts, but we also have opportunities for achievement on multiple fronts – opportunities for meaningful outcomes and positive changes, big or small. We believe that in the next three months before MC12 convenes, Members must demonstrate our determination to make progress, pursue concrete actions and exercise flexibility, if we are to further our common goal of safeguarding and strengthening our rules-based multilateral trading system.
- Thank you.