

Council for Trade in Goods (CTG) on 25-26 November 2020

Statements by Hong Kong, China

Item 5: COVID-19: Measures Related to Trade In Goods – Request from Canada; Colombia; Costa Rica; Hong Kong, China; New Zealand; Norway; Singapore; and Switzerland (G/C/W/788)

Thank you Chair. Also thank the Secretariat for the excellent presentation, which provides a useful overall picture on the implementation of goods measures under the pandemic and is relevant to the work of CTG.

2. Hong Kong, China and seven Members (Canada, Colombia, Costa Rica, New Zealand, Norway, Singapore and Switzerland) have circulated a communication for this item. We have also circulated a Room Document RD/CTG/11 about works in CTG subsidiary bodies related to COVID-19.

3. As the pandemic and its impact on everyone, and on the global economy, continues to evolve, we have suggested the agenda item for this meeting to review where we stand. Regarding COVID19 related goods measures, there are abundant information and observations available in the various websites and reports by the WTO and other international organisations. We also take note of relevant efforts in CTG subsidiary bodies as reflected in their annual reports. With this knowledge, it is time for the CTG to have a discussion, to monitor the functioning of the rules-based multilateral trading system in the context of the pandemic, and encourage good practices in subsidiary bodies. We believe collective and concerted efforts could achieve more.

4. To encourage discussion under this item, we have suggested a few questions in our communication that Members could reflect on. For example, if Members at this meeting recognise the usefulness of trade facilitative measures under the pandemic, CTG could call on Members to consider whether trade facilitative measures, although expired or introduced on a temporary basis, could be continue as far as possible. While for trade restrictive measures, whether an expiry date could possibly be set.

5. In short, CTG has a significant role in making use of the available information on trade in goods. It is in a unique position, without duplicating efforts of other bodies, to enable a coherent and effective contribution of the WTO to the global economic recovery.

Item 36: United States: Revised Origin Marking Requirement for Goods Produced in Hong Kong – Request by Hong Kong, China

Thank you, Chair, for giving me the floor.

2. Hong Kong, China would like to express our strong objection to the revised origin marking requirement promulgated by the United States Customs and Border Protection (USCBP) that affects goods produced in Hong Kong and imported into the US.

3. On 11 August this year, the USCBP announced a revised requirement that goods produced in Hong Kong and to be imported to the US may no longer be marked to indicate “Hong Kong” as their origin, but must be marked to indicate “China” instead for the purposes of the origin marking requirement set forth in Section 304 of the Tariff Act of 1930, 19 U.S.C. § 1304. The revised origin marking requirement has already come into effect since 10 November 2020.

4. We maintain our strong objection to this revised origin marking requirement and have on various occasions requested that it be withdrawn immediately. The US’ measure unilaterally and arbitrarily dictates the name to be used on the origin marking of Hong Kong products without regard to the facts, prevailing commercial practices and relevant WTO rules. The US disregards the fact that Hong Kong is a separate customs territory and a WTO Member in its own right. The US’ requirement also brings difficulties and additional burden to the business communities of both sides as well as confusion to consumers in the US.

5. Hong Kong, China is concerned that the US measure is inconsistent with the US’ obligations under multiple WTO agreements, including, but not limited to, the following provisions of GATT 1994:

- (a) Article I:1, because in respect of the rules and formalities of importation pertaining to marks of origin, the US does not extend to products originating in Hong Kong immediately and unconditionally the same advantage, favour, privilege, or immunity that the US extends to like products originating from other WTO Members;
- (b) Article IX:1, because on marking requirements, the US accords less favourable treatment to the products of Hong Kong;

- (c) Article X:3(a), because the US does not administer its origin marking requirements in a uniform, impartial, and reasonable manner.

6. We have also raised at the General Council, the Committee on Trade Facilitation, the Committee on Technical Barriers to Trade, and the Committee on Rules of Origin our concerns on the inconsistency of the US measure with provisions in the various WTO agreements, which we are not going to repeat here. Over the past months, we have been trying to resolve the matter with the US through bilateral engagements, but to no avail. On 30 October, with a view to resolving the matter through bilateral efforts, we requested consultations with the US in accordance with the Dispute Settlement Understanding and the relevant provisions in the WTO agreements. We appreciate that the US has accepted our request for consultations.

7. Hong Kong, China is a staunch supporter of the rules-based multilateral trading system. We take the rights and obligations under the WTO agreements seriously and expect all Members to respect the WTO rules and honour their commitments. Barring the outcome of the bilateral consultations with the US, we would like to reiterate in today's forum our strong wish that the US honour its commitments under the WTO agreements, and withdraw immediately its revised origin marking requirement on Hong Kong products.

8. Thank you, Chair.

Hong Kong Economic and Trade Office in Geneva
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