

**Formal Trade Negotiations Committee (TNC) and  
Informal Heads of Delegation (HoDs) Meeting**  
(19 April 2023)

**Hong Kong, China's Statement**

- Thank you Chair. Thank you for your report and those of the chairs of various negotiating bodies.
- I am going to focus on two areas of our current work, on which Hong Kong, China believes that we must endeavour to deliver tangible outcome by MC13; they are restoration of a fully functioning Dispute Settlement System and the fisheries subsidies negotiations.

**Restoration of a Fully Functioning Dispute Settlement System**

- Restoring a fully functioning Dispute Settlement System remains Hong Kong, China's top priority. The Dispute Settlement System is a key pillar of the multilateral trading system as it guarantees an avenue for enforcing the provisions and rules agreed by WTO Members. Its absence cripples WTO's normal functioning and is not conducive to making of new trade rules.
- We support early restoration of a binding, two-tier Dispute Settlement System and would like to highlight that we should be addressing the problems of the current system as identified by Members so as to further enhance its functioning, rather than overturning the present system. We should respect the current system, which is part of the single-undertaking.
- Hong Kong, China believes it is important that the reformed Dispute Settlement System should continue to be "rules-based" instead of a return to the pre-1995 arrangements in which power dynamics between parties played a larger role than the rules as the basis for trade relations.
- We are working against a tight schedule – "by 2024" as set out in the MC12 Outcome Document. We welcome the on-going informal discussions to identify solutions, and we also note the concerns expressed by some Members about the need to institutionalise the process under the General Council or its subsidiary

bodies early, which is necessary to provide legitimacy to the reform outcome and avoid opposition to it at a later date on procedural grounds.

### **Fisheries Subsidies**

- On fisheries subsidies, we see that the credibility of the WTO is again at stake: it is because the results of the Wave 1 negotiations would be gone if the Second Wave cannot be successfully concluded; and the Agreement on Fisheries Subsidies cannot deliver its benefits unless and until it comes into force with at least two-thirds of Members accepting it.
- I would like to report that Hong Kong, China is actively preparing for implementation of the Agreement and we expect that we would be able to deposit our Instrument of Acceptance within this year, and we will continue to engage actively and constructively in the Second Wave negotiation.

**Hong Kong Economic and Trade Office in Geneva**  
**April 2023**