

**Trade Policy Review of the United States
(First Session on 14 December 2022)**

Statement by Hong Kong, China

- I would like to start by welcoming the delegation of the United States (the US) led by Ambassador María PAGÁN. I would also thank Ambassador Cheryl SPENCER of Jamaica for serving as the discussant and the Secretariat for preparing the comprehensive report.
- The US is an important trading partner of many WTO Members including Hong Kong, China. In 2021, the US was our third largest merchandise trading partner in the world, our second largest export market and the 6th largest source of imports; our total trade in goods amounted to HK\$516.3 billion (US\$66.4 billion) in 2021. The US was also our second largest trading partner in services in 2020, with our total bilateral services trade amounted to HK\$178.9 billion (US\$23.1 billion). Meanwhile, the US has been enjoying its largest bilateral trade surplus worldwide with Hong Kong, China.
- As the largest economy in the world, the US, through its policies on international trade and investment, has substantial impacts on the global economy and the WTO's work. We appreciate the US' commitment and contribution to the WTO, and along with many other WTO Members, we take the restoration of a binding, two-tier dispute resolution mechanism as a top priority. We thank the US' initiative in leading informal discussions on reform of the WTO dispute settlement system since April this year, but we believe this should not prevent us from resolving the Appellate Body impasse early in parallel.
- We have the following observations on the US' trade policy regime.
- First, we have grave concerns about the discriminatory treatment by the US against Hong Kong traders in its revised origin marking requirement, which requires that all goods with Hong Kong origin be marked as "made in China". The US' unilateral disregard of Hong Kong, China's status as a separate customs territory and a WTO full Member on its own is unreasonable and unjustified. Such move not only causes undue hardship to Hong Kong, China's traders and confuses US consumers, but also undermines the rules-based multilateral trading system. We have taken actions in accordance with the WTO dispute settlement procedures and look forward to early resolution of the dispute in accordance with the WTO dispute settlement mechanism.

- On **tariff**, we note that the US is still applying non-ad valorem MFN tariffs for around 11% of its tariff lines and maintaining relatively high tariffs on certain agricultural products, footwear, and textiles and clothing. We encourage the US to consider converting the non-ad valorem rates to ad valorem ones to enhance the predictability of its tariff regime, and lower those relatively high tariff rates to further liberalise the relevant product sectors.
- Meanwhile, the US has imposed a global tariff at 25% and 10% on imports of steel and aluminium products as a result of its Section 232 investigation. We consider these measures unreasonable, unjustified and inconsistent with the rules of the WTO. Such measures not only hurt the rights and interests of Hong Kong, China, among many other WTO Members, but also pose a systemic threat to the multilateral trading system. We welcome the rulings made by the panel and urge the US to fulfil its obligations as a WTO Member by withdrawing the erroneous measures.
- On **contingency measures**, the US continues to be an active user of antidumping measures. We urge the US to exercise restraints and caution in initiating antidumping investigations and seriously review the necessity of the trade remedy measures, especially those that have been in place for long periods, to guard against possible abusive use.
- As for **export control**, the US has imposed numerous modifications to its export control regime during the review period on national security ground, with some target scopes covering Hong Kong, China, irrespective of our status as a separate customs territory and that we have put in place a comprehensive and effective strategic trade control system. We urge the US to withdraw such unreasonable export control arrangements on Hong Kong, where the measures are not supported by solid objective evidence.
- Chair, in view of the unprecedented challenges to the global economy ahead, multilateral cooperation has become more important than ever. We look forward to continuing working with the US in various areas of mutual interests in the WTO. Lastly, we thank the US for their answers to our written questions and we are now studying them internally. I wish the US a fruitful and successful trade policy review.

Hong Kong Economic and Trade Office in Geneva
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