# Hong Kong, China

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| Hong Kong, China’s Bogor Goals Progress Report (as at 3 September 2018)[[1]](#footnote-1)\* |
|   | **Highlights of Achievements and Areas for Improvement** |

* Hong Kong, China applies no tariffs on its imports.
* Non-tariff measures for protection of domestic industries are not imposed, but import licenses for certain goods still required.
* Hong Kong, China maintains a liberal, openand transparent regime for services trade and investments.
* The number of Authorised Economic Operators (AEO) mutual recognition agreement (MRAs) have increased.
* Customs procedures and government procurement processes were enhanced by the use of online platforms.
* The Patents (Amendment) Ordinance 2016 was enacted to pave the way for the launch of an original grant patent system.
* Two amendment bills were passed to facilitate the settlement of disputes on intellectual property rights by arbitration, and to clarify matters relating to third-party funding for arbitration and mediation.
* The Competition Commissionachieved a number of milestones in the first two years of full implementation of the Competition Ordinance, including initiating two court cases against anti-competitive conduct.
* Mobility of business people was facilitated through the use of technology.
* Hong Kong, China continues to expand its network on RTAs/FTAs.

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|   | **Summary of Topics** |

Tariffs

Hong Kong, China applies no tariffs on all imports. As of the end of 2017, bound MFN tariffs were zero on 3,582 tariff lines (about 47.4% of all lines). This accounts for 72.1% of imports in 2016 value terms.

Since 1 July 2016, Hong Kong, China has zero-bound tariffs on all 201 information technology products listed in the attachment to the Ministerial Declaration on the Expansion of Trade in Information Technology Products.

Non-Tariff Measures

Hong Kong, China does not impose quantitative restrictions or non-tariff barriers for the protection of domestic industries. Hong Kong, China continues to maintain only those non-tariff measures that are required to protect public health, safety, security and the environment, and to fulfil obligations under international agreements.

Import and export licences from the Trade and Industry Department are required for the following goods: strategic commodities, rice, ozone depleting substances and rough diamonds. In addition, traders importing cereals and grain flour from China should register with the Trade and Industry Department, and any exports of powdered formula also require a licence.

The Department of Health is developing an online electronic licensing system which aims to expedite the processing of import licence applications for the import of radioactive substances and irradiating apparatus. This electronic licensing system will be launched in late 2019.

Services

Hong Kong, China maintains a liberal regime for trade in services. Most service sectors are free and open, and foreign service providers and traders normally enjoy national treatment.

Investment

Hong Kong, China continues to have an open and transparent investment regime. In general, there are no special legislation, regulations or administrative guidelines governing foreign investment, except for the broadcasting sector.

Hong Kong, China has signed 20 Investment Promotion and Protection Agreements (IPPAs). In addition, an Investment Agreement under the framework of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) was signed on 28 June 2017, in which Hong Kong, China will not impose any new discriminatory measures on investments and investors in non-services sectors from its counterpart.

Invest Hong Kong (InvestHK), the Government’s investment promotion agency, has assisted around 4,600 companies in establishing presence or expanding operation in Hong Kong, China since its establishment in 2000. According to the latest survey, Hong Kong, China was host to over 8,200 companies representing their parent companies located outside Hong Kong, China as at 1 June 2017.

The “Dedicated Fund on Branding, Upgrading and Domestic Sales” (the BUD Fund) and the Export Marketing Fund (EMF) have been enhanced in August 2018 to strengthen support to Hong Kong, China’s enterprises, especially small and medium enterprises. After enhancement, the geographical scope of the BUD Fund, which currently aims at increasing Hong Kong, China’s enterprises’ competitiveness in China, will be extended to cover the Association of Southeast Asian Nations (ASEAN) markets. The cumulative funding ceiling per enterprise under the BUD Fund and the EMF, which aims at helping enterprises carry out export promotion activities, will be increased.

Standards and Conformance

International standards are adopted as far as possible, including the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) standards, where applicable.

Hong Kong, China recognises 32 testing laboratories as conformity assessment bodies (CABs) for testing telecommunications equipment as of April 2018. Of the 32 recognised testing laboratories, 26 are designated by the US, three by Chinese Taipei, two by Canada and one by Singapore.

Hong Kong Accreditation Service (HKAS)[[2]](#footnote-2) has been a signatory to the Pacific Accreditation Cooperation (PAC) and International Accreditation Forum (IAF) Multilateral Recognition Agreement (MLA) for energy management system certification since March 2017 and April 2018, respectively. Regarding food safety management system certification, HKAS also became a signatory to the MLA of PAC and IAF in mid-2017.

Customs Procedures

As of December 2017, 43 companies have been accredited as AEOs under the Hong Kong Authorized Economic Operator (HKAEO) Programme launched in April 2012. Hong Kong, China also entered into AEO mutual recognition arrangements (MRAs) with Malaysia, Japan and Australia Customs in March 2016, August 2016 and July 2017 respectively

The Single E-lock Scheme was formally launched on 28 March 2016 to enhance the clearance efficiency of intermodal transshipment cargo across the boundary. Under the scheme, Hong Kong Customs’ Intermodal Transshipment Facilitation Scheme (ITFS) is interconnected with the Speedy Customs Clearance (SCC) of the Customs administrations of Guangdong Province to build a “green lane” for facilitating logistics flow.

The electronic licensing system on dutiable commodities (DC) was launched in January 2017 to enable traders to submit DC licence applications through electronic means; and to receive automatic reminders of licence renewal and electronic notification of payment of licence fees.

Intellectual Property Rights

Hong Kong, China continues to enhance its intellectual property (IP) regime. The Patents (Amendment) Ordinance 2016 was enacted in June 2016 to provide for the essential legal framework for setting up an original grant patent system and refining the pre-existing short-term patent system. Subject to the progress of the necessary preparatory tasks, the new patent system is expected to launch in 2019.

The Intellectual Property Department (IPD)’s IP Manager Scheme continues to help SMEs build up their IP manpower capacity and has benefitted over 730 SMEs as of end 2017.

In terms of IP enforcement, Hong Kong Customs has been conducting on-going operations to seize counterfeit goods and combat internet piracy. Its Electronic Crime Investigation Centre, which was awarded the ISO 9001:2016 accreditation of Quality Management System, has enhanced the capacity of Customs in detecting internet piracy and making investigations. The successful prosecution against a piracy syndicate circumventing paid TV channels in December 2017 coupled with the heavy sentences handed down by the court (the heaviest penalty ever for internet piracy in Hong Kong, China) acted as a strong deterrent to similar piracy activities.

Competition Policy

Hong Kong, China continues to promote competition through law enforcement, public education as well as market research and studies. Since the full commencement of the Competition Ordinance in December 2015, the Competition Commission has received over 2,600 complaints and enquiries. During the same period, 153 cases were escalated to the initial assessment phase, with most of the cases relating to alleged cartel conduct.

Government Procurement

An e-Tender Box, which replaces the Electronic Tendering System, has been implemented since 2010 to allow submission of tenders to be done online. By end 2017, the e-Tender Box was enhanced to allow tender notices for all general services issued by all bureaux and departments.

The Admission and Management Rules of Approved Contractors for Public Works was updated in 2016 to build up the capability of the industry by shortening the time required to attain a confirmed status and taking part through a joint venture arrangement.

Dispute Resolution

Two amendment bills to the Arbitration Ordinance were passed in 2017 to include the latest developments in the arbitration sector. The Arbitration (Amendment) Ordinance 2017, which came into operation on 1 January 2018, clarified that disputes over intellectual property rights (IPRs) could be resolved by arbitration and IP awards could be enforced. The Arbitration and Mediation Legislation (Third Party Funding) (Amendment) Ordinance 2017 clarified that third-party funding for arbitration and mediation is not prohibited by the common law doctrines of maintenance and champerty, and also provided safeguards regarding such practices.

The Joint Dispute Resolution Strategy Office was set up in September 2016 to enhance the overall co-ordination of mediation and arbitration work of the Department of Justice. Hong Kong, China hopes to promote their international legal and dispute resolution service so that enterprises in China and in the jurisdictions along the Belt and Road will make use of Hong Kong, China’s professional services in their business development.

Mobility of Business People

Hong Kong, China continues to facilitate the mobility of business people through the use of technology. The automated immigration clearance, e-Channel, service was extended to eligible Macao non-permanent residents in December 2016. Reciprocal use of automated immigration clearance services was extended to Australia in 2016.

Self-service departure for visitors to Hong Kong, China (Smart Departure) was launched at the Hong Kong International Airport in October 2017 and extended to other control points in December 2017. Smart Departure employs face recognition technology for identity verification which facilitates self-service departure for eligible visitors without prior enrolment.

RTA/FTAs

Hong Kong, China has five FTAs in force[[3]](#footnote-3) and has signed FTAs with ASEAN and Georgia respectively. Hong Kong, China is currently negotiating FTAs respectively with Maldives and Australia.

1. \* This brief report was prepared with information from Hong Kong, China’s submission of 2018 APEC Individual Action Plan (IAP) template; the 2014WTO Trade Policy Review - Report by the Secretariat – Hong Kong, China; Hong Kong, China’s Trade and Industry Department; Intellectual Property Department; and Competition Commission websites. [↑](#footnote-ref-1)
2. At present, HKAS is an MRA signatory to both the Asia Pacific Laboratory Accreditation (APLAC) and the International Laboratory Accreditation Cooperation (ILAC) for testing, calibration, medical testing, and inspection; and to APLAC for proficiency testing provider and reference material producer. For certification, apart from the recently concluded MLA for energy management system certification and food safety management system certification, HKAS is also a signatory to the MLA of both PAC and IAF for Quality Management System (QMS), Environmental Management System (EMS) and Product Certifications. In addition, HKAS became a PAC MLA signatory to Greenhouse Gas (GHG) validation and verification in 2015. [↑](#footnote-ref-2)
3. Hong Kong, China’s five RTA/FTAs in force are respectively with China; New Zealand; European Free Trade Association (EFTA); Chile; and Macao, China. [↑](#footnote-ref-3)