

Hong Kong, China's Bogor Goals Progress Report (as at 13 August 2012) *

Highlights of Achievements and Areas for Improvement

- Hong Kong, China does not apply tariffs on imports, nor impose non-tariff barriers to protect domestic industries.
- Hong Kong, China maintains a liberal, transparent and open regime for trade in services and investment regimes.
- International standards have been adopted as far as possible.
- Various sophisticated systems have been put in place to enhance customs operations and adopt systematized risk management techniques.
- The Competition Bill was introduced into the Legislative Council for scrutiny in July 2010. Efforts are underway to enact the Bill within the 2011-12 legislative year.
- The e-Tender Box replaced the Electronic Tendering System to improve efficiency of government procurement.
- The procurement system is under continuous review with a view to further liberalizing the government procurement regime and improving the transparency of tendering procedures.
- The new Arbitration Ordinance came into operation on 1 June 2011, establishing a unitary regime for arbitration.

Summary of Updates

Tariffs

Hong Kong, China applies no tariffs on imports; and binds tariffs on 3,161 tariff lines (about 44.65% of all lines) at zero on a MFN basis in 2011, accounting for 66% of imports in 2010 value terms. Wood, Pulp, Paper and Furniture; and Metals are the sectors with the highest percentage of zero bound tariff lines.

The Hong Kong, China- New Zealand Closer Economic Partnership Agreement came into force on 1 January 2011. In accordance with the Agreement, Hong Kong, China bound the provision of tariff free access to all New Zealand originating products.

Non-Tariff Measures

Hong Kong, China does not impose any quantitative restrictions or maintain non-tariff measures for the protection of domestic industries. Hong Kong, China only maintains those non-tariff measures that are required to protect public health, safety, security and the environment, and to fulfill obligations under international agreements, and these measures are under constant review with the objective of facilitating trade as far as possible. For example, all textiles imports from the non-sensitive markets are exempted from import licensing requirements from May 2011.

For example, Hong Kong, China controls the imports and exports of genetically modified organisms in accordance with the Cartagena Protocol on Biosafety to the Convention of

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Biological Diversity. Similarly, Hong Kong, China requires licenses for import and export of certain controlled chemicals to fulfill international obligations under the United Nations Convention Against Illicit Traffic and Narcotic Drugs and Psychotropic Substances.

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.

Among recent measures, Hong Kong, China and China agreed in November 2010 on the mutual recognition of professional qualifications of estate agents from 2011 to 2015. Also, as part of the Hong Kong, China – New Zealand Closer Economic Partnership Agreement, Hong Kong, China made broad bilateral services commitments that in general go beyond its current commitments in GATS and its offer in the negotiations under the Doha Development Agenda.

Investment

Hong Kong, China maintains one of the most liberal, open and transparent investment regimes in the world. There are no restrictions on foreign exchange transaction, repatriation of capital and returns related to foreign investment. Hong Kong, China signed 17 Investment Promotion and Protection Agreements as at December 2011. In addition, Hong Kong, China has signed a Free Trade Agreement with the Member States of the European Free Trade Association (EFTA) that grants national treatment to investors from the other signatories but it has yet to come into force.

Standards and Conformance

Hong Kong, China adopts international standards as far as possible, including ISO and IEC standards. Hong Kong, China achieved 100% alignment of the 28 target standards established in APEC Voluntary Action Plan in the fields of product safety, electrical equipment and assistive products.

Regarding telecommunications equipment, Hong Kong, China is expanding the recognition of testing laboratories and certification bodies overseas, as well as designating similar local entities for recognition in overseas markets. Hong Kong, China has recognized 14 testing laboratories as conformity assessment bodies (CAB) and has designated seven CAB so far. In addition, Hong Kong, China has recognized three Certification Bodies (CBs) and has designated one CB as CAB.

In 2011, the Hong Kong Accreditation Service extended the multilateral arrangements with both the Pacific Accreditation Cooperation and the International Accreditation Forum to cover environmental management system certification as well as product certification, in addition to the existing quality management system certification.

Customs Procedures

Hong Kong, China has been implementing initiatives to streamline customs clearance procedures. In this respect, the Hong Kong Customs has taken the following measures: -

- (i) launched the Road Cargo System (ROCARS) on 17 May 2010, which became mandatory in November 2011, to allow registered shippers or authorized agents to submit advance

- road cargo information to Customs by electronic means for risk profiling and cargo clearance;
- (ii) implemented the Hong Kong AEO Pilot Programme in June 2010 to enhance Customs-Business partnership in facilitating global trade and in making global trade more secure; and
 - (iii) revamped the Air Cargo Clearance System in December 2010 to facilitate the exchange of air cargo information between Customs and cargo operators.

Intellectual Property Rights

The Intellectual Property Department publicizes a wide range of information on its website concerning copyrights, trademarks, patents and designs and other intellectual property rights (IPR). Hong Kong, China is putting in place a new enforcement strategy against IPR infringements, which includes intercepting pirated and counterfeit goods at source, organizing raids, prosecuting offenders, seeking enhanced sentences or penalties, utilizing new technologies to tackle infringements on the internet, among others.

To prevent abuses of Hong Kong, China's company name registration system, the Registrar of Companies got new powers from December 2010 to enhance enforcement against the registration of "shadow companies", which seeks to take advantage of having very similar names to registered trademarks or trade names of other companies.

Competition Policy

Hong Kong, China introduced the Competition Bill to the Legislative Council for scrutiny in July 2010 and is striving for the enactment of the Bill within the 2011-12 legislative year. The draft cross-sector law seeks to ensure a level-playing field in the market by prohibiting and sanctioning anti-competitive conduct.

Government Procurement

Hong Kong, China launched the e-Tender Box in 2010 to replace the Electronic Tendering System to allow for downloading of tender documents from and submission of tender offers through the internet for all types of tenders issued by the Government Logistics Department.

The procurement system is under continuous review with a view to further liberalizing the government procurement regime and improving the transparency of tendering procedures.

Deregulation/ Regulatory Review

Hong Kong, China is making progress in cutting red tape, removing unnecessary regulatory barriers and improving regulatory efficiency by conducting sector-specific and license-specific regulatory reviews under its business facilitation program in partnership with the business community through entities such as the Business Facilitation Advisory Committee and its Task Forces.

Dispute Mediation

The new Arbitration Ordinance came into operation on 1 June 2011, establishing a unitary regime for arbitration in Hong Kong, China, abolishing the distinction between the domestic arbitration regime and international arbitration regime under the repealed Arbitration Ordinance.

The Mediation Bill had its First Reading in the Legislative Council on 30 November 2011. The Bill seeks to provide a regulatory framework in respect of certain aspects of the conduct of mediation, to promote a wider use of mediation and to establish Hong Kong, China as an international alternative dispute resolution center.

Mobility of Business People

Hong Kong, China has been an active participant of the APEC Business Travel Card (ABTC) Scheme since 1998. Hong Kong, China installed a new ABTC system in December 2011 to improve efficiency and effectiveness.

Hong Kong, China has extended the period of stay from seven days to 30 days for visitors from Chinese Taipei holding Mainland Travel Permit for Taiwan Residents, and the self-service immigration clearance (e-Channel) was also extended to a broader group of visitors. In addition, applications for intra-corporate transfer of senior managers or specialists in 10 specified sectors and applications for installers or servicers in the business and environmental services from New Zealand nationals and permanent residents have been streamlined in January 2011.

RTAs/FTAs

Hong Kong, China currently has signed three FTAs with two of them currently in force (China and New Zealand). Hong Kong, China is also negotiating an FTA with Chile.