

LEGISLATIVE COUNCIL BRIEF

Industrial Training (Clothing Industry) Ordinance
(Chapter 318)

Import and Export Ordinance
(Chapter 60)

INDUSTRIAL TRAINING (CLOTHING INDUSTRY) (AMENDMENT) BILL 1998

IMPORT AND EXPORT (REGISTRATION)(AMENDMENT) (NO. 2) REGULATION 1998

WITHDRAWAL OF POSTAL LODGEMENT OF IMPORT AND EXPORT DECLARATIONS

INTRODUCTION

At the meeting of the Executive Council on 13 October 1998, the Council ADVISED and the Chief Executive ORDERED that -

Annex A

- (a) the Industrial Training (Clothing Industry) (Amendment) Bill 1998, at Annex A, should be introduced into the Legislative Council; and

Annex B

- (b) the Import and Export (Registration) (Amendment) (No. 2) Regulation 1998, at Annex B, should be made under section 31 of the Import and Export Ordinance,

in order to delete postal lodgement as one of the methods of lodging Import and Export Declarations.

BACKGROUND AND ARGUMENT

2. The Government is committed to providing for the submission of certain Government trade-related documents by electronic data interchange (EDI). Import and Export Declarations (commonly known as Trade Declarations or TDECs) are one of these documents.

3. The EDI service for TDECs was launched in April 1997 - with a view to compulsory EDI lodgement by April 2000. At present, about 31% of the TDECs received by the Government are lodged electronically. Another 10% are lodged by post and 59% in person at counters operated by the Customs and Excise Department (C&ED).

4. To make EDI the only means of lodging TDECs in April 2000, we intend to withdraw the existing Government facilities for receiving TDECs in paper in two phases -

- (a) withdrawal of postal lodgement in early 1999; and
- (b) the gradual run down of the counters operated by C&ED ending in complete withdrawal by April 2000.

Amendments to the Industrial Training (Clothing Industry) Ordinance and the Import and Export (Registration) Regulations are required to delete lodgement of TDEC by post and in person. This brief deals with the former. The latter will be dealt with towards the end of 1999.

5. Importers and exporters who are not ready to use EDI after April 2000 and/or who only need to lodge a TDEC occasionally may convert their paper submissions at one of five service centres.

THE BILL

6. The Industrial Training (Clothing Industry) (Amendment) Bill 1998 at Annex A seeks to delete postal lodgement as a means of submitting TDECs.

THE AMENDMENT REGULATION

Annex B 7. The Import and Export (Registration) (Amendment) (No. 2) Regulation 1998 at Annex B seeks to delete postal lodgement as a means of submitting TDECs.

LEGISLATIVE TIMETABLE

8. The legislative timetable of the Bill will be:

Publication in the Gazette	23 October 1998
First Reading and commencement of Second Reading debate	18 November 1998
Resumption of Second Reading debate, committee stage and Third Reading	to be notified

The proposed Regulation will be published in the Gazette on 23 October 1998 and then tabled at the Legislative Council on 4 November 1998.

9. Subject to approval of the Legislative Council, the Commissioner of Customs and Excise will by notice in the Gazette appoint the same day for both the Bill and the Regulation to come into operation in early 1999.

HUMAN RIGHTS IMPLICATIONS

10. The Department of Justice advises that the proposed legislation has no human rights implications.

BINDING EFFECT OF THE LEGISLATION

11. The Industrial Training (Clothing Industry) Ordinance provides that the Ordinance shall not apply to or in respect of clothing items which are exported by the Government or the Garrison. There is a similar provision in the Import and Export (Registration) Regulations. The proposed legislative amendments will not alter or otherwise affect the current position.

FINANCIAL AND STAFFING IMPLICATIONS

12. Upon the withdrawal of postal lodgement of TDECs, C&ED will close down its Postal Remittance Unit. This will bring about savings of 24 clerical posts at an annual staff cost of \$6.6 million.

ECONOMIC IMPLICATIONS

13. Though with some initial inconvenience for small traders, the replacement of paper-based methods of lodging TDECs by electronic means will raise the efficiency of processing work and enhance Hong Kong's capability to exchange trade-related information electronically with its major trading partners. This will help maintain our position as a major trading centre.

ENVIRONMENTAL IMPLICATIONS

14. The replacement of postal lodgement of TDEC with EDI services will reduce paper consumption.

PUBLIC CONSULTATION

15. To give ample notice to the business community, we started to bring the withdrawal of postal lodgement to the attention of those importers and exporters who have lodged TDECs by post since early August 1998. We have also asked for the assistance of over 30 trade and business associations to bring the matter to the attention of their members. The Legislative Council Panel on Trade and Industry and the Trade Advisory Board have been briefed. There is general support for the proposal.

PUBLICITY

16. A press release will be issued on 19 October 1998. Subject to the passage of the amendment legislation, publicity will be arranged to inform the public, particularly the business community.

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Designation

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Date

17 October 1998