

**立法會**  
***Legislative Council***

LC Paper No. CB(1)885/13-14(06)

Ref. : CB1/PL/CI

**Panel on Commerce and Industry**

**Meeting on 18 February 2014**

**Background brief on review of the Hong Kong Textiles Control System**

**Purpose**

This paper provides background information on the review of the Hong Kong Textiles Control System (TCS) and views previously expressed by members of the Panel on Commerce and Industry (the Panel) on the subject.

**Background**

2. In accordance with the World Trade Organization (WTO) Agreement on Textiles and Clothing, all quotas on textiles products were eliminated globally by 1 January 2005. Exports of Hong Kong textiles products have been enjoying quota-free access to all markets since then. However, under China's Accession Protocol to the WTO, China continued to be subject to two special time-limited provisions. Under the two provisions, WTO members have the right to impose special textiles safeguards and product-specific safeguards on Mainland textiles products up to December 2008 and December 2013 respectively, if it is determined that increased imports of such products have caused or threatened market disruption to the WTO member's domestic industry.

3. Given the geographical proximity and close economic integration between Hong Kong and the Mainland, Hong Kong maintains the necessary textiles control arrangements after the global elimination of textiles quotas to safeguard the legitimate interests of Hong Kong's textiles trade. The current Textiles Control System (TCS) comprises the following measures:

- (a) textiles exports to the United States (US), and textiles imports from and exports to the Mainland require either a consignment-specific import/export licence issued by the Director-General of Trade and Industry, or a notification lodged by traders registered under the Textiles Trader Registration Scheme (TTRS); and
- (b) cut-and-sewn garments manufactured in Hong Kong for export to the US are subject to the Production Notification requirement, which aims to ensure that the principal manufacturing process of cut-and-sewn garments is carried out in Hong Kong.

4. The TTRS is a voluntary scheme whereby traders registered under it are, subject to their compliance with a set of conditions, exempted, during the validity period of their registration, from the licensing requirement of the Import and Export Ordinance (Cap. 60) in respect of textiles which fall within its scope. Traders registered under the TTRS may lodge self-completed notifications setting out particulars of the consignments to cover their Textiles imports/exports in lieu of import/export licences.

### **Discussion by the Panel on Commerce and Industry**

5. The Panel was briefed on the proposal to relax the TCS on 21 December 2010, in which the licensing requirement for textiles shipments involving the "non-sensitive markets" (i.e. imports from countries or places other than the Mainland and exports to countries or places other than the US and the Mainland) and for all textiles transshipments were proposed to be removed. Panel members generally supported the proposal which would facilitate Hong Kong textiles trade in conducting business. Members called on the Administration to continue to monitor developments in the global textiles trading environment should there be further necessary adjustments to the TCS in the light of new developments.

6. The Import and Export (General) (Amendment) Regulation 2011 was subsequently gazetted on 25 March 2011 and tabled at the Council meeting on 30 March 2011. At the House Committee meeting on 1 April 2011, Members considered it not necessary to form a subcommittee to study the subsidiary legislation which came into effect on 20 May 2011.

### **Latest position**

7. The Administration will brief the Panel on 18 February 2014 on the proposal to further liberalize the TCS to facilitate trade.

**Relevant papers**

8. A list of relevant papers is shown in the **Appendix**.

Council Business Division 1  
Legislative Council Secretariat  
12 February 2014

Review of the Hong Kong Textiles Control System

List of relevant papers

Date of meeting	Meeting	Minutes/Paper	LC Paper No.
21/12/2010	Panel on Commerce and Industry	<p>Administration's paper</p> <p>Background brief</p> <p>Minutes of meeting</p>	<p>CB(1)785/10-11(05)</p> <p><a href="http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci1221cb1-785-5-e.pdf">http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci1221cb1-785-5-e.pdf</a></p> <p>CB(1)785/10-11(06)</p> <p><a href="http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci1221cb1-785-6-e.pdf">http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci1221cb1-785-6-e.pdf</a></p> <p>CB(1)1247/10-11</p> <p><a href="http://www.legco.gov.hk/yr10-11/english/panels/ci/minutes/ci20101221.pdf">http://www.legco.gov.hk/yr10-11/english/panels/ci/minutes/ci20101221.pdf</a></p>
-	-	Legislative Council Brief on Import and Export (General) (Amendment) Regulation 2011	<p><a href="http://www.legco.gov.hk/yr10-11/english/subleg/brief/43_brf.pdf">http://www.legco.gov.hk/yr10-11/english/subleg/brief/43_brf.pdf</a></p>