

立法會 *Legislative Council*

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Panel on Commerce and Industry

Meeting on 19 April 2016

Background brief on setting up a trade single window

Purpose

This paper provides background information on the Administration's proposal to set up a trade single window ("single window"). It also summarizes the views expressed by Members during previous discussions on the relevant issues.

Background

Government Electronic Trading Services

2. To promote electronic commerce, improve efficiency and reduce the use of paper, the Government has since 1997 introduced the Government Electronic Trading Services ("GETS"). GETS is a front-end electronic service for the trading community to submit certain trade-related business-to-government documents to fulfill import/export regulatory requirements or enjoy trade facilitation. At present, four types of trade-related official documents are processed by GETS, namely, Import and Export Declaration ("TDEC"); Certificate of Origin; Dutiable Commodities Permit and Cargo Manifest (excluding road mode) ¹.

3. Three service providers ("SP") are currently providing the front-end electronic services in GETS, namely, Tradelink Electronic Commerce Limited, Global e-Trading Services Limited and Brio Electronic Commerce Limited. The SPs collect data electronically from traders and carriers, confirm their

¹ See the website of Commerce, Industry and Tourism Branch of Commerce and Economic Development Bureau (<http://www.cedb.gov.hk/citb/>).

identity, validate such data, charge the account of the trader for the relevant fees and levies, and transmit the data to the Government's back-end computer systems for the latter to perform a wide variety of functions, including customs clearance, compilation of trade statistics, import and export licensing control, origin certification, etc.

4. To cater for the needs of traders/carriers who do not have the information technology ("IT") capability of making direct electronic submissions from their own offices, the SPs also provide the Electronic Trading Access Service to convert paper submissions by traders/carriers into electronic submissions for onward transmissions to the Government. The SPs' contracts with the Government will expire in end 2016 and can be extended by two years up to end 2018 at the Government's discretion.

5. Besides GETS, other trade facilitation initiatives such as the Road Cargo System ("ROCARS") for shippers and their agents to submit electronic advance cargo information to the Custom and Exercise Department are also in place. For trade documents not covered by GETS, they are separately handled by individual departments based on either paper or electronic submissions.

The single window consultancy study

6. A single window is a "facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements" as defined by the United Nations Centre for Trade Facilitation and Electronic Business in 2005. According to the Administration, Hong Kong's major trading partners, including the Mainland, the United States, Taiwan, Japan, Singapore, and Korea have developed single windows. The Association of Asian Southeast Nations ("ASEAN") is also running an ASEAN Single Window that interconnects national single windows of the 10 member states to facilitate trade.

7. Furthermore, Hong Kong was the first among all members of the World Trade Organization ("WTO") to join the Trade Facilitation Agreement in late 2014, whereby WTO Members are motivated to improve and harmonize the import/export and customs procedures so as to bring down trading costs and speed up goods movement. To follow mainstream international trade development, the Financial Secretary ("FS") announced in the 2015-16 Budget that the Administration was examining ways to further streamline departments' handling of import/export documents with one-stop customs clearance services.

8. To this end, the Commerce and Economic Development Bureau ("CEDB") commenced a consultancy study in September 2014 to develop a full-fledged single window beyond the GETS model. According to the Administration, the single window will provide one-stop electronic services for parties to lodge business-to-government documents and information for external trade purposes, and put all existing services including GETS, ROCARS and departments' handling of import/export documents under one roof. The consultancy study would also address the issue of connecting the proposed single window with other platforms, such as single windows of other economies and IT platforms maintained by commercial parties. CEDB expected the consultancy study to complete in 2015-2016.

The proposed single window

9. In the 2016-17 Budget, FS announced that the Government shall establish a single window for one-stop lodging of all the 50-plus trade documents and submissions with the Government for trade declaration and customs clearance purpose to further facilitate trade in goods. At present, the import/export trade has to submit various trade documents to the Government through different platforms. It is expected that the single window will connect with other governments' systems and trade information platforms operated by the private sector. A dedicated office will also be set up to co-ordinate the relevant departments, engage the industries and prepare the detailed design and implementation programme for the single window. The Administration plans to launch the first phase of the initiative in 2018.

Previous discussions

10. At the meetings of the Panel on Commerce and Industry, the Panel on Economic Development on 20 November 2007 and 22 June 2015 respectively, as well as the special meeting of the Finance Committee to examine the Estimates of Expenditure 2015-2016 on 30 March 2015, Members raised questions related to the proposed single window. Major views and concerns expressed by Members are summarized in the ensuing paragraphs.

Improvement measures of GETS

11. Some members urged the Administration to provide a unified e-platform for trade facilitation services such as GETS and ROCARS to create a viable business environment. The Administration replied that it would standardize the data format among the most commonly used documents by making reference to the Customs Data Model of the World Customs Organization, beginning with the data format of TDEC with those of ROCARS before

standardizing that of all the GETS documents.

Consultancy study on single window

12. Given that the prevailing international trend in trade was to develop an independent platform with wider use of e-logistics, some members enquired about the progress of the consultancy study on converting GETS to a single window conducted by CEDB.

13. Other Members enquired about the expenditure and progress of the consultancy study on GETS, as well as the details of the single window to provide one-stop customs clearance services proposed in the 2015-16 Budget. The Administration replied that the expenditure of the consultancy study in 2014-2015 was approximately \$2.4 million and the estimated expenditure in 2015-2016 was \$6.6 million. The consultancy study would examine how to develop the existing GETS into the single window to facilitate trade declaration and customs clearance. The consultant had approached the trading and logistics sector and considered the local situation as well as overseas experience. Subject to progress, CEDB targeted to complete the consultancy study in 2015-2016.

14. Some Members suggested that the Administration should consider connecting the single window with those of the member states of ASEAN to establish a common electronic customs platform among Hong Kong and various ASEAN countries to capitalize on the business opportunities arising from Mainland's initiatives of building the Silk Road Economic Belt and the 21st Century Maritime Silk Road. The Administration replied that the consultancy study was in progress, and that it covered technical aspects of connecting the proposed single window with other platforms, such as the single windows of other economies in the region.

Council meeting

15. At the Council meeting of 20 November 2014, Hon Charles MOK asked a written question enquiring about the application of IT to enhance efficiency of import/export of goods. Mr MOK noted that international trade organizations advocated a single window system to process trade-related work such as import/export documentations, quarantine and transactions and asked whether Hong Kong's management systems on import/export of goods would be enhanced accordingly. The Administration replied that it noted that international organizations such as WTO advocated a single window for trade. While trade-related documentations were processed by GETS at present, the Administration was considering enhancing GETS to facilitate trade, and how to meet the standards of a single window for trade was one of topics to study.

Latest position

16. The Administration will brief the CI Panel on 19 April 2016 on the public consultation exercise on the setting up of a trade single window to provide a single platform for the one-stop lodging of all documents from the trade to the Government in relation to importing and exporting goods. The Administration will seek approval from the Establishment Subcommittee and the Finance Committee for the related directorate staffing proposal afterwards.

Relevant papers

17. A list of relevant papers is in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
13 April 2016

List of relevant papers

Date of meeting	Meeting	Minutes/Paper
20/11/2007	Panel on Commerce and Industry	<p>Administration's paper on "The Government Electronic Trading Services" (LC Paper No. CB(1)243/07-08(05))</p> <p>Background brief on "Government Electronic Trading Services" provided by the Legislative Council Secretariat (LC Paper No. CB(1)243/07-08(06))</p> <p>Minutes of meeting (LC Paper No. CB(1)575/07-08)</p>
20/11/2014	Council meeting	<p>Question No. 14 on "Application of information technology to enhance efficiency of import and export of goods" raised by Hon Charles MOK (Hansard) (Page 2251-2253)</p>
30/3/2015	Special meeting of the Finance Committee to examine the Estimates of Expenditure 2015-2016	<p>Administration's replies to Members' initial written questions (Reply serial nos. CEDB(CIT)152,153 and 200)</p>
22/6/2015	Panel on Economic Development	<p>Administration's paper on "Port and logistics development" (LC Paper No. CB(4)1165/14-15(03))</p> <p>Background brief on "The development of Hong Kong Port in Hong Kong" prepared by the Legislative Council Secretariat (LC Paper No. CB(4)1165/14-15(04))</p>

Date of meeting	Meeting	Minutes/Paper
		<p>Background brief on "The logistics development in Hong Kong" prepared by the Legislative Council Secretariat (LC Paper No. CB(4)1165/14-15(05))</p> <p>Follow-up paper on "Single window consultancy" (LC Paper No. CB(4)1361/14-15(01))</p> <p>Minutes of meeting (LC Paper No. CB(4)1353/14-15)</p>
7/2015 (Report issue date)	Special meeting of the Finance Committee to examine the Estimates of Expenditure 2015-2016	Report on the examination of the Estimates of Expenditure 2015-2016 (Report)