



Trade and Industry Department  
The Government of the Hong Kong Special Administrative Region  
香港特別行政區政府 工業貿易署

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13 July 2017

Mr Desmond LAM  
Clerk to Panel on Commerce and Industry  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

Dear Mr Lam,

**Panel on Commerce and Industry**

**Follow-up to meeting on 20 June 2017**

**Report on S Rajaratnam School of International Studies and  
the World Trade Organization Parliamentarian Workshop 2017  
submitted by Dr Hon YIU Chung-yim**

I refer to your letter dated 22 June 2017 to the Secretary for Commerce and Economic Development. Our reply is set out below.

*Updated status of negotiations in relation to the Doha Development Agenda relevant to Hong Kong*

Since its launch in 2001, the Doha Round of trade negotiations under the World Trade Organization (WTO) (also known as the Doha Development Agenda (DDA)) has progressed slowly. The DDA aims to liberalise trade in agricultural products, industrial goods and services, improve global trade rules and address developmental concerns of developing economies, in particular the least developed ones. We last reported to this Panel on the progress made on negotiations in relation to the DDA in November 2015<sup>1</sup>.

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<sup>1</sup> Please refer to LC Paper No. CB(1)148/15-16(05).

At the Tenth Ministerial Conference (MC10) of the WTO held in December 2015, Ministers adopted the “Nairobi Package” which contained six Ministerial Decisions on agriculture, cotton and issues related to the least-developed countries<sup>2</sup>. MC10 also saw the conclusion of the negotiation to expand the WTO’s Information Technology Agreement<sup>3</sup>, eliminating tariffs on 201 additional IT products with annual trade valued at over US\$ 1.3 trillion.

In the past year, WTO Members have been engaging in the discussions on various proposals to advance negotiations on agriculture, market access on non-agricultural products, rules and services, as well as on other issues relevant to trade, such as e-commerce and investment facilitation, with a view to achieving positive outcomes at the Eleventh Ministerial Conference (MC11) to be held in Buenos Aires, Argentina in December 2017. Given Members’ divergent interests, it is difficult to predict at this stage what deliverables could be achieved at MC11.

Being a staunch supporter of the multilateral trading system, Hong Kong will remain open-minded and participate actively with a view to contributing to progressive liberalisation of international trade while safeguarding Hong Kong’s interests. While no WTO member can push for a breakthrough on its own, Hong Kong will continue to play a bridging role as best as we can in taking forward the negotiations.

*Result of the meeting of the WTO Committee on Trade and Development on 14 March 2017, the role of e-commerce in fostering development and the progress of facilitating policies on e-commerce in Hong Kong*

At the meeting of the WTO Committee on Trade and Development on 14 March 2017, Members acknowledged the role of e-commerce in providing means and opportunities to promote global trade. Some Members expressed interest in deepening and continuing the discussion, with the aim to achieve tangible results at MC11. Other Members highlighted the need to use available tools within the WTO in order to enable countries to be e-commerce ready. In concluding the meeting, the Chairman encouraged further engagement among Members to

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<sup>2</sup> These include a commitment to abolish export subsidies for farm exports and decisions on public stockholding for food security purposes, a Special Safeguard Mechanism for developing countries, and measures related to cotton. Decisions were also made regarding preferential treatment for least developed countries (LDCs) in the area of services and the criteria for determining whether exports from LDCs may benefit from trade preferences.

<sup>3</sup> There are 54 WTO Members, including Hong Kong, China, participating in this Agreement.

explore possible way forward on e-commerce.

E-commerce means opportunities for growth and development for developing countries as well as small and medium enterprises (SMEs). By lowering the costs of doing business across borders, e-commerce serves as an efficient platform for them to access to a global marketplace, reaching a wide range of customers and potentially joining the global value chains. In Hong Kong, the Government is committed to help our trade, particularly SMEs, to reap the benefits of e-commerce through a wide range of facilitating policies and support measure. For example, the Trade and Industry Department (TID) operates various funding schemes to support the continuous development of SMEs in Hong Kong. Among these, the SME Development Fund provides funding support to eligible industry organisations and trade associations to implement projects which promote and facilitate the use of e-commerce among SMEs. TID reviews the schemes from time to time taking into account the need of the trade in the changing operating environment. The funding scope of SME Export Marketing Fund was expanded in 2015 to provide funding support for SMEs to conduct export promotion activities through electronic platforms or media. This encourages SMEs to expand their market outside Hong Kong through utilising e-commerce channels in export promotion.

In addition to financial assistance, TID's Support and Consultation Centre for SMEs, in collaboration with supporting organisations, provides free business information and consultation services for SMEs on various fields including the application of e-commerce.

Yours sincerely,



( Jenny Lee )

for Director-General of Trade and Industry

c.c. Hon WU Chi-wai, MH (Panel Chairman)

Secretary for Commerce and Economic Development  
(Attn: Mr Philip YUNG, JP, PSCIT,  
Miss Lucia LEUNG, CEO(RM))