

Response to the Public Engagement Exercise on Development of Trade Single Window in Hong Kong

Trade is the lifeblood of the Hong Kong economy. To uphold Hong Kong's competitiveness and position as a logistics hub, the Government is planning to set up a Trade Single Window as a single information technology (IT) platform for the one-stop lodging of all trade documents from the trading community to the Government to facilitate trade movement and customs clearance. The plan was announced by the Financial Secretary in his 2016-17 Budget Speech.

ICC-HK acknowledges that it is a mainstream international development of building a Single Window to facilitate trade documentation and customs clearance by governments of different economies by which external trade contributes to continuous economic development. This project will bring Hong Kong in line with this global trend hopefully enhancing our competitive edge and our position as an international trade and logistics hub. On the other hand, Hong Kong's trading system has grown organically over the past decades and contributes to what Hong Kong is of today. Such a major shift in the operational model deserves careful consideration, and ICC-HK appreciates the Administration's having made effort to consult stakeholders.

The business community has got used to current practices and any changes would have to take time to let the new system operate smoothly. In this regard, during every stage of implementing the project, the various stakeholders should be consulted, users' feedback be considered, and the experience reviewed. There should be no haste to move to another stage.

To begin with, changing from the current system to the Single Window environment will surely cause inconvenience to all parties concerned. Thus, traders and other operators will have to adjust to the new arrangements, particularly in providing information pre-shipment than post-shipment, and the authority should appreciate the genuine need

for frequent amendment of data submitted, thereby affecting the compilation of trade and other statistics, stakeholders' concern about security and confidentiality of the trade information they will provide, the new fees and charges they may be faced with, and not the least their new legal liability.

A high percentage of business is small and medium sized enterprises (SME). Many of them would probably take time to move over to the new arrangements. Or they would prefer to use service providers such as Tradelink and their associated value-added service providers. Hence, voluntary adoption of the Single Window by traders should continue until it is clearly no longer necessary. In addition, ICC-HK agrees the Single Window and the current service providers and value-added service providers could work together to provide convenient access to Single Window for SME specially. In other words, they can facilitate traders in using the Single Window. To this end, the government and the service providers and other service organizations can work together to provide training to those working in this area.

On the accreditation of service providers and value-added service providers in future, while there should be freedom of choice for traders to elect their own contractor, the future scheme should ensure the security of the confidential nature of the documents and the information to be processed, and the quality of service to be provided. Current service providers and their affiliated value-added service providers have been playing a useful role since electronic trade declaration was introduced in 1997, and any proposals should have regard to their valued performance. The government should consult them on accreditation.

Data is a valuable asset to market players. While the Paper sets out the economic benefit of the Single Window in dollar terms, the value of the changeover should not be limited to simplifying the arrangements in satisfying government requirements. Benefit will also be derived from the use and sharing by all of information relating to trade and movement of goods in aggregated or analytical form. Engaging private sector to provide value-added

services is an appropriate direction with the big data concept of today. In this regard, information or analysis of such should be available to the public just as current trade or other statistical information released by the Census & Statistics Department.

From another angle, the Single Window may strengthen the government's hands in terms of public security and safety and will reduce public spending according to the Paper. At the same time, a balance should be struck between achieving these objectives and providing a friendly environment which will be taken into account as one of the assets for choosing Hong Kong to be the place to do business. In this regard, the development cost of the Single Window should not be an element in the government's calculation of "recovering full cost". Indeed for migrating to the new system, the government should freeze the fees and charges to make it easier for the business community to adjust to a new reporting environment.