

Ming Pao Education Publications Limited ‘Life and Society’

Corrigenda (09 / 2021)

Module	Page no. (2015 edition)	Chapter	Section	Amendment	
				Old	New
19	5	--	Warm-up Activity	6 June 2013	6 June 2013, 1 September 2018
				Figure In 2012, the photovoltaic (solar) industry in China was under scrutiny by an anti-dumping and anti-subsidy investigation initiated by the US and Europe.	Figure In 2012, the photovoltaic (solar) industry in China was under scrutiny by an anti-dumping and anti-subsidy investigation initiated by the US and the EU .
				Yesterday the Ministry of Commerce of the People’s Republic of China initiated an anti-dumping and anti-subsidy investigation on the EU’s wines.	In the same year , the Ministry of Commerce of the People’s Republic of China initiated an anti-dumping and anti-subsidy investigation on the EU’s wines.
				In respect of the EU’s sanctions on Chinese photovoltaic enterprises, Hong Lei, the Chinese Foreign Ministry Spokesperson, said that the EU should go along with China and remove trade protection measures, otherwise they would only ‘harm others without benefiting oneself’.	In respect of the EU’s sanctions on Chinese photovoltaic enterprises in 2013 , Hong Lei, the then Chinese Foreign Ministry Spokesperson, said that the EU should go along with China and remove trade protection measures, otherwise they would only ‘harm others without benefiting oneself’.
13	1	1	Focus of Learning	Fig. 1.4 Overall exports of products and services	Fig. 1.4 Total exports of products and services
				Overall exports of products = Domestic exports of products +Re-exports of products	Total exports of products = Domestic exports of products +Re-exports of products

18	2	Learning Activity 1	Source 1 However, after Japan joined the <i>Trans-Pacific Strategic Economic Partnership Agreement</i> (TPP), it was bound to reduce to its tariffs.	Source 1 However, after Japan joined the <i>Comprehensive and Progressive Agreement for Trans-Pacific Partnership</i> (CPTPP), tariffs on over 95% categories of agricultural and industrial products from member states had to be abolished.
			Summary of local and overseas news on 16 October 2013	Summary of local and overseas news on 16 October 2013, 5 January 2019
19	2	Learning Activity 1	Source 2 China increases its agricultural subsidy to ensure that the purchasing prices remain unchanged During a visit to the rural area of Hubei last month, Wen Jiabao, the Premier of the State Council, claimed that following the spread of the international financial crisis, the prices of a considerable amount of agricultural products in the mainland of China would be affected by the fluctuation of the prices of international agricultural products. In view of this, the Chinese Government plans to utilise RMB123 billion to increase agricultural subsidies in order to keep up the purchasing price of food and cash crops, and accordingly to guarantee the income of farmers. Summary of local and overseas news on 2 April 2009	Source 2 Trade war tenses up between China and the US US increases its agricultural subsidies Trade war between China and the US became more tense as both countries raised tariffs on each other's imports. China, being the largest import country of American soya beans, had raised 25% more of tariffs on the US since 2018. The act made the price of soya beans dropped significantly in the US, hurting local farmers' livelihoods. Therefore the United States Department of Agriculture increased its agricultural subsidies with US\$16 billion, trying to stabilise the price and to guarantee the income of farmers. Summary of local and overseas news on 24 May 2019

			<p>Source 3</p> <p>Sanctions imposed on North Korea for its development of nuclear weapons</p> <p>The United Nations Security Council (UNSC) voted to impose sanctions against North Korea for its nuclear test at the end of last year. The resolution was passed unanimously by 15 member states. As well as weapons of mass destruction and missiles and related materials, luxury goods like yachts, sports cars, jewellery and luxury cars have also been banned under the embargo.</p> <p>The UNSC claimed that actions of that nature are needed to send a clear message to North Korea that the international community will not tolerate its development of nuclear weapons.</p> <p>Summary of local and overseas news on 2 April 2009</p>	<p>Source 3</p> <p>Sanctions imposed on North Korea for its development of nuclear weapons</p> <p>The United Nations Security Council (UNSC) voted the latest proposal on sanctions against North Korea for its 6th nuclear test and ballistic missile development.</p> <p>The resolution was passed unanimously by 15 member states. As well as weapons of mass destruction and missiles and related materials, luxury goods like yachts, sports cars, jewellery and luxury cars have also been banned under the embargo. The new proposal extended the embargo list by prohibiting North Korea's exports of coal and textiles (which were major exports of North Korea), meanwhile limiting types and amount of North Korea's imports of oil products.</p> <p>The UNSC claimed that actions of that nature are needed to send a clear message to North Korea that the international community will not tolerate its development of nuclear weapons.</p> <p>Summary of local and overseas news on 2 April 2009, 13 September 2017</p>
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			<p>Source 4</p> <p>Europe and the US impose import quotas on Chinese textiles</p> <p>In 2005, after Europe and the United States cancelled the import quotas on textile products, the imports of Chinese textiles to the US and Europe significantly increased by 120% and 82% respectively in just 4 months. This increase resonated significantly in the local industry, resulting in the request to re-impose quotas on Chinese textiles.</p> <p>Subsequently, the US reset its quota policies and they are still in effect. The European Union immediately reached an agreement on the extension of quotas with China until 2008. The agreement had an immediate effect on the large amount of products that had already been shipped to Europe. They became stuck at its ports and caused chaos.</p> <p>Summary of local and overseas news on 2 April 2009</p>	<p>Source 4</p> <p>EU imposed import quotas on steel products</p> <p>In March 2018, the then United States President Trump declared a 25% increase of tariffs on steel imports. The EU worried that under this measure from the US, steel enterprises in China, India, Korea and Russia will target at Europe as an alternative market for their exports. Thus, the EU imposed import quotas on steel products in July 2018 to avoid a rapid rise in imports, in order to protect steel enterprises and local workers in Europe.</p> <p>Summary of local and overseas news on 18 July 2018, 2 February 2019</p>
23	2	Focus of Learning	<p>B</p> <p>Items usually controlled by the export quotas are important resources or technologies of the home country. China, for example, has recently imposed export quotas on rare</p>	<p>B</p> <p>Items usually controlled by the export quotas are important resources or technologies of the home country. Russia, for example, has recently imposed export</p>

				earth to avoid excessive mining.	quotas on grains like wheat to avoid food shortage and rapid rise in price.
24	2	More Information	<p>(2)</p> <p>For example, some legislative councillors in Hong Kong urged the HKSAR Government to impose strong and forceful sanction measures on the Philippines, in order to pressurise the Philippine Government to make a formal response to the demands of the victims' families in the Manila bus hostage crisis.</p> <p>Summary of local news on 18 November 2013</p>	<p>(2)</p> <p>For example, the EU imposed economic sanction on Russia since July 2014, urging Russia's concrete implementation of the <i>Minsk Protocol</i> (an agreement of ceasefire in eastern Ukraine).</p> <p>Summary of local news on 30 June 2020</p>	
31	3	Learning Activity 2	<p>Source 1</p> <p>Currently, the WTO has 160 member states, and their volume of trade take up an aggregation of more than 95% of the total trade in the world.</p>	<p>Source 1</p> <p>As of 2020, the WTO has 164 member states, and their volume of trade take up an aggregation of more than 95% of the total trade in the world.</p>	
32	3	More Information	<p>For example, the Ministry of Commerce of the People's Republic of China announced in September 2009 that it would conduct an anti-dumping investigation on the white feather chicken products imported from the United States. In September 2010, the Ministry of Commerce ruled that, based on its investigation, the products concerned had been dumped to such an extent that</p>	<p>For example, the United States Department of Commerce announced in May 2020 that it would conduct an anti-dumping investigation on the vehicle tyres imported from Korea. In January 2020, the Department of Commerce ruled that, based on its investigation, the products concerned had been dumped to such an extent that the industry in the US was suffering from material injury.</p>	

			<p>the industry in China was suffering from material injury. It also decided that from the next day, such products would be subject to anti-dumping duties ranging from 50.3% to 105.4%, for a term of 5 years. In September 2011, the US appealed to the Dispute Settlement Mechanism of the WTO about China's measures of anti-dumping and anti-subsidy.</p> <p>Summary of local news in June and August 2013</p>	<p>It also decided that such products would be subject to anti-dumping duties ranging from 14.24% to 38.07%, for a term of 5 years.</p> <p>Summary of local and overseas news on 24 June 2020, 1 January 2021</p>
			<p>Fig.3.1 In 2012, the US and Europe conducted an anti-dumping investigation of China's photovoltaic industry.</p>	<p>Fig. 3.1 In 2012, the US and the EU conducted an anti-dumping investigation of China's photovoltaic industry.</p>
32	3	Learning Activity 2	<p>Source 3 However, China's export prices have been considered 'dumped prices' due to its low production cost. Therefore, China became caught in tug of war with the United States and the European Union (EU) on trading issues on many occasions. In 2009, China filed a complaint with the WTO because the EU imposed an anti-dumping duty of up to 87% on metal fittings imported from China. A panel report issued by the WTO stated that the EU had unfairly</p>	<p>Source 3 However, China's export prices have been considered 'dumped prices' due to its low production cost. Therefore, China became caught in tug of war with the United States and the European Union (EU) on trading issues on many occasions. Since March 2018, the US Government imposed extra tariffs on Chinese products of value over US\$360 billion. Although the 2 countries held several negotiations afterwards, the US had not completely rescinded the new tariffs yet.</p>

			<p>made this judgment on the production costs of China’s metal fittings basing its findings on those of India and the EU. It also agreed that Chinese manufacturers were capable of producing cheaper metal fittings even without government support. It therefore ruled that the taxes imposed by the EU had harmed China’s rights and was not in compliance with the rules of the WTO. This verdict was deemed as a great victory for China fighting back against the EU regarding trade disputes.</p> <p>There are numerous existing trade disputes between China and the US. They are in regard to such products as clean energy technologies, cars, rare earth and information technology products. China claimed last month, that the US had purposely suppressed its information technology products in the name of national security. It had limited the purchases from governmental departments, which violated the spirit and rules of the WTO.</p> <p>Therefore, China has the right to require a revision as soon as possible and it is actively planning to file a complaint</p>	<p>In September 2018, China sued the US for her tax levying measures to the WTO. In September 2020, the US was ruled as violating regulations. Experts thought that the US could not provide adequate reasons for her act of raising tariffs, which was incompatible with regulations of the WTO.</p> <p>There are numerous existing trade disputes between China and the US. They are in regard to such products as clean energy technologies, cars, rare earth and information technology products. China claimed previously, that the US had purposely suppressed its information technology products in the name of national security. It had limited the purchases from governmental departments, which violated the spirit and rules of the WTO. Therefore, China has the right to require a revision as soon as possible and it is actively planning to file a complaint with the WTO in respect of this.</p> <p>Summary of local news in 2007, 2013 and 2020</p>
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			with the WTO in respect of this. Summary of local news in 2007 and 2013	
			Fig. 3.2 In 2012, the US, Japan and Europe filed legal proceedings respectively against China's limits on its rare earth export. In the next year, the WTO ruled that China had lost in the first instance.	Fig. 3.2 In 2012, the US, Japan and the EU filed legal proceedings respectively against China's limits on its rare earth export. In the next year, the WTO ruled that China had lost in the first instance. In 2014, China's appeal was dismissed by the Appellate Body of the WTO. China then followed the WTO's ruling by adjusting her policies. China abolished export quota on rare earth in January 2015 and stopped charging export tariffs in May of the same year.
35	3	More Information	China-US trade disputes The rapid development of China's economy in recent years has turned it into a 'world factory'. It has also become very competitive with the United States in the export trade of the steel and textile industries. In recent years, this has greatly threatened the external trade of the US, resulting in frequent disputes between the 2 powers. In 2011, the US, the European Union and some other countries complained that the implementation of export quotas and tariffs on minerals	China-US trade disputes The rapid development of China's economy in recent years has turned it into a 'world factory'. It has also become very competitive with the United States in the export trade of the steel and textile industries. In recent years, this has greatly threatened the external trade of the US, resulting in frequent disputes between the 2 powers. The then US President Trump established 'America First' policy after taking office in 2017, emphasising interests of the US and seeking for

			<p>by China was unfair to foreign manufacturers and was also in violation of China's commitments to join the World Trade Organisation (WTO). The litigation involved industrial raw materials that were limited by China, including magnesium, manganese mine, coke (fuel), silicon, carborundum, yellow phosphorus and zinc.</p> <p>In January 2012, the WTO ruled that the limitation on the exports of a variety of industrial raw materials by China was in violation of international trade rules. China appealed but it was rejected by the WTO. The United States Trade Representative Kirk, claimed that the ruling was a 'great victory' for the US.</p> <p>On 28 February 2012, the United States President Obama executed administrative commands and officially set up the Trade Enforcement Centre to be responsible for the investigation of the unfair trade of various countries. Its purpose is to ensure that all countries (including China) would be in compliance with international trade rules. It also proposed to increase its human resources</p>	<p>minimising trade deficit between China and the US. In August 2017, Trump accused China for weak protection of intellectual property, causing harm to American enterprises' interests and snatching American workers' job opportunities. Hence he requested for an investigation by using Section 301 (a trade act of the US). The US levied extra customs duties on Chinese products of value over US\$360 billion since March 2018.</p> <p>The Ministry of Finance of the People's Republic of China stated that the US measures of imposing customs duty seriously threatened China's development interests. Therefore China decided to levy extra customs duties on American soya beans, vehicles and petrochemical of value over US\$111 billion.</p> <p>The 2 states had several negotiations afterwards and signed a phase-one agreement in January 2020. China promised to purchase extra US products of value of US\$200 billion by the end of 2021; and the US agreed to reduce the customs duty by half to 7.5% for Chinese products of value of US\$120 billion, whereas another batch of products of</p>
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			<p>in China for the ‘verification’ of the China-US trade.</p> <p>Summary of local news on 5 March 2012</p>	<p>value of US\$250 billion would remain levied for 25% extra customs duty until signing the phase-two agreement.</p> <p>Summary of local news on 15 January 2020</p>
35	3	Focus of Learning	<p>A</p> <p>Currently, the WTO has 160 member states, and their volume of trade takes up an aggregation of more than 95% of the total volume of trade in the world.</p>	<p>A</p> <p>As of 2020, the WTO has 164 member states, and their volume of trade takes up an aggregation of more than 95% of the total trade in the world.</p>
39	4	Learning Activity 1	<p>1. According to Source 1, describe the trend of the total imports and exports in Hong Kong between 2002 and 2012.</p>	<p>1. According to Source 1, describe the trends of the imports and total exports in Hong Kong between 2002 and 2019.</p>
40	4	Learning Activity 1	<p>4. With reference to Source 2, state the top 3 major suppliers or the destinations of the imports, exports and re-exports of Hong Kong.</p>	<p>4. With reference to Source 2, state the top 3 major suppliers or the destinations of the imports and exports of Hong Kong.</p>
42	4	Learning Activity 1	<p>6. With reference to Source 3, describe the overall changing trends of Hong Kong in respect of the total imports and exports of services between 2001 and 2011.</p> <p>7. With reference to Source 4, which countries or regions are Hong Kong’s 3 principal trading partners in terms of the service trade during 2011?</p>	<p>6. With reference to Source 3, describe the overall changing trends of Hong Kong in respect of the total imports and exports of services between 2001 and 2018.</p> <p>7. With reference to Source 4, which countries or regions are Hong Kong’s 4 principal trading partners in terms of the service trade during 2018?</p>
43	4	Learning Activity 2	<p>Source 2</p> <p>Logistics industry: insufficient supply of land</p>	<p>Source 2</p> <p>Logistics industry: insufficient supply of land</p>

			<p>stifles the industry</p> <p>The Kwai Chung Container Terminal in Hong Kong was once the highest ranked container throughput in the world. Since 2005, however it has been replaced by Singapore and Shanghai. Yick Chi Ming, the legislative councillor for the transport sector, warned at the Hong Kong Logistics Forum 2012, that despite Hong Kong's advantages as a regional logistic service centre in terms of geography, system and transportation, the HKSAR Government has not launched active industry policies to be consistent with its development. In the long run, he believes that even the container throughput in Shenzhen will bypass Hong Kong's.</p> <p>The logistics industry has traditionally believed that the logistics service and system in Hong Kong has reached a world-class level, but recently insufficient land has become the largest barrier for development. Yick also claimed that the government's support in the supply of land is seriously inadequate. In the past 10 years, the HKSAR Government released only 2 pieces of land especially for logistic services use. He stated</p>	<p>stifles the industry</p> <p>The Kwai Chung Container Terminal in Hong Kong was once the highest ranked container throughput in the world. Since 2005, however it has been replaced by Singapore and Shanghai, then ranked 8th in 2019, surpassed by many other ports. Yick Chi Ming, the legislative councillor for the transport sector, warned at the Hong Kong Logistics Forum 2012, that despite Hong Kong's advantages as a regional logistic service centre in terms of geography, system and transportation, the HKSAR Government has not launched active industry policies to be consistent with its development. In the long run, he believes that even the container throughput in Shenzhen will bypass Hong Kong's. (This prediction became a reality in 2013.)</p> <p>The logistics industry has traditionally believed that the logistics service and system in Hong Kong has reached a world-class level, but recently insufficient land has become the largest barrier for development. Yick also claimed that the government's support in the supply of land is seriously inadequate. From 2010 to 2018, the HKSAR</p>
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			<p>that this is not enough to meet the needs of the industry and has even caused soaring rent problems and increased operational difficulties in the industry.</p> <p>Summary of local news on 28 January 2013</p>	<p>Government has released only 4 pieces of land exclusive for logistic services. Although the government promised to seek suitable land for logistic use in Hung Shui Kiu and Yuen Long, it has not been put into action yet. As land supply never meet the needs of the industry, rents keep on a high level that intensified operational difficulties in the industry.</p> <p>Summary of local news on 28 January 2013, 24 February 2019</p>
44	4	Learning Activity 2	<p>Source 3</p> <p>During the meeting with the Hong Kong agriculture and fisheries delegation, Wang Guangya, the Director of the Hong Kong and Macau Affairs Office of the State Council, mentioned that Hong Kong has fallen behind in the rankings of the ‘Four Asian Dragons’(Hong Kong, Singapore, Korea and Taiwan).</p>	<p>Source 3</p> <p>During the meeting with the Hong Kong agriculture and fisheries delegation in 2013, Wang Guangya, the then Director of the Hong Kong and Macao Affairs Office of the State Council, mentioned that Hong Kong has fallen behind in the rankings of the ‘Four Asian Dragons’(Hong Kong, Singapore, Korea and Taiwan).</p>
			<p>Source 4</p> <p>During the French presidential election, Nicolas Sarkozy, seeking re-election, tried to use populism to capture the right-wing voters. He claimed that he would launch European trade protection policies and he criticised China and Japan for their reluctance to open their</p>	<p>Source 4</p> <p>During the French presidential election in 2012, Nicolas Sarkozy, seeking re-election at that time, tried to use populism to capture the right-wing voters.</p>

			markets in public affairs.	
			<p>Source 5</p> <p>The government: negotiating a free trade agreement with ASEAN</p> <p>Chief Executive Leung Chun Ying met initially with Wang Guangya, the Director of the Hong Kong and Macau Affairs Office of the State Council during his visit to Beijing. He then visited the Ministry of Commerce and the National Development and Reform Commission (NDRC). Leung claimed that Hong Kong will participate in the preliminary works of the ‘Thirteenth Five-Year Plan’ and tailor the plan to the development of Hong Kong. The plan also aims to extend the ‘early and pilot implementation’ approach to Guangdong Province and beyond Guangdong Province to other 9 provinces and municipalities in the Pan-Pearl River Delta Region.</p> <p>The HKSAR Government also announced that it will cooperate with the Association of Southeast Asian Nations (ASEAN) to pursue a bilateral free trade agreement.</p>	<p>Source 5</p> <p>The government: considering proactively integrating into Greater Bay Area’s development</p> <p>Chief Executive Lam Cheng Yuet Ngor met Han Zheng, the Vice Premier of the State Council, during her visit to Beijing. The Vice Premier promised that the Central Government will fully support Hong Kong’s integration with the country’s and the Greater Bay Area’s development. Han also expected Hong Kong to play her strengths in the ‘Fourteenth Five-Year Plan’. The ‘Fourteenth Five-Year Plan’ will support Hong Kong in establishing as an international science and technology innovation centre, in becoming the functional platform under the ‘Belt and Road’ Initiative, and in high quality construction for the Guangdong-Hong Kong-Macao Greater Bay Area. The Chief Executive replied that the Greater Bay Area had huge potential in bringing development opportunities to Hong Kong. The Hong Kong Government could contribute to the Greater Bay Area in finance, trade and aviation, and</p>



			Summary of local news on 27 April 2013	<p>complement strengths of other cities' in the Greater Bay Area so as to reach mutual benefit.</p> <p><i>The Free Trade Agreement between Hong Kong and the Association of Southeast Asian Nations (ASEAN) was in effect in 2019. With the Free Trade Agreement, Hong Kong was permitted the market access with legal protection in member countries, thus enjoying a better trade opportunity.</i></p> <p>Summary of local and overseas news on 18 November 2020</p>
46	4	Focus of Learning	<p>4.1</p> <p>For a long period of time, the demands for imports and re-exports in Hong Kong continued to rise. As at the end of 2012, the trade value of imported products in Hong Kong amounted to almost HK\$4,000 billion, while the trade value of re-exported products exceeded HK\$3,000 billion. However, in recent years, the demand for Hong Kong's domestic exports has decreased.</p> <p>The mainland of China has traditionally been the principal trading partner of Hong Kong. According to the trading statistics in 2013, the mainland of China, Japan</p>	<p>4.1</p> <p>For a long period of time, the demands for imports and re-exports in Hong Kong continued to rise. As at the end of 2019, the trade value of imported products in Hong Kong amounted to almost HK\$4,400 billion, while the total value of exported products exceeded HK\$3,900 billion and most of them were re-exported products.</p> <p>The mainland of China has traditionally been the principal trading partner of Hong Kong. According to the trading statistics in 2020, the mainland of China, Taiwan region and Singapore contributed to most of the</p>

			<p>and Singapore contributed to most of the imports of products to Hong Kong. In terms of re-exports, products mainly originated from the mainland of China, Japan and Taiwan with the destinations mainly to the mainland of China, the United States and Japan. As for domestic exports, the destinations are mainly to the mainland of China and the US.</p>	<p>imports of products to Hong Kong. In terms of re-exports, products mainly originated from the mainland of China, Taiwan region and Korea with the destinations mainly to the mainland of China, the United States and Japan. As for domestic exports, the destinations are mainly to the mainland of China and the US.</p>
			<p>4.2 External trade has been one of Hong Kong’s main economic activities since its origins in 1841. The following outlines its importance to Hong Kong:</p>	<p>4.2 Since its handover, under the Basic Law, Hong Kong maintains the status of a free port ,which has helped boost her external trade. External trade has been one of Hong Kong’s main economic activities after its opening as a free seaport in 1841. The following outlines its importance to Hong Kong:</p>
47	4	Focus of Learning	<p>B Korea, Taiwan and Singapore have become Hong Kong’s main competitors in the export industry due to their active development in the export of high-tech industries.</p> <p>In addition, the rapid economic development in the mainland of China in recent years, has led to the infrastructures of certain cities gradually improving and business at their ports</p>	<p>B Places like Korea, Singapore and Taiwan region have become Hong Kong’s main competitors in the export industry due to their active development in the export of high-tech industries.</p> <p>In addition, the rapid economic development in the mainland of China in recent years, has led to the infrastructures of certain cities gradually improving and</p>

			developing rapidly. The mainland of China is now able to import and export products directly and this weakens Hong Kong's position as an entrepot.	business at their ports developing rapidly. The mainland of China is now able to import and export products directly and this weakens Hong Kong's position as an entrepot.
49	4	Focus of Learning	C Zero tariff has helped to reduce the retail prices of Hong Kong's products in the mainland and raise its competitiveness accordingly.	C Zero tariff has helped to reduce the retail prices of Hong Kong's products on the mainland and raise its competitiveness accordingly. In 2018, CEPA inserted a new chapter of 'Trade Facilitation Measures in the Guangdong-Hong Kong-Macao Greater Bay Area', which facilitated circulation of goods throughout the Greater Bay Area by taking measures to expedite customs clearance, encouraged the freedom and facilitation of goods trading between the regions, and helped promote Hong Kong brands on the mainland.
49	4	Focus of Learning	D The mainland of China, the US and Japan have been Hong Kong's principal trading partners over the years. With a view to strengthen its competitiveness, Hong Kong should actively expand other emerging markets abroad, such as Southeast Asian and Middle East countries, and thus broaden its area of external	D The mainland of China, the US and Japan have been Hong Kong's principal trading partners over the years. With a view to strengthen its competitiveness, Hong Kong should actively expand other emerging markets abroad, such as Southeast Asian and Middle East countries, and thus broaden its area of external trade. In order to

			trade.	secure favourable conditions for Hong Kong goods and services in international markets, Hong Kong has been actively expanding the free trade agreement network. Agreements have been signed with New Zealand, member states of the European Free Trade Association, Chile, the Association of Southeast Asian Nations (ASEAN), Georgia and Australia. In addition, free trade agreement talk with Maldives has been completed in 2017.
49	4	Summary	<p>1. Present situation of external trade in Hong Kong:</p> <ul style="list-style-type: none"> •The demands for imports and re-exports of Hong Kong products continue to rise; •In recent years, demands for the exports of Hong Kong products have steadily declined; •The mainland currently is the principal trading partner of Hong Kong. 	<p>1. Present situation of external trade in Hong Kong:</p> <ul style="list-style-type: none"> •The demands for imports and total exports of Hong Kong products continue to rise; •In recent years, demands for the exports of Hong Kong products have steadily declined; •The mainland currently is the principal trading partner of Hong Kong.
50	4	Glossary	<p>Thirteenth Five-Year Plan</p> <p>Known as <i>The Thirteenth Five-Year Plan for National Economic and Social Development of the People's Republic of China</i>, it is a short to mid-term economic and social plan of the nation, with a running term of 5 years. The 'Thirteenth Five-Year Plan' runs from 2016 to 2020.</p>	<p>Fourteenth Five-Year Plan</p> <p>Known as <i>The Fourteenth Five-Year Plan for National Economic and Social Development of the People's Republic of China</i>, it is a short to mid-term economic and social plan of the nation, with a running term of 5 years. The 'Fourteenth Five-Year Plan' runs from 2021 to 2025.</p>

			<p><i>Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)</i></p> <p>In 2003, Hong Kong signed the <i>Mainland and Hong Kong Closer Economic Partnership Arrangement</i> (known as the <i>Arrangement</i> or CEPA). This has reduced the barriers and limits of the trading market between the 2 places, such as the implementation of zero tariff and expansion of their respective market opening measures. The agreement allows products and services from Hong Kong to enter the mainland’s market easily.</p>	<p><i>Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)</i></p> <p>In 2003, Hong Kong signed the <i>Mainland and Hong Kong Closer Economic Partnership Arrangement</i> (known as the <i>Arrangement</i> or CEPA). This has reduced the barriers and limits of the trading market between the 2 places, such as the implementation of zero tariff and expansion of their respective market opening measures. The agreement allows products and services from Hong Kong to enter the mainland’s market easily. In 2018, CEPA inserted a new chapter of ‘Trade Facilitation Measures in the Guangdong-Hong Kong-Macao Greater Bay Area’, which facilitated circulation of goods throughout the Greater Bay Area by taking measures to expedite customs clearance, encouraged the freedom and facilitation of goods trading between the regions, and helped promote Hong Kong brands on the mainland.</p>
51	--	Think more	Go to the website of Ming Pao and find out the background information of the 6th Ministerial Conference of the World Trade Organisation held in Hong Kong in 2005 (Chinese version only). Then	Go to YouTube website, search for 世貿在香港（南韓篇）自由的矛盾(Chinese version only) and watch the video, to find out the background information of the 6th Ministerial Conference of

			<p>browse other websites and search for relevant information before discussing in groups, and further exploring the advantages and disadvantages of world trade.</p> <p>http://las.mpep.com.hk/19/wto</p> 	<p>the World Trade Organisation held in Hong Kong in 2005- (Chinese version only). Then browse other websites and search for relevant information before discussing in groups, and further exploring the advantages and disadvantages of world trade.</p> <p>https://www.youtube.com</p> 
53	--	Concept map	<p>Present situation:</p> <ul style="list-style-type: none"> •Imports and re-exports of products: continue to rise •Domestic exports: decline in recent years •Principal trading partner: the mainland of China 	<p>Present situation:</p> <ul style="list-style-type: none"> •Imports and total exports of products: continue to rise •Domestic exports: decline in recent years •Principal trading partner: the mainland of China
54	--	Word Easy	<p>A agreement 協議</p> <p>A anti-subsidy 反補貼</p> <p>B bilateral negotiation 雙邊談判</p> <p>C Chief Executive Leung Chun Ying 行政長官梁振英 China-US trade 中美貿易</p> <p>C competitiveness 競爭力</p>	<p>A agreement 協議</p> <p>A anti-subsidy 反補貼 Appellate Body of the WTO 世界貿易組織上訴機構</p> <p>B ballistic missile 導彈 ‘Belt and Road’ 「一帶一路」 bilateral negotiation 雙邊談判</p> <p>C Chief Executive Lam Cheng Yuet Ngor 行政長官林鄭月娥 China-US trade 中美貿易 Chile 智利</p> <p>C competitiveness 競爭力 Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)</p>

					《跨太平洋夥伴全面進展協定》
				D Dispute Settlement Mechanism 爭端解決機制	D Dispute Settlement Mechanism 爭端解決機制
				E European Central Bank 歐洲中央銀行	E European Central Bank 歐洲中央銀行 European Free Trade Association 歐洲自由貿易聯盟
				F free trade 自由貿易	F ‘Fourteenth Five-Year Plan’ 「十四五規劃」 free trade 自由貿易 Free Trade Agreement 《自由貿易協定》（《自貿協定》）
				G Guangdong Province 廣東省	G Georgia 格魯吉亞 Guangdong Province 廣東省 Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) 粵港澳大灣區（大灣區）
				H Hong Kong and Macau Affairs Office of the State Council 國務院港澳辦	H Han Zheng 韓正 Hong Kong and Macao Affairs Office of the State Council 國務院港澳辦
55	--	Word Easy	L legislative councillors 立法會議員	L legislative councillors 立法會議員	
			M Manila bus hostage crisis 馬尼拉人質事件	M Manila bus hostage crisis 馬尼拉人質事件	
			M Ministry of Commerce of the People’s Republic of China 中華人民共和國商務部	M Ministry of Commerce of the People’s Republic of China 中華人民共和國商務部 Ministry of Finance of the People's Republic of China 中華人民共和國財政部	
			N National Development and Reform Commission	N National Development and Reform Commission	

			(NDRC) 國家發展和改革委員會 (發改委)	(NDRC) 國家發展和改革委員會 (發改委)
			N Nicolas Sarkozy 尼古拉·薩爾科齊 North Korea 北韓	N New Zealand 新西蘭 Nicolas Sarkozy 尼古拉·薩爾科齊 North Korea 北韓 nuclear test 核試
			P Pan-Pearl River Delta Region 泛珠三角地區 photovoltaic industry 光伏太陽能產業 Premier of the State Council 國務院總理	P Pan-Pearl River Delta-Region 泛珠三角地區 photovoltaic industry 光伏太陽能產業 Premier of the State Council 國務院總理
56	--	Word Easy	T <i>The United States Currency Reform for Fair Trade Act</i> 《匯率改革促進公平貿易法案》 'Thirteenth Five-Year Plan' 「十三五規劃」	T <i>The United States Currency Reform for Fair Trade Act</i> 《匯率改革促進公平貿易法案》 'Thirteenth Five-Year Plan' 「十三五規劃」 total exports 整體出口
			T Trade Enforcement Centre 貿易執法中心	T Trade Enforcement Centre 貿易執法中心
			T <i>Trans-Pacific Strategic Economic Partnership Agreement (TPP)</i> 《跨太平洋戰略經濟夥伴關係協議》 (跨太平洋夥伴關係)	T <i>Trans-Pacific Strategic Economic Partnership Agreement (TPP)</i> 《跨太平洋戰略經濟夥伴關係協議》 (跨太平洋夥伴關係)
			U United States 美國	U United States 美國 United States Department of Agriculture 美國農業部 United States Department of Commerce 美國商務部
			U United States House of Representatives 美國眾議院 United States President Obama 美國總統奧巴馬 United States Trade Representative Kirk 美國貿易代表柯克	U United States House of Representatives 美國眾議院 United States President Trump 美國總統特朗普 United States Trade Representative Kirk 美國貿易代表柯克

				V Vietnam 越南	V Vice Premier of the State Council 國務院副總理 Vietnam 越南
				W Wen Jiabao 温家寶	W Wen Jiabao 温家寶

Old:



Fig. 3.3 The United States House of Representatives passed *The United States Currency Reform for Fair Trade Act* in 2010 in order to pressurise China to control the rising value of Renminbi.

New:



Fig. 3.3 Representatives of China and the US held the 13th **round of** trade negotiation in October 2019.

Old:

3.2 World Trade Organisation and its functions

A. What is World Trade Organisation?

Established in 1995, the World Trade Organisation (WTO) is an international organisation that intends to deal with international trade matters. The predecessor of the WTO was the 'General Agreement on Tariffs and Trade' (GATT) which was formed in 1948. Currently, the WTO has 160 member states, and their volume of trade takes up an aggregation of more than 95% of the total volume of trade in the world.

New:

3.2 World Trade Organisation and its functions

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Learn more about Basic Law

Article 116 (1, 2)
The Hong Kong Special Administrative Region (HKSAR) shall be a separate customs territory.

The HKSAR may, using the name 'Hong Kong, China', participate in relevant international organisations and international trade agreements (including preferential trade arrangements), such as the General Agreement on Tariffs and Trade and arrangements regarding international trade in textiles.

Old:



Fig. 3.4 The World Trade Organisation Ministerial Conference was held in Hong Kong in 2005, which was attended by a large number of representatives of WTO member states.

Hong Kong is a founding member of the WTO. After its return to China, Hong Kong still retains its separate membership under the name of 'Hong Kong, China'.

B. Functions of the WTO

The WTO's main objective is to help trade to flow smoothly, freely, fairly and predictably. Its functions include:

(1) Formulating legal ground-rules

The WTO formulates the legal ground-rules for international trade for its member states. These agreements are essential contracts, binding its member states to conduct their trade and trade policies according to principles and rules.

(2) Overseeing the implementation of multilateral trade rules

The WTO provides a fair, predictable and open rule-based trading system through overseeing the implementation of multilateral trade rules and enforcing legally binding obligations by its member states.

(3) Settling trade disputes

The WTO is committed to promoting free trade and advocating open markets in its member countries. It aims to remove trade barriers and eliminate discriminatory treatments in international trade, through leading successive multilateral trade negotiations among its member states and providing a mechanism for settling trade disputes.

(4) Assisting in the development of developing countries

Of the existing member states in the WTO, 2/3 of them are developing countries. For the purpose of stimulating the economic development in those developing countries, the WTO provides them with financial and technical support.

New:

**Learn more about
Basic Law**

Article 151

The HKSAR may on its own, using the name 'Hong Kong, China', maintain and develop relations and conclude and implement agreements with foreign states and regions and relevant international organisations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, tourism, cultural and sports fields.



Fig. 3.4 Hong Kong was the host of the World Trade Organisation Ministerial Conference in 2005, receiving a large number of representatives of WTO member states.

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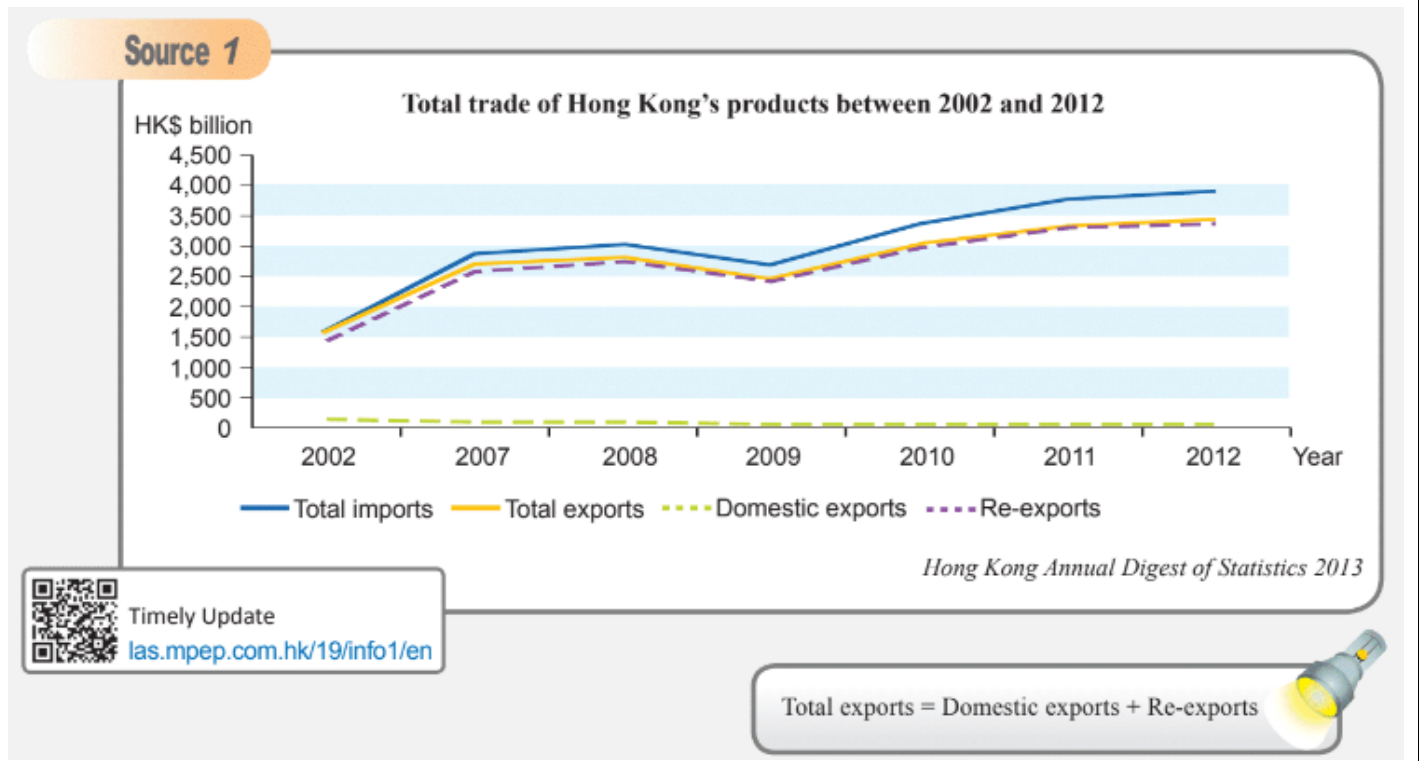
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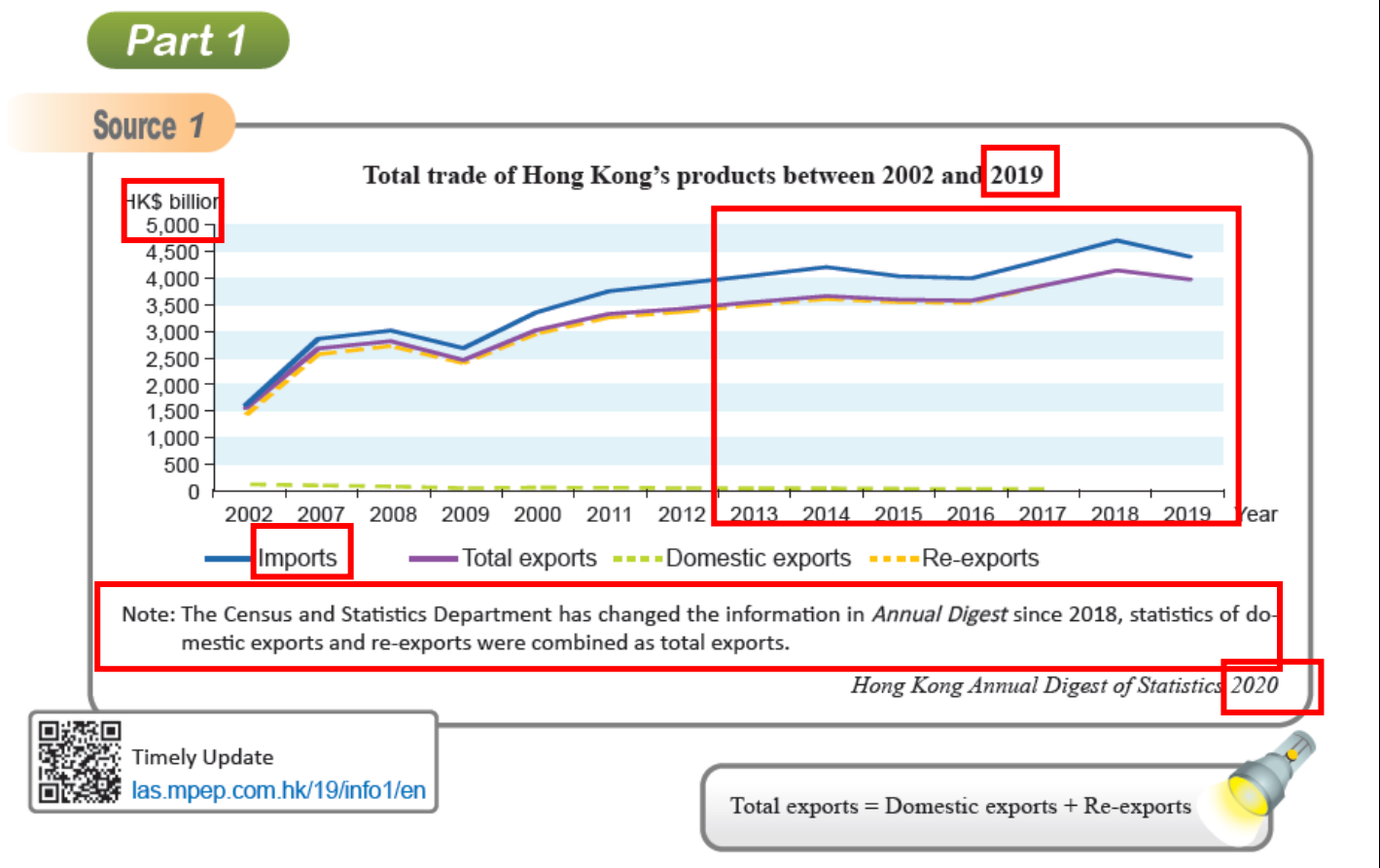
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Old:



New:



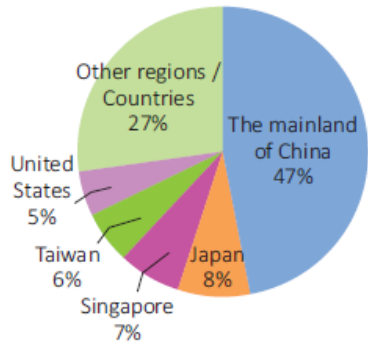
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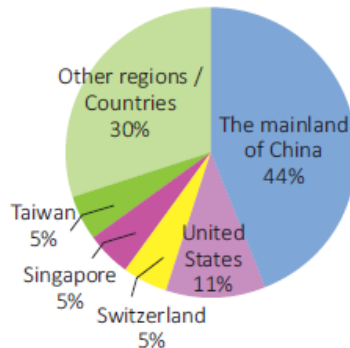
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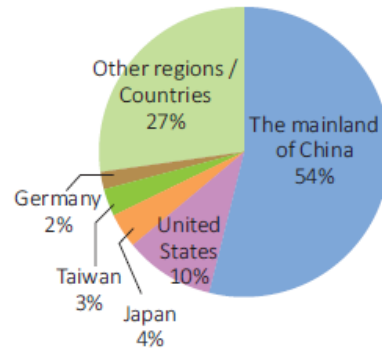
Major suppliers of Hong Kong's imports of products in 2012



Major destinations of Hong Kong's exports of products in 2012



Major destinations of Hong Kong's re-exports of products in 2012



Hong Kong Annual Digest of Statistics 2013

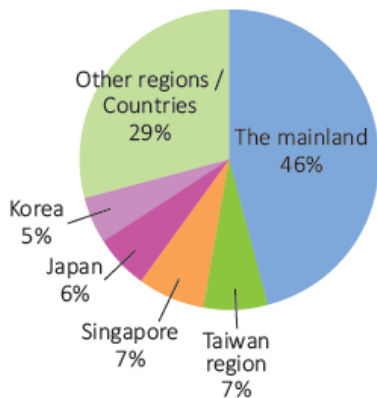
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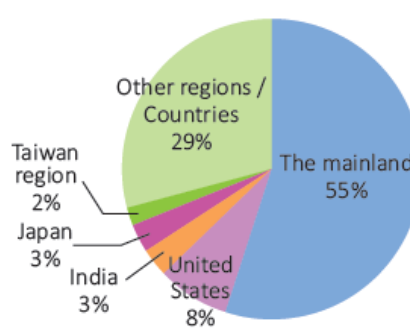
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Major suppliers of Hong Kong's imports of products in 2019



Major destinations of Hong Kong's total exports of products in 2019



Note: The Census and Statistics Department had changed the information in *Annual Digest* since 2018, statistics of domestic exports and re-exports were combined as total exports.

Hong Kong Annual Digest of Statistics 2020

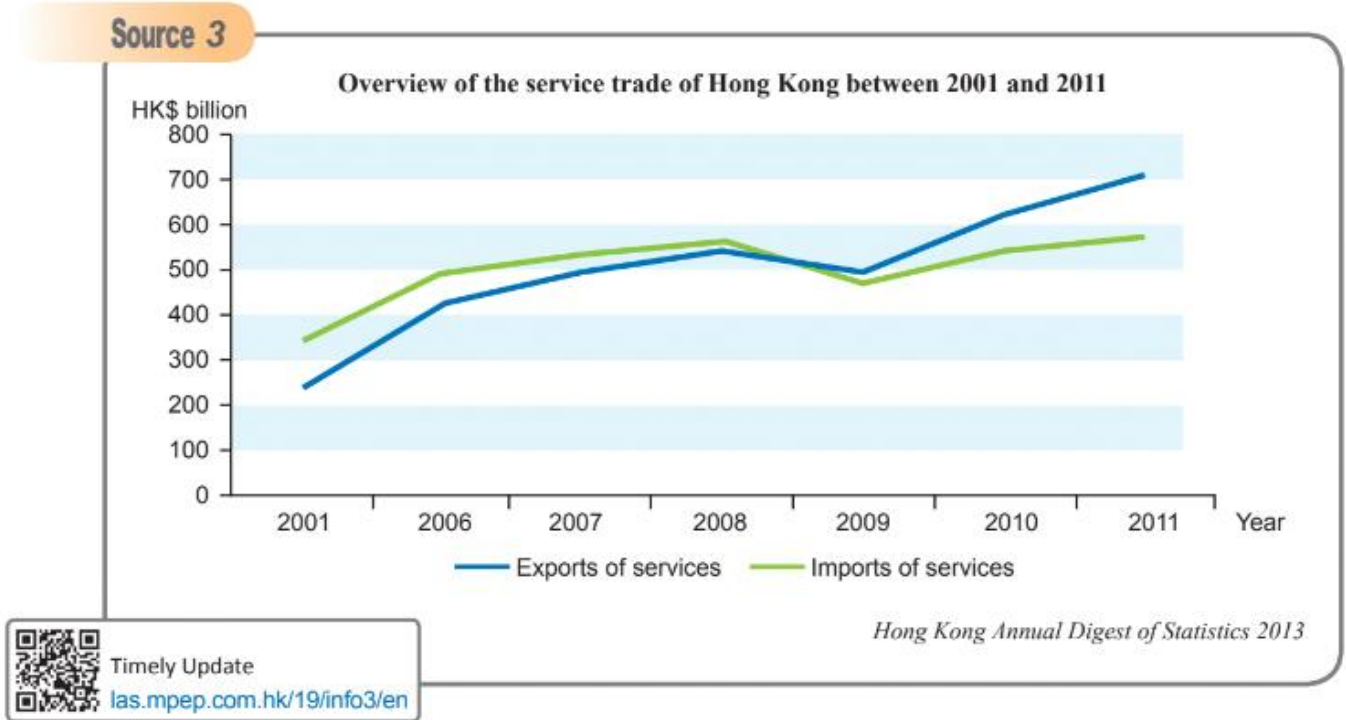
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	Top 3 major suppliers / destinations		
Imports	(1)	(2)	(3)
Exports	(1)	(2)	(3)
Re-exports	(1)	(2)	(3)

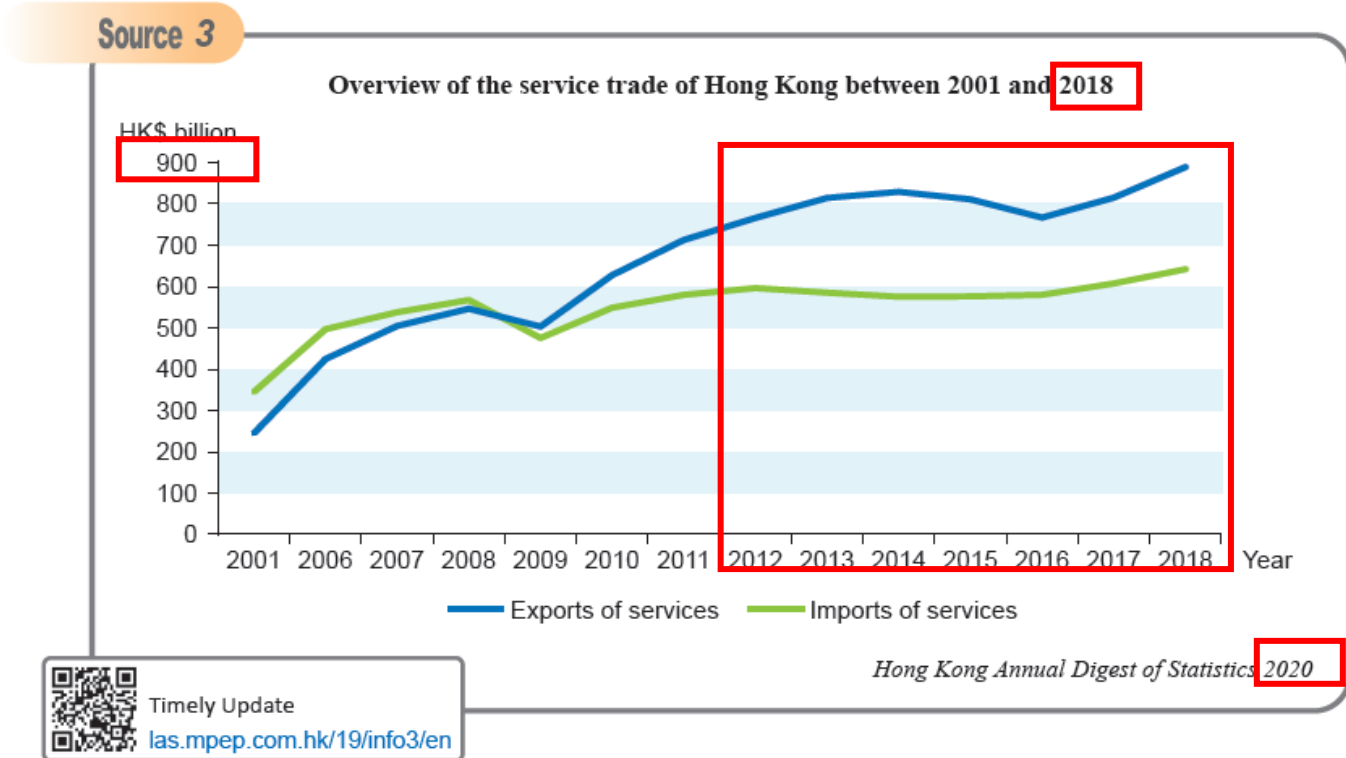
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	Top 3 major suppliers / destinations		
Imports	(1)	(2)	(3)
Exports	(1)	(2)	(3)

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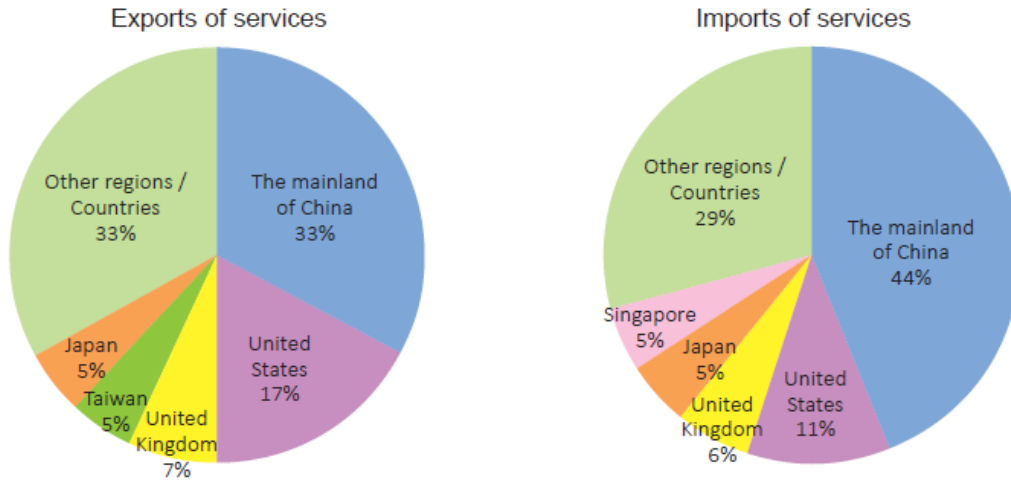
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Timely Update
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Service trade between Hong Kong and its principal trading partners in 2011



Hong Kong Annual Digest of Statistics 2013

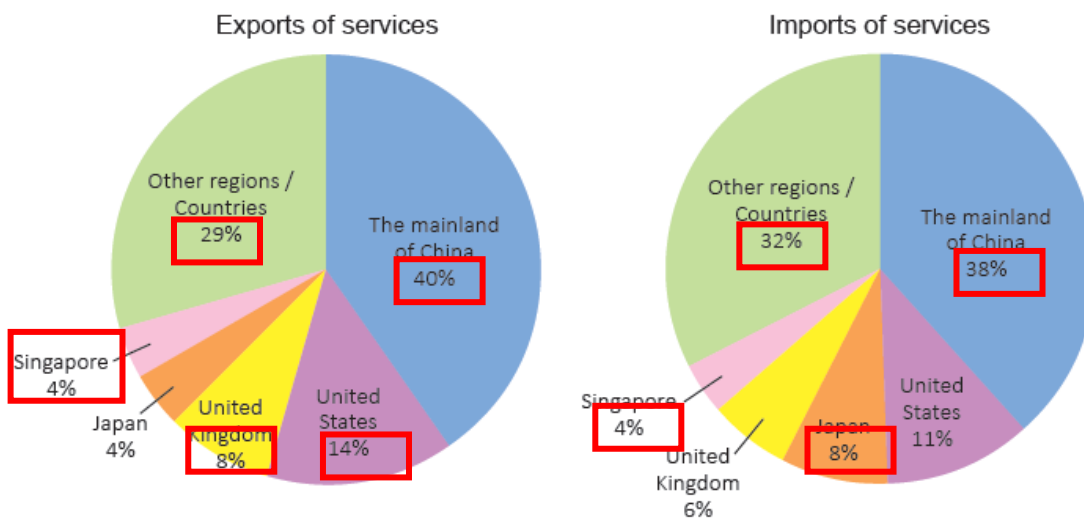
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Service trade between Hong Kong and its principal trading partners in 2018



Hong Kong Annual Digest of Statistics 2020

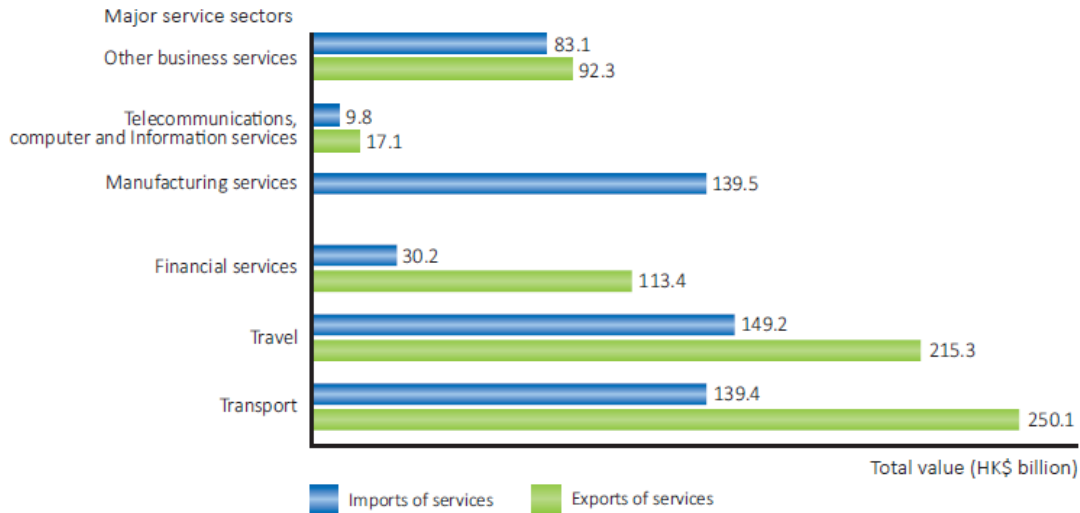
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Source 5

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Total imports and exports of services in Hong Kong by major service sectors in 2011



Hong Kong Annual Digest of Statistics 2013

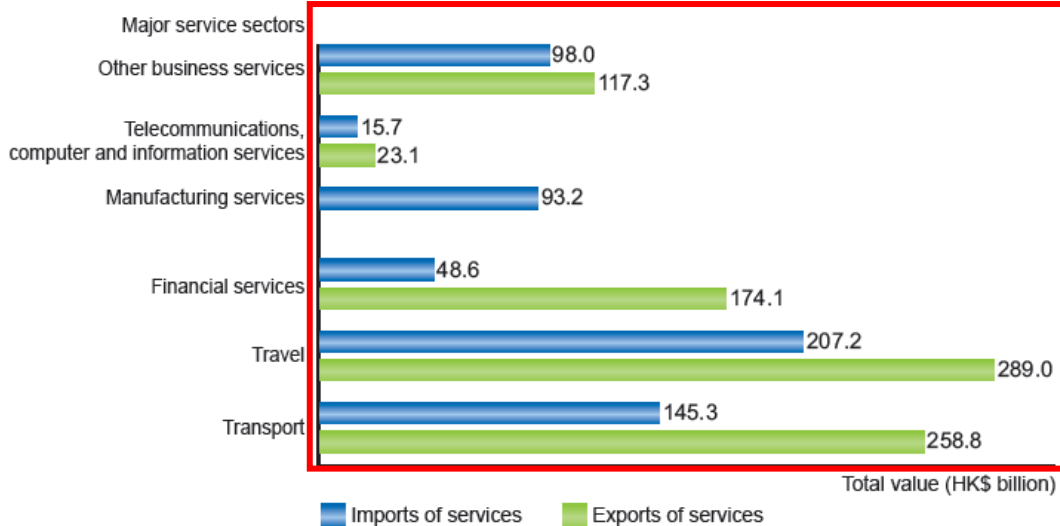
New:

Source 5

Timely Update
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Total values of imports and exports of services in Hong Kong by major service sectors in 2018



Hong Kong Annual Digest of Statistics 2020

Old:

Source 6

Statistics on imports and retained imports of products in 2012

Products by end-use category	Imports of products (HK\$ billion)	Retained imports (for local consumption in Hong Kong) (HK\$ billion)
Food stuffs	150.7	114.9
Consumer goods	944.4	265.1
Raw materials and semi-manufactures	1,284.4	306.3
Fuels	141.9	135.7
Capital goods	1,390.8	234.5
Total:	3,912.2	1,056.6



Timely Update
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Hong Kong Annual Digest of Statistics 2013

New:

Source 6

Statistics on imports and retained imports of products in 2014

Products by end-use category	Imports of products (HK\$ billion)	Retained imports (for local consumption in Hong Kong) (HK\$ billion)
Food stuffs	186.7	145.0
Consumer goods	945.9	285.9
Raw materials and semi-manufactures	1,470.2	393.9
Fuels	122.0	117.8
Capital goods	1,494.2	217.9
Total:	4,219.0	1,160.4



Timely Update
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Hong Kong Annual Digest of Statistics 2015

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4.2 Significance of external trade to Hong Kong

External trade has been one of Hong Kong’s main economic activities since its origins in 1841. The following outlines its importance to Hong Kong:



Fig. 4.1 Limited agricultural development in Hong Kong means that residents’ food demands cannot be met locally.

A. Provision of daily necessities

The lack of land and natural resources in Hong Kong has limited its agricultural and industrial development. Therefore, Hong Kong needs to obtain products and services that cannot be produced locally, or products and services that Hong Kong cannot produce or provide as adeptly as others by external trade. For example, Hong Kong does not have sufficient land for planting crops, so it has to meet its residents’ needs for food by external trade.

B. Earning foreign exchange

By utilising external trade, Hong Kong is able to resell products or services to other countries or regions and thus earn foreign exchange to purchase imported products.

New:

Learn more about Basic Law

Article 114
The Hong Kong Special Administrative Region (HKSAR) shall maintain the status of a free port and shall not impose any tariff unless otherwise prescribed by law.

Article 115
The HKSAR shall pursue the policy of free trade and safeguard the free movement of goods, intangible assets and capital.

4.2 Significance of external trade to Hong Kong

Since its handover, under the *Basic Law*, Hong Kong maintains the status of a free port, which has helped boost her external trade. External trade has been one of Hong Kong’s main economic activities since its origins in 1841. The following outlines its importance to Hong Kong:

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Fig. 4.1 Limited agricultural development in Hong Kong means that residents’ food demands cannot be met locally.

Old:

services from Hong Kong to enter the mainland's market easily. Zero tariff has helped to reduce the retail prices of Hong Kong's products in the mainland and raise its competitiveness accordingly.

D. Expand the external trade markets actively

The mainland of China, the US and Japan have been Hong Kong's principal trading partners over the years. With a view to strengthen its competitiveness, Hong Kong should actively expand other emerging markets abroad, such as Southeast Asian and Middle East countries, and thus broaden its area of external trade.

New:

enable the products and services from Hong Kong to enter the mainland's market easily. Zero tariff has helped to reduce the retail prices of Hong Kong's products on the mainland and raise its competitiveness accordingly. In 2018, CEPA inserted a new chapter of 'Trade Facilitation Measures in the Guangdong-Hong Kong-Macao Greater Bay Area', which facilitated circulation of goods throughout the Greater Bay Area by taking measures to expedite customs clearance, encouraged the freedom and facilitation of goods trading between the regions, and helped promote Hong Kong brands on the mainland.

D. Expand the external trade markets actively

The mainland of China, the US and Japan have been Hong Kong's principal trading partners over the years. With a view to strengthen its competitiveness, Hong Kong should actively expand other emerging markets abroad, such as Southeast Asian and Middle East countries, and thus broaden its area of external trade. In order to secure favourable conditions for Hong Kong goods and services in international markets, Hong Kong has been actively expanding the free trade agreement network. Agreements have been signed with New Zealand, member states of the European Free Trade Association, Chile, the Association of Southeast Asian Nations (ASEAN), Georgia and Australia. In addition, free trade agreement talk with Maldives has been completed in 2017.



Learn more about Basic Law

Article 151
The Hong Kong Special Administrative Region may on its own, using the name 'Hong Kong, China', maintain and develop relations and conclude and implement agreements with foreign states and regions and relevant international organisations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, tourism, cultural and sports fields.