

Strategic Trade Control System of Hong Kong

Looking Ahead

HONG
KONG



Driving Forces for Changes

- **Changing nature of proliferation/terrorist activities which necessitates -**
 - √ stringent control on import, export and transshipment
 - √ monitoring supplying and receiving ends, as well as middlemen
 - √ controlling of more product types of various capabilities

Driving Forces for Changes

- Growing application of advanced technology in commerce and industry sectors, resulting in -
 - √ intensified trade flows
 - √ more efforts to promote industry awareness
 - √ impetus to change controls from product-based to enduse-based one

Driving Forces for Changes



- Greater demand from traders for more efficient and flexible licensing service to cater for -
 - √ intensive trade flows
 - √ shipments made under tight timeframes
 - √ competitive trading environment

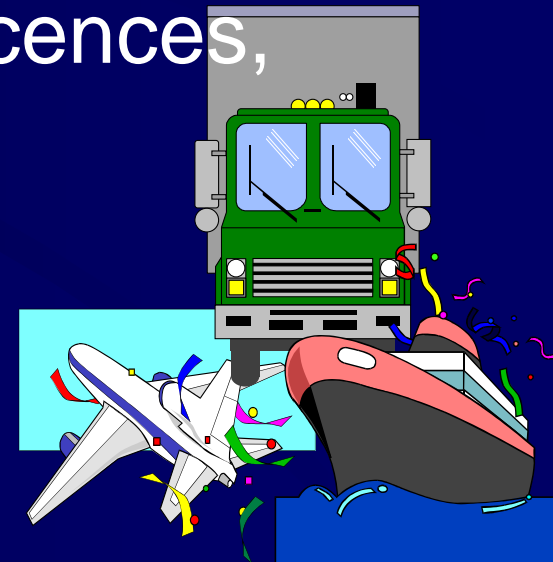
How does Hong Kong Respond?

- Rationalise control system
- Enhance Licensing Service
- Expand outreach work
- Computerisation



Rationalization of Control System

- Exempt registered air-carriers from individual licensing control
- Consider introducing licences for covering more than one category of goods, e.g. comprehensive licences, general licences



Enhance Licensing Service

- Pre-classification service
- Pre-licence screening arrangement
- Instant licensing service for straightforward cases
- One-stop service counter



Expand Outreach Work

- Maintain regular liaison with licensees
- Establish Customer Liaison Group
- Visit companies to offer advice on control matters and internal compliance programme
- Organise seminars and publish trade circulars



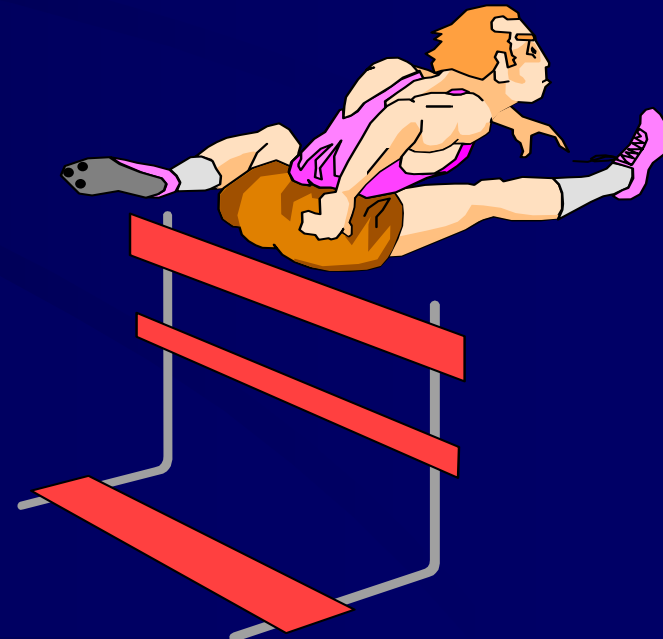
Computerisation

- Computer-based system for processing licence applications
 - √ Shorter processing time
 - √ Comprehensive surveillance
 - √ Better analysis of licensing data
- Dedicated website
 - √ Faster dissemination of information
 - √ Enquiries on the control status of items
 - √ Processing status of licence applications
- Electronic licensing system



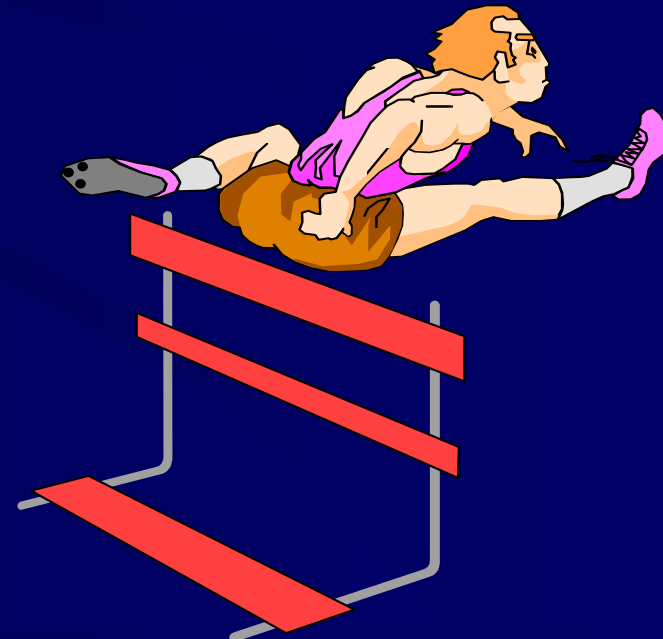
Hurdles to Overcome

- Lack of consensus among regime members on controls maintained on products and destinations



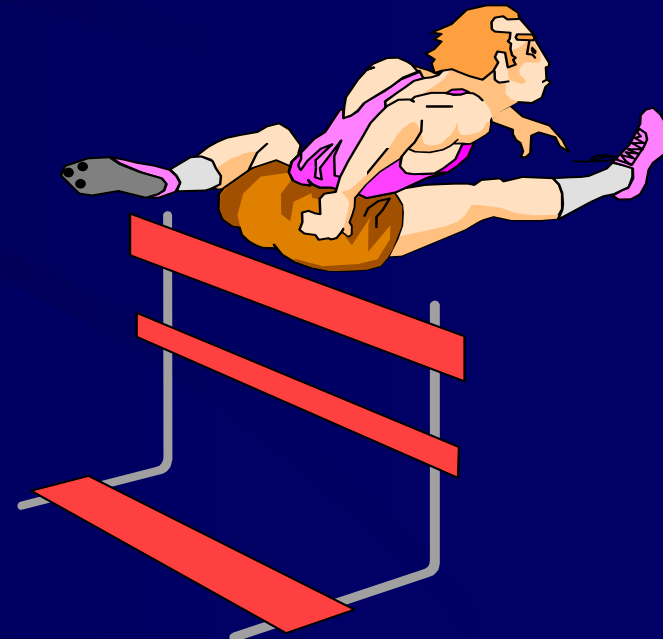
Hurdles to Overcome

- Diversity of export control system and requirements maintained by different high-tech supplier countries



Hurdles to Overcome

- Rapid technology advancement



Keys to Success

- Support from trading partners by:
 - ✓ Having trust and cooperation
 - ✓ Sharing information and intelligence



Keys to Success

- Enhance cooperation and consensus among regime members
- Regimes to regularly review controls to keep in pace with advancement of technology



Keys to Success

- Improve the effectiveness and efficiency of our control system



Keys to Success

- Policy Commitment



Thank You