

LEGISLATIVE COUNCIL BRIEF

Industrial Training (Clothing Industry) Ordinance
(Chapter 318)

Industrial Training (Clothing Industry) Ordinance (Amendment of Schedule 1) Order 2009

INTRODUCTION

At the meeting of the Executive Council on 26 May 2009, the Council ADVISED and the Chief Executive ORDERED that the Industrial Training (Clothing Industry) Ordinance (Amendment of Schedule 1) Order 2009, **at Annex**, should be made under section 36(1) of the Industrial Training (Clothing Industry) Ordinance (Chapter 318) (“Ordinance”), with the effect of aligning Schedule 1 to the Ordinance with the Hong Kong Imports and Exports Classification List (Harmonized System) (“Classification List”).

JUSTIFICATIONS

2. It has been an established practice that Schedule 1 to the Ordinance adopts the commodity descriptions and codes used in the Classification List in defining the term “clothing items” for charging the clothing industry training levy (“levy”) for the Clothing Industry Training Authority (“CLITA”). The Classification List was updated in 2007 to implement the amendments to the commodity description and coding system recommended by the World Customs Organisation (“WCO”). Implementation of the updated Classification List has been generally smooth so far. Corresponding amendments to Schedule 1 to the Ordinance are considered necessary to ensure that the descriptions and codes displayed in Schedule 1 for specifying clothing items are consistent with those of the Classification List.

3. If the latest commodity descriptions and codes are adopted, the existing Category No. 9 (Heading 6503) under Schedule 1 will be subsumed under Category No. 11 (Heading 6505) (which will become Category No. 10

after renumbering, if Schedule 1 is amended as proposed), bringing the total category number of clothing items from 14 to 13. The overall coverage of Schedule 1 will not be affected and there will not be any impact on the amount of levy collected for the CLITA.

OTHER OPTIONS

4. There is no alternative option as the proposal has to be implemented by legislative means.

THE AMENDMENT ORDER

5. Under the Ordinance, the levy is payable by exporters of the clothing items specified in Schedule 1 and manufactured in Hong Kong. The existing Schedule 1 makes reference to the Classification List, which fully adopts the commodity description and coding system developed by the WCO. The WCO recommended amendments to the description and coding system in 2004, and changes were made to the Classification List in 2007 to adopt the recommended amendments. This Order seeks to replace the existing Schedule 1 to reflect the changes.

LEGISLATIVE TIMETABLE

6. The legislative timetable is as follows –

Publication in the Gazette	5 June 2009
Tabling at the Legislative Council for negative vetting	10 June 2009

7. It is proposed that the Order will come into operation on 9 July 2009.

IMPLICATIONS OF THE PROPOSAL

8. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. It will not affect the current binding effect of the Ordinance and has no financial, civil service, economic, productivity, environmental or sustainability implications.

PUBLIC CONSULTATION

9. The updated Classification List has taken effect since 1 January 2007 and no negative feedback has been received so far. The CLITA has been consulted and is in support of the proposed amendment.

PUBLICITY

10. As relevant stakeholders are well aware of the changes to the Classification List, publicity on the proposed amendment is considered unnecessary.

BACKGROUND

11. The CLITA is an independent statutory body established in 1975 under the Ordinance. It is responsible for providing training courses for the clothing industry and operating clothing industry training centres. The CLITA is mainly financed by the levy imposed on exporters of “clothing items” in accordance with section 21 of the Ordinance and receipts from training courses and industrial projects. The term “clothing item”, as defined in section 2 of the Ordinance, means any item of apparel which is specified in Schedule 1 to the Ordinance and manufactured in Hong Kong. It has been an established practice that Schedule 1 to the Ordinance adopts the commodity descriptions and codes used in the Classification List, which was constructed based on the system designed by the WCO to serve as a multi-purpose classification suitable for use by customs and statistical authorities, traders, carriers and others concerned with international trade.

ENQUIRY

12. Any enquiries on this brief should be addressed to Ms Karyn Chan, Principal Assistant Secretary for Labour and Welfare (Manpower), at 2810 3290.

Labour and Welfare Bureau
27 May 2009

**INDUSTRIAL TRAINING (CLOTHING INDUSTRY)
ORDINANCE (AMENDMENT OF SCHEDULE 1)
ORDER 2009**

(Made by the Chief Executive in Council under section 36(1) of the Industrial Training (Clothing Industry) Ordinance (Cap. 318))

1. Commencement

This Order comes into operation on 9 July 2009.

2. Schedule 1 substituted

Schedule 1 to the Industrial Training (Clothing Industry) Ordinance (Cap. 318) is repealed and the following substituted –

“SCHEDULE 1 [ss. 2 & 36
(1)]

CLOTHING ITEMS

1. In this Schedule –

(a) “Classification List” (分類表) means the Hong Kong Imports and Exports Classification List (Harmonized System) 2007 Edition issued by the Commissioner of Customs and Excise by Government Notice (S.) 59 of 2006 published in the Gazette;

(b) the descriptions of items of apparel set out in column 3 of the Table below are for ease of reference only.

2. The items of apparel which under the Classification List fall within the classification set out in column 2 of the Table below are specified for the purposes of the definition of “clothing item” in section 2 of this Ordinance.

TABLE

Category no.	Chapter/heading/ subheading/item no.	Description
1.	Subheading 3926 20	Articles of apparel and clothing accessories (including gloves, mittens and mitts) of plastics and of other materials of headings 3901 to 3914
2.	Subheading 4015 90	Articles of apparel and clothing accessories (excluding gloves, mittens and mitts) of vulcanised rubber other than hard rubber
3.	Heading 4203	Articles of apparel and clothing accessories of leather or of composition leather
4.	Heading 4303	Articles of apparel, clothing accessories and other articles of furskin
5.	Heading 4304	Artificial fur and articles of artificial fur
6.	Chapter 61	Articles of apparel and clothing accessories,

- | | | |
|-----|--------------------------|--|
| | | knitted or crocheted |
| 7. | Chapter 62 | Articles of apparel and clothing accessories, not knitted or crocheted |
| 8. | Chapter 64 <i>except</i> | Footwear, gaiters and the like; parts of such articles, <i>except</i> |
| | items 6406 1000 | uppers and parts of uppers, other than stiffeners |
| | and | and |
| | 6406 2000 | outer soles and heels, of rubber or plastics |
| 9. | Heading 6504 | Hats and other headgear, plaited or made by assembling strips of any material, whether or not lined or trimmed |
| 10. | Heading 6505 | Hats and other headgear, knitted or crocheted, or made up from lace, felt or other textile fabric, in the piece (but not in strips), whether or not lined or trimmed; hair-nets of any material, whether or not lined or trimmed |

- | | | |
|-----|--|---|
| 11. | Heading 6506 <i>except</i>

subheading 6506 10 | Other headgear, whether
or not lined or trimmed,
<i>except</i>
safety headgear |
| 12. | Heading 6507 | Head-bands, linings,
covers, hat foundations,
hat frames, peaks and
chinstraps, for headgear |
| 13. | Item 9113 9020 | Watch straps, watch bands
and watch bracelets, and
parts of them, of textile
materials”. |

Clerk to the Executive Council

COUNCIL CHAMBER

2009

Explanatory Note

Under the Industrial Training (Clothing Industry) Ordinance (Cap. 318), a clothing industry training levy is payable by exporters of the items specified in Schedule 1 to the Ordinance (“Schedule 1”).

2. The existing Schedule 1 makes reference to the Hong Kong Imports and Exports Classification List (Harmonized System) (“Classification List”), which fully adopts the Harmonized Commodity Description and Coding System (“Harmonized System”) developed by the World Customs Organization (“WCO”). The WCO recommended amendments to the Harmonized System in 2004, and changes were made to the Classification List in 2007 to adopt the recommended amendments. This Order replaces the existing Schedule 1 to reflect the changes.