

Hong Kong

Donald Trump to revoke Hong Kong trade privileges in China escalation

President also says US will withdraw from World Health Organization over pandemic response



Donald Trump's announcement of several measures targeting China will further strain ties with Beijing © Reuters

Demetri Sevastopulo in Washington 3 HOURS AGO

Donald Trump says the US will revoke special trade privileges for Hong Kong and sanction officials from the territory and mainland China after Beijing moved to [impose new security laws](#) on the former British colony.

The US president on Friday unveiled a sweeping range of actions to target China that included banning some Chinese nationals from entering the US, a move he said would protect scientific research and national security.

Mr Trump said the US would restrict Chinese nationals with ties to the People's Liberation Army from obtaining student and work-exchange visas, in an effort to target China's "military-civil fusion strategy". It was unclear how many Chinese citizens would be affected by the action.

He also announced that he would revoke Hong Kong's preferential status as a separate travel territory from China, which could have an impact on visa-free travel.

“The US will also take necessary steps to sanction PRC [People's Republic of China] and Hong Kong officials directly or indirectly involved in eroding Hong Kong's autonomy,” Mr Trump said at the White House.

The actions come days after China moved to impose [national security laws](#) on Hong Kong. Critics said the Chinese move would erode the autonomy that the former British colony was guaranteed for 50 years under the “one country, two systems” model that underpinned its return to China in 1997.

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Evan Medeiros, Georgetown University professor and ex-Obama adviser

subjecting their clients to the hidden and undue risks associated with financing Chinese companies that do not play by the same rules.”

The moves will [stoke further tension](#) in the US-China relationship, which has become increasingly strained in recent months as Mr Trump has [blamed China](#) for the global spread of the coronavirus pandemic.

Evan Medeiros, a former top White House Asia adviser to Barack Obama, said that while Mr Trump had talked tough, he had only started a process.

“Even if he does them all, it's the equivalent of shooting the hostage — but in the leg. That doesn't help Hong Kong and, importantly, doesn't deter Beijing in the future,” said Mr Medeiros, now a Georgetown University professor.

Mr Medeiros said because US options on Hong Kong were “poor”, it was important to build an international coalition to condemn China through the G7 advanced economies. “Absent that, Beijing will dismiss Washington's action as ‘all hat, no cattle’.”

“China has replaced this promised formula of ‘one country, two systems’ with ‘one country, one system’,” said Mr Trump, accusing China of violating its treaty obligations to Britain in relation to the 1984 China-UK declaration that paved the way for Hong Kong's return to China.

Mr Trump said his team would examine the practices of [Chinese companies listed on US exchanges](#), in order to protect American investors. “Investment firms should not be

But Eswar Prasad, a former senior IMF official, said the combination of the Chinese action and the US response meant that the long-term viability of Hong Kong as a financial centre was “now under serious threat”.

Mr Trump also announced that the US would withdraw from the World Health Organization, as he repeated his criticism of the way the body had worked with China at the start of the [coronavirus](#) pandemic. He has already [ordered the suspension](#) of millions of dollars in US funding to the global health agency while a review was conducted into its handling of the crisis.

“The world is now suffering as a result of the malfeasance of the Chinese government,” Mr Trump said.

Mike Pompeo, secretary of state, this week said the US no longer viewed Hong Kong as autonomous from China, in a declaration that paved the way to revoking special trade privileges. Removing that status could result in Hong Kong being subject to tariffs that apply to mainland China.

The state department is required to certify annually if Hong Kong is autonomous, under a US law passed last year in response to Chinese efforts to clamp down on political expression in the financial hub.

The Trump administration has become more assertive towards China over everything from cyber espionage to efforts to pressure the US [federal retirement fund](#) not to invest in China. Democrats and Republicans broadly agree on the need to strike a more hawkish posture towards Beijing.

Mr Trump has previously taken a softer stance towards Hong Kong. Last year, the Financial Times reported that he told Xi Jinping, the Chinese president, at the G20 summit in Osaka that he would not take an assertive approach on Hong Kong, in an effort to prevent tensions from derailing US-China trade talks.

But on Friday Mr Trump stressed that his actions would be “meaningful”.

Any revocation of Hong Kong’s preferential treatment for travel could have significant implications for companies because people can currently travel between the US and Hong Kong under a visa-waiver programme.

Wendy Cutler, a former US trade negotiator, said it was difficult to gauge the scope of the actions without more detail. But she said Mr Trump had put “strong actions” on the table.

“In choosing how to roll out specific actions, the administration would need to weigh a handful of considerations, including impact on Hong Kong citizens and US businesses, along with possible countermeasures by China,” said Ms Cutler, who is now at the Asia Society.

The White House said Mr Trump had spoken to Boris Johnson, Britain’s prime minister, and “reaffirmed the importance” of the 1984 declaration.

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