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US to reconsider United States-Hong Kong Policy Act of 1992

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On May 29, U.S. President Donald Trump announced[1] that his administration would be reconsidering the country's relationship to Hong Kong following China's assertion of control over the semi-autonomous city-state.

"'We will take action to revoke Hong Kong's preferential treatment as a separate customs and travel territory from the rest of China,' the president said."

The following day, Secretary of State Michael Pompeo released a statement[2] in which he called into question Hong Kong's semi-autonomous status, setting the stage for wholesale changes to the United States–Hong Kong Policy Act of 1992.

"After careful study of developments over the reporting period, I certified to Congress today that Hong Kong does not continue to warrant treatment under United States laws in the same manner as U.S. laws were applied to Hong Kong before July 1997," Pompeo stated. "No reasonable person can assert today that Hong Kong maintains a high degree of autonomy from China, given facts on the ground."

No concrete action has yet been taken by the United States, but any change to the U.S.–Hong Kong relationship would have a profound effect on the thousands of companies that maintain their operations in Hong Kong. The territory has long been a middleman between China and the rest of the world. Trading companies, every major financial company and thousands of other organizations—both nongovernmental and private—enjoy the freedoms offered by Hong Kong along with the access the city provides to mainland China's cheap labor and manufacturing base. Hong Kong has effectively provided a Western-style legal system to companies that want to engage with China yet remain wary of China's domestic laws governing businesses. If the regulatory landscape would change, companies may leave rather than comply with China's arcane and often capricious legal system.

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