

Speech by SCED at APEC MRT Meeting discussion session on Trade Facilitation and Trade and Inclusion (English only)

Following is the speech by the Secretary for Commerce and Economic Development, Mr Algernon Yau, at the discussion session entitled "Trade Facilitation and Trade and Inclusion" at the Asia-Pacific Economic Cooperation (APEC) Ministers Responsible for Trade (MRT) Meeting in Arequipa, Peru, today (May 18, Arequipa time):

Good afternoon, Chair and fellow colleagues.

As we gather here today, we find ourselves navigating a complex and dynamic global trade landscape. As with any open economy deeply integrated into international markets, Hong Kong, China (HKC) is not immune to the multifaceted challenges spanning across economic, social and technological realms of our present world. I am grateful to Peru for hosting a series of timely and pertinent events leading to the MRT, including our joint meeting with Ministers Responsible for Women yesterday (May 17, Arequipa time) where we shared views and explored regional strategies on empowering women, which lie at the heart of our commitment to the APEC Putrajaya Vision 2040.

HKC is steadfastly committed to ensuring that the benefits of trade are accessible to all, particularly traditionally underrepresented groups such as micro, small and medium-sized enterprises (MSMEs) and women. MSMEs represent about 98 per cent of all enterprises in HKC. We are acutely aware of the challenges they face, particularly in access to capital and markets as well as high cost of doing business. Leveraging our position as a world-class financial and trade hub, HKC is pioneering digital finance to help them overcome these barriers. We are extending the coverage of the Commercial Data Interchange, launched by the Hong Kong Monetary Authority (HKMA) in 2022, to enable MSMEs to secure loans more conveniently through data sharing with banks on a consent basis. As of last year, this facility covered more than 13 000 loan applications totalling about US\$1.5 billion (around HK\$12 billion). HKC is also at the forefront in the use of Central Bank Digital Currencies (CBDCs) which holds great potential to reduce the costs and time associated with cross-border settlements, allowing MSMEs to engage more conveniently in cross-border trade. The launch of Phase 1 of the Project mBridge by the HKMA this year will be among the first in the world to settle cross-boundary business transactions using CBDCs.

To further assist MSMEs in developing foreign markets, our Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding for them to develop business in 39 economies with which HKC has signed free trade agreements or investment agreements, including many APEC member

economies, through branding, upgrading, restructuring, and promoting sales. Additionally, "E-Commerce Easy" will be launched under the BUD Fund to enhance financial support for MSMEs to undertake e-commerce projects in expanding market reach.

As the digital economy emerges as a critical economic driver, HKC is equally dedicated to improving the efficiency of our businesses through equipping them for digital transition, which is particularly crucial for MSMEs and women entrepreneurs so as to stay competitive in the global market. Just last month, the Digital Economy Development Committee, chaired by our Financial Secretary, put forth a set of recommendations including strengthening digital infrastructure by enhancing 5G networks, encouraging the development of high-performance computing and data centres, promoting electronic payments, and facilitating local and cross-boundary data flow, and more.

Building on the successful launch in 2020 of "iAM Smart", the single portal for online government services in Hong Kong, we will set up a business version, a "digital identity of enterprises" platform that enables authentication of identity and verification of signature of enterprises using electronic government services or conducting online business transactions in a secure, convenient and efficient manner. Meanwhile, we are pressing ahead with the implementation of the final phase of our Trade Single Window, which provides a one-stop electronic platform for the trade to lodge business-to-government trade documents for trade declaration and cargo clearance.

On an equally important topic, I am pleased to report that the Women Empowerment Fund with an annual funding support of about US\$2.6 million (HK\$20 million), is continuing to support women's development and empowerment. We provide funding to non-governmental organisations to arrange workshops and opportunities for women to realise their full potential, taking into account the ubiquitous use of technology in trade as well as in every aspect of society.

Before I conclude, I would like to reiterate my appreciation to Peru for fostering these meaningful dialogues within APEC on uplifting vulnerable and marginalised groups of our community and facilitating their assimilation with the formal and global economy. These conversations are pivotal in setting the stage for recalibrating APEC's collective efforts in building a region that is resilient, inclusive, agile and adaptable to change. HKC is eager to collaborate with all member economies to advance towards an open, dynamic, resilient and peaceful Asia-Pacific community for the benefit of all our people.

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Speech by SCED at APEC MRT Meeting discussion session on Trade Liberalisation: Free Trade Area of the Asia-Pacific (English only)

Following is the speech by the Secretary for Commerce and Economic Development, Mr Algernon Yau, at the discussion session entitled "Trade Liberalisation: Free Trade Area of the Asia-Pacific" at the Asia-Pacific Economic Cooperation (APEC) Ministers Responsible for Trade Meeting in Arequipa, Peru, today (May 18, Arequipa time):

Thank you, Chair.

The presentation by the Director of the APEC Policy Support Unit (PSU) has vividly depicted APEC's journey over the past two decades towards achieving a Free Trade Area of the Asia-Pacific, or FTAAP, a collective ambition endorsed by our Leaders. This year, under the leadership of Peru, we have the opportunity to re-energise and update our vision for the FTAAP, and to inject new dynamism that corresponds to the current regional priorities.

I must express my heartfelt thanks to the invaluable support from the APEC Business Advisory Council (ABAC), with whom I had the pleasure to meet during the Second 2024 ABAC Meeting held in Hong Kong, China (HKC) last month, for playing a crucial role in bridging our collective endeavours towards the FTAAP with the business community's core concerns. I fully echo their statement on the FTAAP that achieving a high-standard, comprehensive FTAAP requires a synergistic approach, integrating both "bottom-up" and "top-down" strategies.

From the "bottom up", we must prioritise areas of mutual interest that support our shared goal of prosperity under the FTAAP agenda. The Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership have long been recognised as possible pathways to the FTAAP. In recent years, we witnessed the emergence of new trade undertakings embracing a wider range of issues of the 21st century, such as the green and digital economy. APEC has always been incubating ideas, building consensus, and providing capacity-building support on issues crucial to our region. It is imperative that APEC continues to fulfil this vital role by identifying the common denominators within these regional undertakings to craft a responsive FTAAP agenda that serves the collective interests of all member economies. To this end, we find the PSU's "Study on Convergences and Divergences of Free Trade Agreements in the APEC Region" much useful in identifying possible low-hanging fruits that are supported by APEC member economies. For HKC's part, we are leading a new APEC study on Rules of Origin provisions across trade agreements in the region, which aims to build our capacities to develop inclusive, high-quality trade agreements that lessen the burden on businesses in utilising increased market

access.

As trade ministers, we bear the responsibility of providing the necessary political will, from the "top down", to reaffirm APEC's commitment to the eventual realisation of the FTAAP. A decade ago, our Leaders adopted the Beijing Roadmap to set out concrete steps towards the realisation of the FTAAP. Two years later after the adoption of the Beijing Roadmap, the Leaders reaffirmed in the Lima Declaration that the FTAAP would serve as a major instrument to advance regional economic integration. In 2020, the Leaders once again underscored the importance of our work on the FTAAP in achieving the APEC Putrajaya Vision 2040 – a vision for the prosperity of all our people and, importantly, our future generations. This long-term, forward-looking vision mandates that our efforts on the FTAAP should not be swayed by short-term fluctuations in the global economic landscape. We must remain resolute and uphold APEC's core values of co-operation, inclusivity, and mutual trust as we chart the course towards an FTAAP that empowers all our communities and forthcoming generations.

As a testament to our commitment to regional economic integration towards the FTAAP, HKC is actively seeking early accession to the RCEP and expanding our trade agreement network, including negotiating a new free trade agreement with Peru. As we move the FTAAP forward, HKC calls on all APEC member economies to commit to promoting greater openness and inclusiveness in regional economic integration initiatives, ensuring these efforts are accessible and can benefit all member economies, and addressing traditional, current and emerging trade issues that are of our shared interests. We stand ready to work with all member economies to formulate a robust, substantive, and visionary statement this November, for our Leaders to reaffirm our goal of an eventual FTAAP that fulfils the promise of shared prosperity across the Asia-Pacific.

Thank you.

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Thank you.

Special announcement on chemical leakage incident in Yuen Long

Attention TV and radio duty announcers:

Please broadcast the following special announcement as soon as possible, and repeat it at suitable intervals:

A chemical leakage incident occurred in the oil tanks on Wang Lok Street in Yuen Long at 0.52am today (May 19). The Fire Services Department is conducting an operation at the scene.

Members of the public who are being affected by the smoke and an unusual odour carried by the wind are advised to close their doors and windows and stay calm.