

# Free Trade Agreement and Investment Agreement between Hong Kong and Australia enter into force

The Free Trade Agreement (FTA) and Investment Agreement signed between Hong Kong and Australia in March this year will enter into force officially on January 17, 2020, providing Hong Kong traders and investors with legal certainty and more favourable access to the Australian market, while creating more business opportunities and enhancing trade and investment flows between Hong Kong and Australia.

"The agreements which cover trade in goods, trade in services, investment, government procurement, intellectual property, competition and other related areas are comprehensive, modern and of high standard. The commitments we made to each other far exceed our World Trade Organization commitments, thereby enabling our goods, services and investments to enter each other's markets under more preferential terms. Against the prevailing uncertainties in the global economic environment, these agreements provide high transparency and predictability for trade and investment," the Secretary for Commerce and Economic Development, Mr Edward Yau, said today (December 18).

"The fact that the agreements were signed and will come into force within a short span of two and a half years since the negotiations commenced demonstrates that both sides attach great importance to the bilateral relations. We have completed respective internal procedures and set out a date for implementation. This will send a positive signal to both places and our trading partners that it is the shared goal of Hong Kong and Australia to pursue free and open trade and investment, and support the rules-based trading system. The agreements also open up bigger and more extensive market opportunities for business in both places," Mr Yau said.

On trade in goods, all Hong Kong-originating goods can enter Australia tariff-free and via simplified procedures immediately upon the entry into force of the FTA.

On trade in services, commitments made by Australia cover some 140 service sectors. Hong Kong service providers are able to enjoy market access and treatment no less favourable than Australia's local service providers under like circumstances. Australia's commitments encompass sectors where Hong Kong has traditional strengths or has potential for development. These include professional services (including arbitration, conciliation and mediation services), business services, transport services, financial services and telecommunications services.

On investment, Hong Kong investors can enjoy more favourable access to the Australian market under the FTA. In particular, the monetary thresholds for investment screening in a number of sectors have been raised. Investors

from both places will also benefit from the modern provisions on treatment and protection under the new Investment Agreement which, upon its entry into force, will replace the one signed in 1993.

Other benefits of the FTA include facilitative arrangements for business travel as well as provisions to facilitate access to each other's government procurement markets, effective protection of intellectual property rights and promotion of competition.

"This FTA is a high quality and representative one. Hong Kong will continue to explore free trade opportunities with like-minded economic and trading partners. The current term of the Hong Kong Special Administrative Region Government has signed and implemented four FTAs, thanks to the industry for making this possible with their valuable advice and support to government-to-government economic and trade collaboration all along," Mr Yau reiterated.

To help Hong Kong exporters make good use of the preferential tariff treatment under the FTA, the Trade and Industry Department (TID) has issued a trade circular today to inform the trade of the relevant preferential rules of origin and the related requirements. The circular can be accessed at [www.tid.gov.hk/english/aboutus/tradecircular/coc/2019/coc2019.html](http://www.tid.gov.hk/english/aboutus/tradecircular/coc/2019/coc2019.html).

Details of the agreements, including the full texts, are available on the TID's website ([www.tid.gov.hk/english/ita/fta/hkaufita/index.html](http://www.tid.gov.hk/english/ita/fta/hkaufita/index.html)).