

# Hong Kong and Australia conclude Free Trade Agreement negotiations

Hong Kong and Australia announced today (November 15) the successful conclusion of negotiations on a Free Trade Agreement (FTA) and an Investment Agreement after reaching consensus on both agreements.

The Secretary for Commerce and Economic Development, Mr Edward Yau, today met with the Australian Minister for Trade, Tourism and Investment, Mr Simon Birmingham, who was also attending the 30th APEC Ministerial Meeting in Port Moresby, Papua New Guinea to discuss the FTA and the Investment Agreement between Hong Kong and Australia. After the meeting, they signed the Declaration of Intent to signify the successful conclusion of the negotiations.

"Hong Kong and Australia are two like-minded economies in pursuit of free trade. Australia is also a very important trading partner of Hong Kong. Hong Kong has set clear objectives in launching the FTA negotiations – to achieve zero tariffs for Hong Kong products to the Australian market and to secure Australia's best FTA commitments for Hong Kong services. Our objectives are largely met with the successful conclusion of the negotiation of the very comprehensive FTA and Investment Agreement today, thereby bringing our bilateral trade and investment relationship with Australia to a new height," Mr Yau said.

"The two agreements encompass trade in goods, trade in services, investment and other related areas, providing us with legal certainty and better access to the Australian market, whilst also creating business opportunities and further enhancing trade and investment flows between the two places. Hong Kong's economy stands to benefit from the two agreements," he added.

Mr Yau said Hong Kong and Australia expect to sign the FTA and the Investment Agreement in the first half of the coming year, after completion of the respective internal procedures. Details of both agreements will then be announced.

"To help Hong Kong enterprises and investors expand their markets, further reinforce Hong Kong's status as an international trade and investment hub and establish our worldwide network of economic and trade connections, we have been actively seeking to negotiate and forge FTAs and Investment Agreements with economies that have strong economic and trade connections with Hong Kong, markets with development potential or at strategic locations, as well as like-minded trading partners," Mr Yau said.

The FTA and the Investment Agreement negotiations between Hong Kong and Australia commenced in May 2017 and were completed in November 2018.

In the past 12 months, the current term Government has signed three FTAs with 12 economies (the 10 Member States of the Association of Southeast Asian Nations, Georgia and the Macao Special Administrative Region). It has also concluded negotiations for an FTA with the Maldives. The FTAs with Australia and the Maldives will bring the total number of FTAs that Hong Kong has signed to nine, more than double the number signed by the Hong Kong Government prior to the current term.

In 2017, Australia was Hong Kong's 19th largest trading partner in merchandise trade; the total merchandise trade between two sides was about HK\$54.2 billion. Australia was also Hong Kong's seventh largest trading partner in services trade in 2016 and total services trade amounted to HK\$41.7 billion in the same year. On investment, as at the end of 2016, Australia ranked sixth among Hong Kong's destinations for outward direct investment, with a stock of HK\$135.3 billion, and it ranked 19th among Hong Kong's sources for inward direct investment, with a stock of HK\$24.5 billion.