

Hong Kong and Bahrain sign Investment Promotion and Protection Agreement (with photos)

Hong Kong and Bahrain signed an Investment Promotion and Protection Agreement (IPPA) in Manama, Bahrain today (March 3, Manama time) to strengthen mutual investment protection, with a view to enhancing confidence of investors, expanding investment flows and further strengthening the economic and trade ties between the two places.

The Secretary for Commerce and Economic Development, Mr Algernon Yau, on his visit to Manama signed the IPPA with the Minister of Finance and National Economy of Bahrain, Shaikh Salman bin Khalifa Al Khalifa.

Mr Yau said, "This IPPA is a milestone of strengthening investment links between Hong Kong and Bahrain, each being the respective predominant gateway to the vast and exciting investment opportunities of our respective regions. The signing of the IPPA also signifies the Hong Kong Special Administrative Region Government's commitment to the continual expansion of economic ties with Middle East economies, as heralded by the high level visit led by the Chief Executive to the region in February last year.

"An IPPA enables investors of the two parties to enjoy corresponding protection of their investments in the host economies, and thus enhance investors' confidence in making investments abroad. Hong Kong has been making dedicated efforts to expand its network of IPPAs, in particular with countries along the Belt and Road and in the Middle East region, in order to enhance two-way investment flows and bring about economic growth and mutual prosperity," he added.

Under the Agreement, the two governments undertake to provide investors of the other side with fair, equitable and non-discriminatory treatment of their investments, compensation in the event of expropriation of investments, and the right to free transfers abroad of investments and returns. The Agreement also provides for settlement of investment disputes under internationally accepted rules. The Agreement will enter into force after the fulfilment of the relevant internal procedures on both sides.

Following the IPPA signed with Türkiye in October last year, the Hong Kong-Bahrain IPPA is the second such agreement that this term of Government has signed. It is also the 24th investment agreement that Hong Kong has signed with a foreign economy.

Hong Kong has also signed IPPA with Kuwait and the United Arab Emirates in the Middle East region, the Association of Southeast Asian Nations, Australia, Austria, the Belgo-Luxembourg Economic Union, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Mexico, the

Netherlands, New Zealand, Sweden, Switzerland, Thailand and the United Kingdom.

With an aim to further enhancing Hong Kong's economic and trade network especially that in the Middle East region, the Government is currently conducting negotiations of an IPPA with Saudi Arabia and considering establishing an Economic and Trade Office in Riyadh, Saudi Arabia.

Following the signing of the Hong Kong-Bahrain IPPA today, the geographical scope of the Dedicated Fund on Branding, Upgrading and Domestic Sales is also extended to cover Bahrain (as the 39th eligible economy) with immediate effect to further support Hong Kong enterprises in developing their businesses there.

