

Investment Promotion and Protection Agreement between Hong Kong and Mexico to enter into force on June 16

The Investment Promotion and Protection Agreement (IPPA) between Hong Kong and Mexico will enter into force on June 16. The IPPA with Mexico will enhance the confidence of investors, expand investment flows between Hong Kong and Mexico, and further strengthen bilateral economic and trade ties.

"The 14th Five-Year Plan supports Hong Kong to foster co-operation and exchanges with countries and regions around the world. Indeed, the Hong Kong Special Administrative Region (HKSAR) Government has been making full use of Hong Kong's advantages under the Basic Law and 'one country, two systems', and has signed bilateral agreements, including IPPAs, with foreign economies to explore more opportunities for developing bilateral and multilateral co-operation benefits for Hong Kong," the Secretary for Commerce and Economic Development, Mr Edward Yau, said.

Mr Yau added that the IPPA with Mexico is the fourth such agreement that the HKSAR Government has signed this term. The other three were signed respectively with the Association of Southeast Asian Nations (ASEAN), Australia and the United Arab Emirates (UAE), all of which have entered into force. Taking into account the IPPA with Mexico, the total number of IPPAs in force between Hong Kong and foreign economies will increase to 22, covering 31 foreign economies.

Under the IPPA with Mexico, the two sides undertake to provide investors of the other side with fair, equitable and non-discriminatory treatment of investments; compensation in the event of expropriation of investments; and the right to free transfers abroad of investments and returns. The IPPA also provides for settlement of investment disputes under internationally accepted rules, including arbitration.

The 31 foreign economies with which Hong Kong has signed IPPAs are the 10 ASEAN Member States, Australia, Austria, Belgium, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, Luxembourg, Mexico, the Netherlands, New Zealand, Sweden, Switzerland, the UAE and the United Kingdom.