

# Speech by CE at 2021 Colloquium on International Law (English only) (with photos/video)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the 2021 Colloquium on International Law today (November 19):

Commissioner Liu (Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the Hong Kong Special Administrative Region, Mr Liu Guangyuan), Professor Huang (President of the Chinese Society of International Law, Professor Huang Jin), Dr Neoh (Chairman of the Asian Academy of International Law, Dr Anthony Neoh), distinguished guests, ladies and gentlemen,

Good afternoon. It is my great pleasure to speak to you once again at the annual Colloquium on International Law. I would like to thank the Asian Academy of International Law (AAIL) and the Chinese Society of International Law for organising this event.

This is my fifth year of joining the Colloquium and to speak before you, and I am delighted to do so every year as we get to hear from international legal experts, sharing with us their invaluable insights into topical issues of international law which will help shape our future developments. I hope that all of you joining us today from around the world will find the discussions stimulating and rewarding.

The theme for this year is "Development of International Trade Law in the [Post-]Pandemic Era". The pandemic, for nearly two years now, has taken away lives and severely disrupted the global economy. Thanks to the concerted community effort and continuing vigilance, we in Hong Kong have basically achieved "zero infection" over the past few months. With business gradually returning to normal, it is now the time for us to explore the future of the post-pandemic era.

A proper discussion on international trade law naturally necessitates us to first look into the developments of international trade. In the past decade, globalisation and technological advancements have led to dramatic growth in global trade. To illustrate with some figures, from 2005 to 2019, the value of world trade in goods increased from about US\$10 trillion to nearly US\$19 trillion. The value of trade in services doubled during the same period. The outbreak of the pandemic, however, has made a sharp turn of events and severely disrupted global economic growth. Hong Kong was not spared. In 2020, our GDP declined by 6.1 per cent, which is the sharpest annual decline on record.

However, recent figures demonstrate that global trade has rebounded. The World Trade Organization (WTO) projected growth in the global merchandise trade volume by about 10.8 per cent in 2021 and 4.7 per cent in 2022,

surpassing the pre-pandemic levels, indicating that the effect of the pandemic on world trade is merely transient. Hong Kong's economy has also shown encouraging signs of recovery. Our economy has grown by 7 per cent year on year in the first nine months of this year and we are expecting 6.4 per cent for the whole year. From these figures, it is not hard to foresee that international trade will continue to grow in the post-pandemic era.

Indeed, free and open trade and investment is the impetus of growth and the solution to a global economic recovery from the pandemic. This requires the concerted effort of the international community to take concrete steps to strengthen the rule-based multilateral trading system and deepen regional economic integration. The Asia-Pacific Economic Cooperation (APEC) meetings held last week is an example of such concerted effort. Another example is the Regional Comprehensive Economic Partnership (RCEP), which will be implemented by January 2022. We have indicated Hong Kong's interest in joining the RCEP and are working towards commencing formal dialogue on an early accession when the RCEP is ready to take on new partners.

At the APEC Economic Leaders' Meeting last week, I mentioned that our global efforts in achieving a full-fledged economic recovery must go hand in hand with unimpeded progress towards the sustainable development goals. This calls for heightened international co-operation and determination in domestic policies in promoting a sustainable and inclusive recovery.

To this end, my Government has undertaken a range of measures from tackling climate change to boosting innovation and technology. Here, focusing on trade, I would like to highlight our efforts in promoting the development of small and medium-sized enterprises (SMEs) to enable their greater participation in the global economy. First, we are in the process of developing the Commercial Data Interchange as a way to address the long-standing problem of SME financing. Meanwhile, we are promoting the use of online dispute resolution (ODR) on various fronts, including the implementation of the APEC Collaborative Framework for ODR, to facilitate SMEs' convenient and affordable access to justice, thereby fostering their growth in the digital economy.

In last week's APEC meetings, I have also reiterated Hong Kong's commitment to free trade and our unequivocal support for multilateralism and international co-operation. Hong Kong, as a renowned international business and trade hub, has always been a staunch supporter of the multilateral trading system. As one of the most externally oriented and open economies in the world, we pursue a free trade policy and promote free enterprise. We are a founding member of the WTO and actively participate in many other international and regional organisations such as APEC, the Organisation for Economic Co-operation and Development and the Pacific Economic Cooperation Council, all under the name "Hong Kong, China". We have also signed a range of FTAs and Investment Promotion and Protection Agreements with our trading partners to deepen co-operation and promote trade and investments.

Apart from the encouraging developments on the trade front, I am pleased to say that notwithstanding the challenges brought by the pandemic, Hong Kong's financial system remains robust and resilient. In September this year,

Hong Kong was ranked third globally by the Global Financial Centres Index, and once again, ranked as the world's freest economy by the Fraser Institute. This resilience is firmly grounded in our "One Country, Two Systems" framework and our longstanding strengths, including the rule of law, a simple and low tax system, a free flow of information and capital and a fair and open business environment. These advantages, coupled with our proximity to the Mainland of China, have made Hong Kong an ideal place for businesses which would like to tap into Mainland markets as well as seize the immense opportunities arising from the Belt and Road Initiative.

Returning to today's theme, international trade laws provide an important legal framework for the facilitation of cross-border trade. The transparency, fairness and certainty they provide to commercial transactions are fundamental to promoting the development of international trade. As the landscape of international trade changes over time, international trade laws must also be continuously refined and harmonised to keep up with these changes.

In this regard, I am pleased to share with you that, with the assistance of the Central People's Government, we are in the process of extending the application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) to Hong Kong. The Convention, which provides a set of uniform rules governing contracts for the international sale of goods, will be implemented in Hong Kong next year, with the enactment of the Sale of Goods (United Nations Convention) Ordinance in September this year. As an important and widely adopted treaty concluded under the auspices of the UN Commission on International Trade Law in 1980, the CISG has now had 94 Contracting Parties, including Mainland China and more than half of the top 20 trading partners of Hong Kong, as well as many countries participating in the Belt and Road Initiative.

The application of the CISG will enhance our legal infrastructure for the international sale of goods and facilitate our long-term trade development. This is also very much aligned with the directives under the National 14th Five-Year Plan, which supports Hong Kong's status as an international financial, transportation and trade centre. The Plan also supports Hong Kong's development as a centre for international legal and dispute resolution services in the Asia-Pacific region, and to this end, we hope that by implementing the CISG in Hong Kong, our strengths in legal and dispute resolution services would be enhanced, making Hong Kong an ideal venue to resolve cross-border CISG-related disputes.

Ladies and gentlemen, I hope that I have given you some context useful for today's discussions. History has demonstrated that international co-operation is the way to build long-term peace and prosperity, and international trade is key to fostering international co-operation. Today's Colloquium, putting together some of the brightest legal minds of our times, will show us the critical role of international trade law in promoting international trade, which is pivotal to the global post-pandemic recovery.

I thank you all for your participation and wish you a very rewarding Colloquium. Thank you very much.

