

Speech by SCED at APEC MRT Meeting discussion session on fostering sustainable and inclusive trade in the region and other issues (English only)

Following is the speech by the Secretary for Commerce and Economic Development, Mr Algernon Yau, at the discussion session entitled "Fostering Sustainable and Inclusive Trade in the Region, and other issues" at the Asia-Pacific Economic Cooperation (APEC) Ministers Responsible for Trade (MRT) Meeting in Detroit, the United States (US), today (May 26, Detroit time):

Good afternoon, Chair and fellow colleagues.

As an economy highly dependent on trade, Hong Kong, China (HKC) sees the need to ensure that trade could benefit all in a sustainable manner. HKC is committed to ensuring that our policies are green and sustainable in the face of climate change and other challenges. To this end, to accelerate our development to becoming an international green technology and finance centre, HKC will set up a Green Technology and Finance Development Committee to formulate an action agenda for future endeavours. We are also developing an active market for green and sustainable debt (including both bonds and loans), with the total amount issued in HKC increased by over 40 per cent from 2021 to US\$80.5 billion in 2022. Earlier this year, we successfully issued more than US\$100 million of tokenised green bond, the first of its kind issued by a government globally.

Meanwhile, on inclusivity, we are stepping up support for small and medium-sized enterprises (SMEs) to help them grow, innovate and embrace future opportunities. To facilitate access of SMEs to the resources they need to succeed at different stages of development, we have been expanding our funding programmes to help them obtain financing in support for their brand building, operation upgrading and export marketing activities. We are also providing funding to support their adoption of innovation and technology. We have set up a dedicated team to strengthen capacity building services to enable SMEs to leverage digital solutions, formulate ESG (Environment, Social and Governance) business strategies and enhance their competitiveness. Besides SMEs, we are also strengthening support for women's development by setting aside over US\$12 million this year. In supporting our youth's development, our Youth Development Blueprint, released last December, also outlined concrete measures to provide young people with entrepreneurship training and opportunities.

I share the above examples to underscore HKC's dedication to prioritising sustainability and inclusivity in our policies and measures, and our eagerness to join hands with all economies to achieve more for our shared future. I believe APEC is where we can pool ideas to orchestrate a resilient transition to a more sustainable and inclusive regional economy, and there

are certainly two areas that should be placed high on the agenda.

The first area is to advance the work on environmental goods and services. The adopted APEC List of Environmental Goods and the APEC Reference List of Environmental and Environmentally Related Services collectively are prime examples of achieving sustainability goals through trade. HKC will continue to advocate for opening up and facilitating trade in environmental goods and services, and APEC should do so by reflecting market and technological changes, as well as integrating the needs of individual member economies to support the whole region in transiting towards a greener economy. I call on fellow member economies to advance discussions on developing a voluntary, non-binding Reference List of Environmental Goods with pragmatism and ambition for expanding sustainable trade.

The second area is to grow regional trade connections. The collective efforts in deepening economic integration, embodied by comprehensive regional undertakings such as the Regional Comprehensive Economic Partnership Agreement, hold great promise for overcoming divisions and bolstering connectivity. In this regard, HKC looks up to the refreshed conversation on the Free Trade Area of the Asia-Pacific (FTAAP) Agenda, focusing on developing coherent approaches to trade agreements for meeting the needs and challenges in the new global realities. We call on member economies to keep up the momentum and accelerate discussions on FTAAP.

Climate change and inequitable distribution of economic benefits are profound threats that require our immediate attention. I would like to thank the US for bringing us all together today to rethink our approach to trade in the face of these major challenges, and let me conclude by reaffirming HKC's commitment to collaborating with all member economies in supporting the much-needed transitions to make trade sustainable and inclusive for all. Thank you.