

Speech by SCED at APEC MRT Meeting discussion session on Trade Liberalisation: Free Trade Area of the Asia-Pacific (English only)

Following is the speech by the Secretary for Commerce and Economic Development, Mr Algernon Yau, at the discussion session entitled "Trade Liberalisation: Free Trade Area of the Asia-Pacific" at the Asia-Pacific Economic Cooperation (APEC) Ministers Responsible for Trade Meeting in Arequipa, Peru, today (May 18, Arequipa time):

Thank you, Chair.

The presentation by the Director of the APEC Policy Support Unit (PSU) has vividly depicted APEC's journey over the past two decades towards achieving a Free Trade Area of the Asia-Pacific, or FTAAP, a collective ambition endorsed by our Leaders. This year, under the leadership of Peru, we have the opportunity to re-energise and update our vision for the FTAAP, and to inject new dynamism that corresponds to the current regional priorities.

I must express my heartfelt thanks to the invaluable support from the APEC Business Advisory Council (ABAC), with whom I had the pleasure to meet during the Second 2024 ABAC Meeting held in Hong Kong, China (HKC) last month, for playing a crucial role in bridging our collective endeavours towards the FTAAP with the business community's core concerns. I fully echo their statement on the FTAAP that achieving a high-standard, comprehensive FTAAP requires a synergistic approach, integrating both "bottom-up" and "top-down" strategies.

From the "bottom up", we must prioritise areas of mutual interest that support our shared goal of prosperity under the FTAAP agenda. The Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership have long been recognised as possible pathways to the FTAAP. In recent years, we witnessed the emergence of new trade undertakings embracing a wider range of issues of the 21st century, such as the green and digital economy. APEC has always been incubating ideas, building consensus, and providing capacity-building support on issues crucial to our region. It is imperative that APEC continues to fulfil this vital role by identifying the common denominators within these regional undertakings to craft a responsive FTAAP agenda that serves the collective interests of all member economies. To this end, we find the PSU's "Study on Convergences and Divergences of Free Trade Agreements in the APEC Region" much useful in identifying possible low-hanging fruits that are supported by APEC member economies. For HKC's part, we are leading a new APEC study on Rules of Origin provisions across trade agreements in the region, which aims to build our capacities to develop inclusive, high-quality trade agreements that lessen the burden on businesses in utilising increased market

access.

As trade ministers, we bear the responsibility of providing the necessary political will, from the "top down", to reaffirm APEC's commitment to the eventual realisation of the FTAAP. A decade ago, our Leaders adopted the Beijing Roadmap to set out concrete steps towards the realisation of the FTAAP. Two years later after the adoption of the Beijing Roadmap, the Leaders reaffirmed in the Lima Declaration that the FTAAP would serve as a major instrument to advance regional economic integration. In 2020, the Leaders once again underscored the importance of our work on the FTAAP in achieving the APEC Putrajaya Vision 2040 – a vision for the prosperity of all our people and, importantly, our future generations. This long-term, forward-looking vision mandates that our efforts on the FTAAP should not be swayed by short-term fluctuations in the global economic landscape. We must remain resolute and uphold APEC's core values of co-operation, inclusivity, and mutual trust as we chart the course towards an FTAAP that empowers all our communities and forthcoming generations.

As a testament to our commitment to regional economic integration towards the FTAAP, HKC is actively seeking early accession to the RCEP and expanding our trade agreement network, including negotiating a new free trade agreement with Peru. As we move the FTAAP forward, HKC calls on all APEC member economies to commit to promoting greater openness and inclusiveness in regional economic integration initiatives, ensuring these efforts are accessible and can benefit all member economies, and addressing traditional, current and emerging trade issues that are of our shared interests. We stand ready to work with all member economies to formulate a robust, substantive, and visionary statement this November, for our Leaders to reaffirm our goal of an eventual FTAAP that fulfils the promise of shared prosperity across the Asia-Pacific.

Thank you.