

Structured Dialogue meeting between HKSARG and European Union explores way to deepen relations

The 13th annual Structured Dialogue meeting between the Government of the Hong Kong Special Administrative Region (HKSARG) and the European Union (EU) was convened today (November 28) in Hong Kong. The Structured Dialogue is a high-level event in which the HKSARG and the EU meet to exchange views on a wide spectrum of subjects and foster closer co-operation between the two sides in different fields.

The meeting was co-chaired by the Deputy Secretary for Commerce and Economic Development (Commerce and Industry) of the HKSARG, Ms Vivian Sum, and the Managing Director for Asia and the Pacific of the European External Action Service, Mr Gunnar Wiegand.

The close trade and investment partnership between Hong Kong and the EU is evident in the high value of trade in goods and services as well as the flow of foreign direct investment (FDI) between the two sides. The EU remains Hong Kong's second largest trading partner after Mainland China, while Hong Kong is one of the EU's largest trading partners. Hong Kong is also one of the EU's major direct investment destinations. In turn, Hong Kong remains amongst the largest sources of FDI into the EU.

Ms Sum said, "Despite recent social incidents, Hong Kong's institutional strengths and core competencies remain strong and are well recognised by many international institutions. With our unique advantages under 'one country, two systems', we have unparalleled strengths on various fronts, including the rule of law and our independent judiciary; a low and simple tax regime; the free flow of capital and world class financial markets; excellent professional services and robust intellectual property rights protection, etc. It is with such distinct and diverse advantages that Hong Kong remains the ideal gateway for international businesses to tap the vast opportunities in Mainland China and other parts of Asia. We particularly treasure our strong and longstanding connections with the EU. We look forward to working even more closely with the EU in further strengthening our ties on all spectrum of our bilateral relationship."

Mr Wiegand said, "The European Union is strongly committed to Hong Kong, with 2 200 companies headquartered in Hong Kong and an estimated 350 000 EU citizens residing there. True friends stand by each other at difficult times, and Hong Kong can count on the EU in this regard. Today's discussion have helped review our extensive co-operation in many fields. Hong Kong's high degree of autonomy, its rule of law and fundamental rights and freedoms as enshrined in the 'one country, two systems' principle are fundamental for our close economies and people-to-people ties."

At the meeting, the HKSARG and the EU provided updates and exchanged views on various matters of mutual interest, including latest developments. The two sides also provided updates on their respective initiatives on free trade agreements and investment agreements, and exchanged views on potential negotiations on a bilateral investment agreement. Both sides pledged to work together to support ongoing efforts to reform the World Trade Organization as a key pillar of rules-based, multilateral, open, free and non-discriminatory trade. The HKSARG briefed the EU on its latest work in taking forward the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area, as well as Hong Kong's role in the two initiatives. The EU provided updates on its work on the "Strategy on Connecting Europe and Asia".

Both sides recognised the importance of close co-operation and mutual understanding for the benefit of the economies of Hong Kong and the EU. Both sides discussed Hong Kong's government procurement system and agreed to maintain dialogue on international obligations and best practices. The two sides also exchanged views on technical issues, including current standards and requirements for light buses operating in Hong Kong.

On EU-Hong Kong co-operation, the two sides acknowledged the collaboration on tackling human trafficking crimes over the past year and welcomed further co-operation in this area. The two sides also reviewed the on-going progress achieved under the EU-Hong Kong Action Plan against counterfeiting and looked forward to further collaboration under the initiative. Moreover, the HKSARG and the EU reaffirmed their joint commitment to pursuing the development of a mutual recognition arrangement for Authorised Economic Operators as early as possible, with a view to allowing accredited traders to enjoy customs facilitation on both sides.

Circular economy was identified as an important area for future co-operation at the last Structured Dialogue held in December 2018. A technical meeting on the matter was held yesterday (November 27). The HKSARG and the EU updated each other on initiatives and best practices to promote circular economy. They agreed to strengthen co-operation to accelerate the transition towards a more circular economy and improve resource recovery.

There was also a technical meeting on financial services held yesterday. Both sides updated each other on the stability and integrity of their financial systems, and exchanged information on several strands of work, such as green finance, fintech and virtual assets, asset management, derivatives market and regulatory work in the audit and banking sectors.