

(As at 11 Nov 2014)

Joint Press Statement

Structured Dialogue meeting between European Union and the Government of the Hong Kong Special Administrative Region explores ways to deepen relations

The eighth annual Structured Dialogue meeting between the European Union (EU) and the Government of the Hong Kong Special Administrative Region (HKSARG) took place today (November 11) in Brussels. The Structured Dialogue is an effective high-level platform for the EU and the HKSARG to discuss issues of common interest based on a mutually agreed agenda.

The meeting was co-chaired by the Director for North East Asia and the Pacific of the EU's European External Action Service, Mr. Gerhard Sabathil, and the Deputy Secretary for Commerce and Economic Development (Commerce and Industry) of the HKSARG, Ms. Carol Yuen. The two sides conducted fruitful discussions on a wide range of subjects to deepen mutual understanding, and identified areas of further co-operation.

Mr. Sabathil welcomed the Hong Kong delegation headed by Ms Carol Yuen. He noted that the economic and trade relations between Hong Kong and the EU continue to be strong and close. The EU remains Hong Kong's second largest trading partner, with total trade amounting to around HK\$650 billion (in excess of EUR 60 billion) in 2013. The EU is also the third largest source of foreign direct investment in Hong Kong, while Hong Kong is one of the top ten investors in the EU.

Mr. Sabathil stressed that the EU and Hong Kong are important trade and investment partners. "Hong Kong will continue to play a key role as a regional hub for EU companies and investors. Hong Kong's freedom, rule of law, and transparency are its major assets. The Structured Dialogue testifies to the strong bilateral relationship between the EU and Hong Kong," he said. "As a friend of Hong Kong, the EU continues to follow political, economic and regulatory developments in the HKSAR very closely."

Ms Yuen stated that Hong Kong is committed to maintaining a highly open market to ensure the free flow of people, goods, capital and information. "We treasure the long-standing economic relations with the EU and will continue to enhance our co-operation with the EU on various fronts including matters relating to trade and financial services, intellectual property rights and competition policy," Ms Yuen said.

"The EU is ready to deepen its bilateral exchanges with Hong Kong aimed at facilitating and developing trade in goods and services and boosting investment flows. We look forward to further enhancing our close economic and trade relations with Hong Kong, and agree to strengthen co-operation in important areas such as financial services, competition policy, customs, and intellectual property rights," Mr. Sabathil concluded.

Ms Yuen reiterated that Hong Kong would continue to work closely with the EU on issues of common interest for the benefit of the Hong Kong and EU economies. Hong Kong

would remain an important partner of the EU to explore the ample business opportunities in the Asian region.

Both sides provided updates on developments in their economies, including negotiations on free trade and investment promotion and protection agreements. The Hong Kong side updated the EU on the latest developments in the financial services sector, such as the development of offshore Renminbi business, the progress of auditor oversight regulatory reform, and implementation of Basel III in Hong Kong. The EU was also briefed on progress on the implementation of the Competition Ordinance, Hong Kong's recent efforts to enhance its intellectual property protection regime, and Hong Kong's position on the implementation of the new global standard on the automatic exchange of financial account information in tax matters.

The EU side explained that, following the establishment of its new economic governance architecture, the EU and the euro area are increasingly well-equipped for current and future economic challenges. The EU updated Hong Kong on developments regarding financial regulation, including the creation of the Banking Union/Single Resolution Mechanism. The EU provided information on a number of European initiatives, such as negotiations on an investment agreement with China, trade and investment agreement negotiations with the US and Japan, and the latest developments relating to anti-money laundering measures.

Both parties also welcomed the forthcoming signature of an action plan and pilot project on co-operation in customs enforcement of intellectual property rights between the EU and Hong Kong.

The EU and the HKSARG agreed to maintain close contacts through the established channels and to explore new opportunities to strengthen bilateral trade and investment relations in the medium to long term.

Ends/ Tuesday November 11, 2014