

EU statement at the Trade Policy Review of Hong Kong China, 19/11/14

Statement by Ambassador Angelos Pangratis

I would first like to welcome the Delegation of Hong Kong China, led by Ms Carol Yuen, Deputy Secretary for Commerce and Economic Development. I would also like to thank the WTO Secretariat and the Delegation of Hong Kong China for their reports which form the basis for our discussion today. Let me extend my appreciation to the Discussant, Ambassador of Costa Rica, H.E. Mr. Ronald Saborío Soto, for getting us started today with his interesting remarks.

As the Secretariat's report notes, Hong Kong China remains one of the most open and liberal economies in the world, with some of the highest rankings in world indicators of economic freedom, competitiveness, and ease of doing business.

Hong Kong China's sound economic fundamentals have enabled it to adjust swiftly to challenging external conditions, allowing its economy to grow, during the review period, at an average annual rate of 3.1%.

Hong Kong China is a highly externally-oriented economy, with an impressive trade-to-GDP ratio of 458% in 2013 and ranking at the top places in terms of merchandise trade, financial external transactions, and stock market capitalization. The statistics show how trade is vital for Hong Kong China's economy and how, as such, its economy is strongly influenced by the global and regional economic conditions.



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The EU appreciates that during the years under review Hong Kong China has played an active role in the WTO and fully shares with Hong Kong China the objectives to foster progressive global trade liberalization and to strengthen the rules of the multilateral trading system. Furthermore, the EU shares the view that an expeditious entry into force of the Trade Facilitation Agreement has to be considered a top priority for WTO Members. In this respect, the EU commends Hong Kong China for having being the earliest WTO Member to have notified the WTO of the scheduling of all provisions in Section I of the Trade Facilitation Agreement as Category A commitments.

The EU would also like to acknowledge the active and positive role that Hong Kong China plays in services negotiations in the WTO and beyond, reflecting the importance of the services sector in Hong Kong China's economy.

A word, Mrs Chairperson, on the EU's bilateral relationship with Hong Kong China. The EU and Hong Kong China are important trade and investment partners. The EU continues to be one of Hong Kong China's main trading partners and trade relations have been growing steadily. In 2013, the EU maintained its position as Hong Kong China's second largest trading partner after Mainland China. Hong Kong China is the EU's 16th largest trading partner for trade in goods. For trade in services, Hong Kong China is EU's most important trading partner in Asia after China, Japan and Singapore.

Hong Kong China plays a key role as a regional hub for EU companies given its unique position and ample experience as service providers and facilitating EU companies' access to the Mainland and other major markets in the region. The rule of law in Hong Kong China and the top-quality financial and related services are key to all of this. This is an environment in which European companies feel at home – or at least: comfortably at work. The EU companies are well integrated and play a major role in the day-to-day business of Hong Kong China, for instance in finance, shipping and logistics.

Because of the close ties with Hong Kong China, the EU is watching with interest the developments in trade policy between Hong Kong China and China Mainland. We understand that the parties are working closely and cooperatively in order to reach a full liberalization of trade in services by the end of 2015. Hong Kong China, in its responses,

declared that the parties have been taking steps to achieve this goal progressively and we would welcome additional information in this respect. The EU is also watching the free trade negotiations of Hong Kong China with ASEAN that have just started.

Because of the strong engagement of EU companies in Hong Kong China, the EU welcomes the adoption of Hong Kong China first comprehensive competition law in 2012 and encourages Hong Kong China to move forward to the actual enforcement of the law. The EU also encourages an extension of the merger control to cover all sectors of the economy that are currently excluded by the Ordinance.

Finally, the EU is looking forward to the adoption and implementation of the new copyright bill which finally would bring Hong Kong China's copyright regime in line with the laws in force in other developed countries.

In closing, I would like to emphasize that the EU continues to value the close work with the Hong Kong China Government as well as with the other WTO partners to strengthen and build on the WTO's rules-based and cooperative foundation.

On behalf of the EU, I wish Hong Kong China a very productive and successful review.