

Hong Kong and Chile update commitments on trade in services under Free Trade Agreement (with photos)

Hong Kong and Chile signed an exchange of notes today (January 18) to confirm the updated commitments of both sides on trade in services under the Free Trade Agreement (FTA) between Hong Kong and Chile, marking a new milestone in trade and investment co-operation between the two economies.

The Secretary for Commerce and Economic Development, Mr Edward Yau, and the Vice Minister of Trade of Chile, Mr Rodrigo Yáñez, signed the exchange of notes at a virtual signing ceremony.

Mr Yau noted that Chile is the first FTA partner of Hong Kong in Latin America. Since the FTA has entered into force in 2014, bilateral merchandise trade has been growing steadily at an average annualised rate of 18.2 per cent from 2015 to 2019, and has remained resilient amidst the pandemic which has brought unprecedented challenges to global trade.

Mr Yau said, "I welcome the updated commitments, which are a testimony of the mutual and ongoing commitment of Hong Kong and Chile to a free and open trade and investment regime, amidst rising protectionism and uncertainties in the global trade environment. They represent a big boost of confidence to the rules-based trading system. The updates also demonstrate that the FTA is a vibrant and thriving platform for continuous trade liberalisation between our two sides."

He said, "Premised on the existing services commitments of both sides under the FTA covering some 80 service sectors, the updated commitments will open up more service sectors, creating more opportunities for businesses and investors in Hong Kong and Chile. I look forward to boosting trade and investment flows between Hong Kong and Chile, especially during the post-pandemic economic recovery."

In addition to improving its existing commitments in a wide variety of service sectors, Chile has made commitments in over 50 new service sectors, encompassing those priority service sectors in which Hong Kong has traditional strengths or has potential for priority development. These include professional and business services, technical testing and analysis services, convention services, computer and related services, communication services including audio-visual services, distribution services, educational services, and transport services such as maritime and logistics services. For these sectors, Hong Kong's service providers would be able to enjoy access to the Chilean market and treatment no less favourable than that for Chile's local service providers.

"Hong Kong's economy, driven by a strong recovery in trade, has rebounded after being hit by the pandemic. Despite that, Hong Kong still

faces formidable challenges in global trade. The Government has been striving to open up new frontiers for Hong Kong's traders and service providers. I encourage them to make the best use of the updated commitments in developing their business in Chile, which is also a gateway to the Latin American markets," Mr Yau added.

The updated commitments (details at www.tid.gov.hk/english/ita/fta/hkclfta/exchange_of_notes.html) will take effect after Hong Kong and Chile have completed all the necessary procedures. Details of the FTA, including the full text, are available on the Trade and Industry Department website (www.tid.gov.hk/english/ita/fta/hkclfta/index.html).

Hong Kong has signed eight FTAs with 20 economies, namely the Mainland, the Macao Special Administrative Region, the 10 member states of the Association of Southeast Asian Nations, Australia, Chile, the four member states of the European Free Trade Association, Georgia and New Zealand, all of which have entered into force.

