

LCQ2: Exploring economic, trade and investment opportunities in Latin America

Following is a question by the Hon Martin Liao and a reply by the Secretary for Commerce and Economic Development, Mr Algernon Yau, in the Legislative Council today (April 2):

Question:

In November last year, the Hong Kong Government signed a Free Trade Agreement with the Latin American country Peru, and the Chancay Port in Peru, an important project under the Belt and Road Initiative jointly invested by the Chinese and Peruvian enterprises, has also been open for use. Regarding the exploration of economic, trade and investment opportunities between Hong Kong and Latin America, will the Government inform this Council:

(1) whether it will provide Hong Kong businessmen with the latest market information, technical support and consultation services etc, so as to assist them in expanding into the Latin American market; if so, of the details; if not, the reasons for that;

(2) how it will assist Hong Kong's professional services sectors in grasping the development opportunities of the emerging markets in Latin America; and

(3) whether it will step up efforts to attract enterprises from Latin American countries to come to Hong Kong and make use of Hong Kong as the gateway to enter into the Guangdong-Hong Kong-Macao Greater Bay Area and even the entire market of China, so as to expand their businesses; if so, of the details; if not, the reasons for that?

Reply:

President,

In response to the question raised by the Hon Martin Liao, I provide below the consolidated reply.

The Hong Kong Special Administrative Region (HKSAR) Government has been actively expanding the economic and trade network, and exploring development opportunities in different markets, with particular emphasis on strengthening economic and trade ties with and market development in emerging markets and those of potential in recent years. In 2024, the total merchandise trade between Latin America and Hong Kong amounted to about HK\$124.3 billion, representing an increase of 17 per cent when compared with 2023. On services trade, the total trade between the two places amounted to about HK\$7.8 billion in 2023, representing an increase of about 24 per cent when compared

with 2022. With the good foundation of economic and trade connection the HKSAR Government has built with the Latin America, we will continue to foster closer economic and trade ties with the Latin American region, opening up more trade and investment opportunities for Hong Kong businesses.

As part of our efforts in expanding the economic and trade network, the HKSAR Government strengthens economic co-operation with trading partners, assists Hong Kong enterprises in developing markets and securing better market access, and enhances protection of investors' overseas investments through forging free trade agreements (FTAs) and investment agreements. Hong Kong signed an FTA and an investment agreement with Chile in 2012 and 2016 respectively, an investment agreement with Mexico in 2020, and an FTA with Peru in 2024. In addition, Hong Kong is exploring with Peru the signing of an investment agreement, and is also proactively seeking to forge FTAs and investment agreements with more trading partners in the Latin American region, with a view to further promoting economic and trade relations between Hong Kong and our major trading partners in the Latin American region.

Hong Kong and Chile have updated their commitments on trade in services under the FTA in recent years. Chile has made commitments in over 50 new service sectors, encompassing priority service sectors in which Hong Kong has traditional strengths or has potential for priority development, such as professional and business services, technical testing and analysis services, convention services, distribution services etc. Relevant Hong Kong services as well as their providers, subject to specific exceptions or conditions, enjoy access to the Chilean market and treatment no less favourable than that for Chile's local service providers. The updated commitments, which entered into force in 2023, create more opportunities for relevant service providers and investors.

In addition, Hong Kong and Peru signed an FTA in November 2024. Under the FTA, Hong Kong service providers in over 150 services sectors, including professional services, can enjoy legal certainty of better market access and national treatment when operating in Peru. We have been actively conducting a series of publicity and promotional activities (including holding and participating in seminar, reception and exhibition; launching designated webpage; and issuing circulars and promotional leaflets) to introduce the content, benefits and implementation arrangements of the FTA, and encourage Hong Kong's businesses to grasp the opportunities brought by this FTA, as well as through Peru and our FTA and investment agreement partners including Peru, Chile and Mexico to expand their businesses in the Latin American markets. In the meantime, we have also conveyed the benefits brought by the FTA to Latin American companies by outreaching events to promote collaboration in trade and investment. For instance, Invest Hong Kong (InvestHK) and the Trade and Industry Department (TID) cohosted a reception for the Ibero-American community on March 13, 2025, promoting further collaboration through, among other initiatives, trade and investment agreements.

Besides, the TID has been closely monitoring the trade development in the Latin American region, issuing circulars regarding the latest policies

and measures concerned of the economies there, as well as publishing factsheets on Hong Kong's commercial relationship with its major trading partners in that region for Hong Kong enterprises. The TID has also established hotline, email account and webpages to assist Hong Kong enterprises in obtaining and inquiring about the relevant information of trading partners in Latin America, including FTAs and investment agreements signed by Hong Kong, helping businesses understand and develop markets in the Latin American region.

Meanwhile, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in economies with which Hong Kong has signed FTAs and/or investment agreements. The geographical coverage of the BUD Fund covers 40 economies including Chile, Mexico and Peru to further support enterprises in exploring more diversified markets.

To assist Hong Kong enterprises in tapping the markets of Latin America, the Hong Kong Trade Development Council (HKTDC) has established consultant offices in Brazil's Sao Paulo, Chile's Santiago and Mexico's Mexico City, to support the HKTDC's local trade promotion activities and business matching services. The HKTDC will continue to leverage its consultant offices in Latin America to provide Hong Kong enterprises with information on the latest developments of Latin America and invite enterprises in Latin America to participate in Hong Kong's large-scale exhibitions and conferences, in order to reinforce Hong Kong's role as a two-way global investment and business hub.

As for InvestHK, through its teams based in Hong Kong, the Dedicated Teams for Attracting Businesses and Talents based in the Mainland Offices and the overseas Economic and Trade Offices of the HKSAR Government, as well as consultant offices in other locations (including those located in Latin America, namely, Mexico City, Mexico; Rio de Janeiro, Brazil; Santiago, Chile; and Lima, Peru), it has all along been reaching out to a wide spectrum of companies in different sectors and industries around the world to attract and assist them to set up or expand their businesses in Hong Kong, and offering one-stop customised support services from the planning to implementation stages.

InvestHK will continue to proactively provide overseas enterprises, including those from Latin America, with the latest information on Hong Kong's business environment and promote Hong Kong's distinctive advantages of enjoying strong support of the motherland and being closely connected to the world and other core strengths under "one country, two systems", as well as the immense opportunities brought by key national strategies including the Guangdong-Hong Kong-Macao Greater Bay Area development and the Belt and Road Initiative, with a view to attracting these enterprises to set up or expand their businesses in Hong Kong and leverage Hong Kong as a springboard to enter the Mainland market. For example, InvestHK plans to visit Medellín, Colombia; Lima, Peru; and Buenos Aires, Argentina in 2025, and co-organise investment promotion activities with local chambers of commerce to strengthen investment promotion work in Latin America.