

LCQ22: Accession to Regional Comprehensive Economic Partnership

Following is a question by the Hon Tang Fei and a written reply by the Secretary for Commerce and Economic Development, Mr Algernon Yau, in the Legislative Council today (January 15):

Question:

The Regional Comprehensive Economic Partnership (RCEP) covers 15 members, including China, Japan, Korea and the 10 member states of the Association of Southeast Asian Nations. There are views that as the RCEP member economies are important trading partners of Hong Kong, and that the full implementation of RCEP is of great significance to regional economic integration, Hong Kong should actively strive for accession to RCEP, with a view to further consolidating its status as an international trading centre and expanding its cooperation with the economies in the region. On the other hand, a delegation of this Council has earlier met with Japan parliament members and government officials and exchanged views on promoting Hong Kong's accession to RCEP. In this connection, will the Government inform this Council:

(1) whether the Government has formulated a specific work plan for striving for Hong Kong's accession to RCEP; if so, of the details, such as the objectives and completion time frame of the various stages, as well as the major government departments and the relevant responsible organisations involved;

(2) how it will follow up on the exchanges between the delegation of this Council and the relevant parties in Japan on Hong Kong's accession to RCEP; and

(3) whether the Government has conducted a detailed economic impact assessment to quantify the economic benefits that may be brought about by Hong Kong's accession to RCEP, including the growth rates of the Gross Domestic Product, volume of export trade, diversification of trading partners and foreign direct investment?

Reply:

President,

The reply in response to the questions raised by the Hon Tang Fei is as follows:

(1) The Government of the Hong Kong Special Administrative Region (HKSAR) has formulated a comprehensive, specific and proactive work plan to strive for Hong Kong's accession to the Regional Comprehensive Economic Partnership

(RCEP). However, as it involves the engagement with other governments, the HKSAR Government has no plan to disclose to the public the internal work plan as well as the relevant discussion with other economies or sensitive information.

(2) The HKSAR Government is grateful for the Legislative Council (LegCo) delegations' respective visits to the Association of Southeast Asian Nations (ASEAN) (Malaysia, Indonesia and Singapore) in May 2024 and to Japan in December 2024, both led by the President of LegCo, and meetings with the government officials and business representatives to lobby for their support for Hong Kong's accession to RCEP. The HKSAR Government, including the relevant overseas Hong Kong Economic and Trade Offices (ETOs), will continue maintaining liaison with the local government authorities as well as the trade organisations and stakeholders to actively push for our accession bid to RCEP.

(3) RCEP is the world's largest free trade agreement (FTA). Fifteen RCEP members, including Mainland China, the 10 member states of ASEAN, Australia, Japan, Korea and New Zealand, are Hong Kong's major trading partners, accounting for around 70 per cent of Hong Kong's total merchandise trade in 2023 and around 48 per cent of our services trade in 2022. Meanwhile, RCEP members are the primary destinations of Hong Kong's outward investment, amounting to nearly 60 per cent of our total outward foreign direct investment in 2023. Hong Kong's prospective RCEP membership would further drive Hong Kong's participation in regional economic integration and expand our FTA network, in particular to the markets of Japan and Korea with which Hong Kong has not yet concluded any FTA. Joining RCEP will also help maintain and strengthen Hong Kong's strategic position as an international finance, trade and logistics centre, and foster trade flows between our country and other places involving Hong Kong as part of the external circulation. The HKSAR Government anticipates that upon Hong Kong's accession, the market access, tariff preference and other trade facilitation measures under the RCEP Agreement will help enhance the competitiveness of Hong Kong's related industries as well as their products and services in the RCEP markets.

Right after RCEP came into force on January 1, 2022, the HKSAR Government promptly submitted Hong Kong's formal accession request. At the same time, we have proactively expressed Hong Kong's keen interest in joining RCEP to its members at different levels and on different occasions. Seeking accession to RCEP is one of the key priorities of the HKSAR Government, led by the Commerce and Economic Development Bureau, and supported by the Trade and Industry Department and relevant overseas ETOs. Since the 2022 Policy Address, the Chief Executive has set an annual key performance indicator (KPI) of holding or participating in related events/meetings/dialogues with RCEP members and stakeholders. In this regard, the KPIs of 60 and 70 such events/meetings/dialogues were completed in 2023 and 2024 respectively.

The HKSAR Government has received full support from the Central People's Government for our accession request to RCEP. We also received generally positive responses from other RCEP members, in particular, unanimous support from ASEAN member states. The Chief Executive led delegations to visit

various ASEAN countries in 2023 and 2024, including Singapore, Indonesia, Malaysia, Laos, Cambodia and Vietnam, and met with leaders of the economies, relevant government officials and local business leaders. Hong Kong's accession to RCEP was supported by the ASEAN member states. Thereafter, I visited Laos in September 2024 to co-chair the eighth ASEAN Economic Ministers (AEMs) – Hong Kong, China Consultation meeting with the Minister of Industry and Commerce of Laos. The AEMs appreciated Hong Kong's readiness and keen interest for early accession to RCEP as well as the value and important contribution that Hong Kong's accession will add to RCEP. In November 2024, the Chief Executive had bilateral meetings with leaders from various ASEAN member states during the Asia-Pacific Economic Cooperation Economic Leaders' Meeting in Peru, and the ASEAN member states again indicated their support towards Hong Kong's accession to RCEP.

The Procedures for Accession to the RCEP Agreement was adopted by the RCEP Joint Committee (RJC) in September 2024, which is a concrete and critical step to welcoming new members. The HKSAR Government will continue to proactively follow up with the RJC and maintain close liaison with the trade and economic departments of RCEP members to promote relevant discussions and foster favourable conditions for the early accession of Hong Kong to RCEP, with the view to contributing to the promotion of regional economic integration.