

## LCQ8:Promoting cooperation with the Belt and Road countries

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 (February 26):

Question:

It has been reported that in recent years, the Government has been actively promoting Hong Kong's advantages as an international financial, trade and investment hub to the Belt and Road (B&R) countries, in particular the Middle East countries, and has signed a number of Memorandums of Understanding (MOUs) with the Middle East countries. In this connection, will the Government inform this Council:

(1) of the number of MOUs signed between Hong Kong and the Middle East countries participating in the B&R Initiative (such as the United Arab Emirates, Saudi Arabia and Egypt) in the past three years, and set out the names of the countries, regions and relevant organizations which have signed the MOUs;

(2) of the following information on the MOUs mentioned in (1): (i) the specific areas of cooperation covered, (ii) the current implementation situation, (iii) the specific assistance expected to be brought to Hong Kong's economic development, and (iv) how to specifically implement the contents of such MOUs and ensure their effective implementation, so as to leverage their benefits to the fullest extent; and

(3) whether it has plans to sign more MOUs or deepen the existing cooperation with the B&R countries, so as to attract more foreign direct investment, thereby enabling local enterprises to "go global" and consolidating Hong Kong's role as a "super-connector"?

Reply:

President,

Hong Kong is an active participant, contributor and beneficiary of the Belt and Road Initiative (B&RI). We have been fully participating and contributing to the B&RI, utilising the role as a functional platform for the Belt and Road (B&R) and serving our role as a "super connector" and "super value-adder". The Middle East region is a key area in the B&RI. The Government is committed to deepening the co-operation with B&R countries in the region through various measures.

In consultation with relevant bureaux, the consolidated reply to the Hon Tang Fei's question is as follows:

(1) and (2) The Government of the Hong Kong Special Administrative Region (HKSARG) and B&R countries in the Middle East region have signed Memoranda of Understandings (MOUs) for co-operation to help drive all round, multi field collaboration for mutual benefit to Hong Kong and the Middle East region, thereby laying a solid foundation for long-term exchange and co-operation. In the past three years, the HKSARG signed 11 MOUs with governments and related organisations in various B&R countries in the Middle East region (tabulated at Annex), with scope covering finance, investment promotion, legal, anti-corruption co-operation and customs co-operation. Relevant bureaux and departments of the HKSARG have been implementing and taking forward the related co-operation, and continue to maintain close contact with relevant governments and related organisations in B&R countries in the Middle East region, with a view to boosting the benefits of these co-operation.

In addition, the business sector and relevant organisations in Hong Kong have been actively engaging in co-operation and signing MOUs with various B&R countries in the Middle East region. These non-governmental MOUs are not covered at Annex.

(3) The Government will continue to deepen the co-operation with B&R countries in the Middle East region through a range of measures, including:

(a) Expanding economic and trade networks

The Government will continue to expand our economic and trade networks, with a view to facilitating Hong Kong enterprises and investors in expanding into the Middle East region markets and promoting the long-term economic development of Hong Kong. The Government established the Hong Kong Economic and Trade Office (ETO) in Dubai in October 2021 to strengthen Hong Kong's economic and trade relations with trading partners in the region. The Government is following up on the establishment of an ETO in Riyadh, Saudi Arabia, while Invest Hong Kong (InvestHK) set up a consultant office in Cairo, Egypt in July 2024 and commenced operation of its consultant office in Izmir, Türkiye's third largest city, in January this year to explore emerging markets in the region;

(b) Negotiating and signing bilateral agreements

Hong Kong has signed 24 Investment Promotion and Protection Agreements (IPPAs) with 33 overseas economies (including B&R economies), including Bahrain, Kuwait, Türkiye and the United Arab Emirates (UAE). The Government is negotiating an IPPA with Saudi Arabia with a view to concluding the negotiations as soon as possible. We also plan to commence negotiations with Egypt. In addition, Hong Kong has signed Comprehensive Avoidance of Double Taxation Agreements with 49 overseas jurisdictions (including B&R jurisdictions), including Bahrain, Kuwait, Qatar, and Türkiye;

(c) Organising outbound visits

In February 2023, the Chief Executive led an over 30-strong high-level

business delegation, comprising representatives of the Government and the business sectors as well as professionals, to visit the Middle East region, promoting the unique advantages of Hong Kong to local government and business sectors in Saudi Arabia and the UAE;

In May 2024, the Secretary for Justice led a delegation comprising representatives from the Law Society of Hong Kong, the Hong Kong Bar Association, the Hong Kong Exchanges and Clearing Limited, InvestHK and related sectors to visit Saudi Arabia and the UAE to promote Hong Kong's legal and dispute resolution services and enhance co-operation and exchanges between Hong Kong and the Middle East region;

In October 2024, the Financial Secretary led a business delegation of over 100 members, including representatives from the finance as well as innovation and technology (I&T) sectors, on a visit to Saudi Arabia. This visit aimed to strengthen and deepen connections between Hong Kong and the Middle East in trade, finance, and I&T, and included participation in the 8th Future Investment Initiative (FII) Conference. The visit yielded fruitful results, facilitated a number of joint projects, including the listing of two exchange-traded funds tracking Hong Kong stocks in the local market, investment pitches by over 20 Hong Kong startups during the FII Conference, and 11 co-operation agreements signed between Hong Kong institutions and companies and their Saudi counterparts. These co-operation agreements include an MOU signed by the Hong Kong Monetary Authority and the Public Investment Fund of Saudi Arabia to jointly establish a US\$1 billion investment fund focused on investing in companies connected to Hong Kong and the Guangdong-Hong Kong-Macao Greater Bay Area engaged in sectors such as manufacturing, renewable energy, fintech and healthcare, to expand in Saudi Arabia. This initiative will provide a platform for these companies to expand their international business. Additionally, the Hong Kong Science and Technology Parks Corporation signed a co-operation agreement with the FII Institute to enhance collaboration, exchange, and knowledge sharing;

The Government will continue to organise a number of outbound missions to markets in the Middle East region to assist Hong Kong enterprises and professional services to further expand business opportunities and build long-lasting collaborative relationships with relevant local enterprises and organisations; and

#### (d) Organising major events

The Commerce and Economic Development Bureau will continue to actively organise various major events to promote Hong Kong's advantages and facilitate business matching and project participation between Hong Kong and the Middle East region. In April 2024, the Belt and Road Office (BR0) partnered with NEOM of Saudi Arabia to organise the "Discover NEOM Hong Kong" roadshow, which attracted around 1 100 participants, including enterprises, investors and professional representatives from the Mainland and Hong Kong. During the roadshow, the BR0 organised two business matching sessions, facilitating potential collaborations between 40 Hong Kong and Mainland enterprises and NEOM. Hong Kong has been organising the Belt and Road Summit

(Summit) annually since 2016, and the Summit has been recognised by our country as a case of significance for the implementation of the B&RI in building a global community of shared future. The ninth Summit was held on September 11 and 12, 2024, and attracted around 6 000 government officials and business leaders from over 70 B&R countries and regions (including the Middle East region), as well as more than 100 delegations. The BR0 has also organised 10 exchange sessions since November 2023, inviting Consul Generals from B&R countries (including relevant countries in the Middle East region) in Hong Kong as well as representatives of professional bodies and enterprises to share the opportunities and relevant experience in B&R countries.