

Speech by SCED at APEC MRT-ABAC Public-Private Dialogue on Free Trade Area of Asia Pacific (English only)

Following is the speech by the Secretary for Commerce and Economic Development, Mr Edward Yau, at the Asia-Pacific Economic Cooperation (APEC) Ministers Responsible for Trade (MRT)-APEC Business Advisory Council (ABAC) Public-Private Dialogue on the Free Trade Area of the Asia-Pacific (FTAAP) in the COVID-19 pandemic and beyond in Bangkok, Thailand today (May 21):

Good morning, Honourable Chair (Deputy Prime Minister and Minister of Commerce of Thailand, Mr Jurin Laksanawisit), fellow Ministers, and friends from ABAC.

My sincere thanks to the Government of Thailand for hosting this Public-Private Dialogue and for the warm hospitality extended to all of us. Words cannot express my excitement to meet you all in-person today in Bangkok, rekindling face-to-face dialogues with members of the APEC family, after a long wait of two years due to the COVID-19 pandemic. I would like to begin by echoing fellow Ministers in reaffirming Hong Kong, China (HKC)'s support for APEC's long-term efforts of advancing towards the realisation of the Free Trade Area of the Asia-Pacific (FTAAP), a shared aspiration that we hold very dear to our hearts, especially as we work towards economic recovery beyond the pandemic.

According to the International Monetary Fund (IMF)'s recent statement, global growth is estimated to decelerate markedly from 6.1 per cent in 2021 to 3.6 per cent in 2022 and 2023, and maybe to decline even further beyond 2023. APEC, representing economies accounting for more than 60 per cent of the world's GDP, has a compelling responsibility to take the lead in turning the tide.

To build strength and boost confidence for the trade and the well-being of our people, the time is ripe to reinvigorate and recalibrate our FTAAP agenda. As the saying goes, "there is good in every evil". The pandemic has indeed taught us many lessons and transformed our way of lives in many ways. We have learned the importance of integrated supply chains and experienced an irreversible global trend of digitalisation. There is great value in exploring how regional economic integration can be shaped to support supply chains in withstanding future shocks and to unlock the unprecedented opportunities of digital trade.

2022 is a milestone year for FTAAP, not only because of the sweeping transformation of our global trade landscape, but also thanks to the entry into force of the Regional Comprehensive Economic Partnership (RCEP) on January 1 which has provided a fertile ground for the Asia-Pacific region to pursue broader and deeper integration. HKC embraces the vision and objective in the formation of the RCEP. We enjoy very strong bonds with the 15 RCEP

participating economies, sharing bilateral trade totalling US\$963 billion in 2021. As I have mentioned on many occasions, HKC is ready and keen to join and contribute to RCEP in the soonest possible future, getting a step closer to the construction of FTAAP. I feel most encouraged by how ABAC has backed new entrants to these significant FTAAP pathways, through the strong statement they recently made on FTAAP. HKC fully echoes ABAC's call that the eventual FTAAP should be high-quality, comprehensive and able to incorporate and address next-generation trade and investment issues.

Ladies and gentlemen, we have come a long way since the vision of FTAAP was first broached by ABAC almost two decades ago. APEC member economies must live up to the expectations of our business communities who look upon us for early and concrete deliverables along the parallel paths towards economic recovery and the realisation of FTAAP. The journey will not be easy, but HKC is always prepared to constructively contribute to charting incremental and continuous steps to turn FTAAP into reality.

Last but not least, I would like to thank Thailand, our APEC Host this year, for initiating a refreshed conversation on this important topic at this timely juncture. I look forward to a fruitful exchange with fellow Ministers and our business leaders at today's Dialogue, which can hopefully lead to the setting of some clear milestones or "early harvest" opportunities in the areas of convergence before we meet again in November this year.

Thank you.