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## CITY

### ECONOMY

# HK AND AUSTRALIA SIGN LANDMARK TRADE PACT

**Carrie Lam hails win-win agreement that includes goods and services, rail transport, intellectual property and government procurement**

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Hong Kong and Australia yesterday signed deals to open up bilateral free trade and services, allowing the city prized access to the country's rail and professional industries.

Secretary for Commerce and Economic Development Edward Yau Tang-wah and Australian Trade Minister Simon Birmingham signed the free-trade agreement (FTA) and an investment agreement in Sydney.

The accord covers a wide range of areas such as goods and services, investment, intellectual property, government procurement and competition. It is the fourth trade deal Hong Kong has signed in the past 18 months, bringing its total number of free-trade agreements to eight.

"It offers both economies the best to each other," Yau said. "It demonstrates the commitment to freer trade, tearing down trade barriers and enhancing mutual benefits in investments, trade and commerce."

Chief Executive Carrie Lam Cheng Yuet-ngor described the free-trade agreement as "very substantive".

"This is the fourth FTA that we



**[Our] farmers, businesses, service suppliers and investors are the big winners**

SCOTT MORRISON, AUSTRALIAN PM

have signed since we took office on July 1, 2017, and the eighth since the [1997] handover. We will continue to open up more markets and sign more bilateral and multilateral trade agreements," she said.

Australian Prime Minister Scott Morrison said the agreements marked a new chapter in his nation's close and mutually beneficial relationship with Hong Kong. "Australian farmers, businesses, service suppliers and investors are the big winners from the certainty this agreement will bring," he said.

Hong Kong has been seeking to open up more overseas trade, with the need for greater options increasing since the first shot of the US-China trade war was fired last year. Although Washington and Beijing are working towards a settlement, Hong Kong's exports have been hurt, falling 0.4 per cent

in January year on year, after a 5.8 per cent decrease in December.

"The [latest] agreements are important at a time when a stormy trade environment prevails," Yau said. "They provide transparency and predictability for trade and investment."

A highlight of the pact is Australia liberalising a full range of its arbitration, conciliation and mediation services and certain rail transport services, which the country has never offered to its other free-trade agreement partners, apart from New Zealand.

Jacinta Reddan, CEO of the Australian Chamber of Commerce in Hong Kong, welcomed the trade deals, which offers certainty to bilateral trade relations.

"While we welcome the free-trade agreement between these two important trading partners, Austcham HK will continue to press for a double taxation agreement, which we believe would bring greater material benefit to two-way trade and investment flows."

Additional reporting by Tony Cheung