

Joint statement

Trade Ministers welcome conclusion of historic Closer Economic Partnership Agreement between Hong Kong and New Zealand

New Zealand Trade Minister, Mr Tim Groser, and Hong Kong Secretary for Commerce and Economic Development, Mrs Rita Lau, today (March 29) formalised the conclusion of the Closer Economic Partnership (CEP) Agreement between their respective economies at an official signing ceremony in Hong Kong.

The CEP Agreement represents a significant step forward in the bilateral trade relationship and promises to accord economic linkages a significantly higher profile.

For Hong Kong, the CEP Agreement represents a major step in its Free Trade Agreement (FTA) history, being its first such agreement with a foreign economy. It carries strategic significance in enhancing the prospect of Hong Kong's further pursuit of FTAs.

For New Zealand, the CEP Agreement is a further step towards deeper integration into the Asia-Pacific region, and supplements a suite of trade agreements with other partners in the region, including a multi-party agreement with the ASEAN economies, and an FTA with China.

The relationship between the two economies is already significant. Two way trade has been on an increasing trend in the past years, standing at around NZ\$ 1 billion, or above HK\$6 billion, in 2009.

While the tariff levels in merchandise trade between the two economies are already low, the CEP Agreement is significant in that it will provide ongoing certainty to exporters, binding the existing duty free access to the Hong Kong market, and progressively eliminating New Zealand's remaining tariffs in six years.

Being a comprehensive and high quality agreement, the CEP Agreement also includes significant commitments relating to services, government procurement, customs co-operation, technical barriers to trade, sanitary and phyto-sanitary measures as well as intellectual property, competition and electronic commerce. Agreements on Labour and Environment have also been secured alongside the CEP Agreement.

"This agreement is tremendously important for a number of reasons," said Mr Groser. "Both New Zealand and Hong Kong are committed to growing our respective economies and recognise the critical role that exports, as well as open and liberal trading environments, play in this. This agreement is a model of how economies can address barriers both at and inside their borders in order to grow trade."

Mrs Lau was similarly positive in her assessment of the CEP Agreement. "It is our shared belief that the CEP Agreement will act as a platform to help pave the way forward for mutual economic growth and take trade and investment linkages of Hong Kong and New Zealand to a new level," she said.

The CEP Agreement is expected to enter into force in the last quarter of this year once the necessary domestic procedures are completed.