

Hong Kong to Reach Greater Heights

The Hon Jimmy Ng Wing-ka LegCo Member (Industrial (Second))

This year marks the 32nd anniversary of the promulgation of the Basic Law and the 25th anniversary of Hong Kong's return to the motherland. Hong Kong's prosperity and stability are tied to the successful implementation of the Basic Law. The Basic Law is a constitutional document of the Hong Kong Special Administrative Region (HKSAR) which sets out clearly the country's basic policies regarding Hong Kong. It enshrines within a legal document the important concepts of "one country, two systems", "Hong Kong people administering Hong Kong" and a high degree of autonomy. It also prescribes the various systems to be practised in the HKSAR.

In this regard, the Basic Law provisions on external affairs provide explicitly that "the Hong Kong Special Administrative Region may on its own, using the name 'Hong Kong, China', maintain and develop relations and conclude and implement agreements with foreign states and regions and relevant international organisations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, tourism, cultural and sports fields." This is the unique advantage that the Central Government conferred on Hong Kong in handling external relations under the principle of "one country, two systems", which is of great significance. As a member of the industrial, commercial and professional sector, I am particularly impressed.

Hong Kong is an important financial, transportation, trade, as well as innovation and technology centre in the region, and provides quality professional services to international markets. We can leverage our strengths to actively join the international trade cycle system, a goal which also aligns with our positioning under the new "dual circulation" development pattern of our country. In short, Hong Kong can reinforce its role as a super-connector hub in this cycle system.

Up to this moment, as a separate customs territory, HKSAR has already joined two major international and regional economic and trade organisations, namely the World Trade Organization (WTO) and Asia-Pacific Economic Cooperation (APEC). Besides, HKSAR has already signed eight Free Trade Agreements (FTAs) with twenty economies and twenty-two Investment Promotion and Protection Agreements (IPPAs) with over twenty economies so far, including the FTA and the IPPA with the Association of Southeast Asian Nations (ASEAN) in 2017.

With the trade conflict between China and the US remains unsolved as well as the frequent measures against China such as blockades, embargoes and so on imposed by western countries in recent years, Hong Kong manufacturers are experiencing a tough business situation. Many of them are thinking of switching their production lines and finding new paths. In the past few years, various major local trade associations have been urging the SAR Government to strive for accession to the Regional Comprehensive Economic Partnership (RCEP) as soon as possible since RCEP, which possesses huge economic potential and opportunities, is at present the world's largest FTA, covering more than 30 per cent of the global population and total gross domestic product. The total trade value between Hong Kong and all RCEP member states as a whole exceeded USD 960 billion in 2021, accounting for over 70% of Hong Kong's total trade with the world.

Also, according to a study report of the Chinese Manufacturers' Association of Hong Kong, RCEP is beneficial to the development of industries in Hong Kong, especially the manufacturing sector with "outward development". The report considers that quite a number of Hong Kong manufacturers have established production lines in Southeast Asian countries already and will benefit from the tariff reduction under RCEP, thus enhancing the competitiveness of their products. Moreover, the unified rules of origin among the member states will also be conducive to the reorganisation and reallocation of production inputs and operation plans in the region by the manufacturers.

It is well known that all ASEAN member states are also economies along the "Belt and Road". Both our bilateral FTA signed with the ASEAN and the potential RCEP agreement (with ASEAN being the major member states) will cater for our strategy to tap into the business opportunities offered by the "Belt and Road Initiative", which is of significant importance.

President Xi Jinping encouraged Hong Kong through the Chinese poem "I would like to borrow a pair of wings from the crane to soar up to the sky" in his address made on 1 July. If we can utilise the unique strengths conferred by the Basic Law, leverage the motherland's support and connect with the world, a splendid achievement will surely be attained.

