



**THE SEVENTH AEM-HONG KONG, CHINA CONSULTATION
20 August 2023, Semarang, Indonesia**

JOINT MEDIA STATEMENT

1. The Seventh AEM-HKC Consultation was held on 20 August 2023. The Consultation was co-chaired by H.E. Zulkifli Hasan, Minister of Trade, Republic of Indonesia and Mr Algernon Yau, Secretary for Commerce and Economic Development of HKC. The Meeting also welcomed H.E. Filipus Nino Pereira, Minister of Commerce and Industry, the Democratic Republic of Timor-Leste who joined the Meeting as an observer.
2. According to ASEAN's statistics, total merchandise trade between ASEAN and HKC reached USD 133.4 billion in 2022, placing HKC as ASEAN's 7th largest trading partner. Meanwhile, the total foreign direct investment (FDI) flows from HKC to ASEAN amounted to USD 13.24 billion, or an increase of 40.4 percent year-on-year, placing HKC as the 5th largest source of FDI for ASEAN. ASEAN as a bloc was HKC's 2nd largest trading partner in 2022 and its 2nd largest export and import market. The FDI stock from ASEAN amounted to USD 67.2 billion at the end of 2021, placing ASEAN as the 6th largest source of FDI for HKC.
3. The Meeting exchanged views on the regional and global challenges, such as the multidimensional impacts of the COVID-19 pandemic, climate change, heightened volatility in the global financial market, inflationary pressures, and geopolitical tensions that impact global food and energy security, all of which could potentially affect economic and trade relations between ASEAN and HKC. The Meeting emphasised that, to navigate the challenging global environment, a stronger and more impactful cooperation is essential. The Meeting therefore tasked officials to explore ways to embed practical activities of mutual interest that will mitigate the effects of these global challenges on the ASEAN-HKC economic relationship, especially in sustainable development, digital transformation, and supply chain resilience.
4. The Meeting welcomed the finalisation of the *First Protocol to Amend the ASEAN-Hong Kong, China Free Trade Agreement (AHKFTA)* to incorporate the new Product Specific Rules (PSR) of origin into the AHKFTA. The Meeting looked forward to the signing of the Protocol as soon as possible. The Meeting underscored that full implementation of the new PSR would further facilitate seamless trade between ASEAN and HKC and agreed to work towards the goal of bringing about its early implementation. The Meeting was also pleased to note the substantial conclusion of the bilateral negotiations on the Schedules of Reservations under the work programme of the ASEAN-HK Investment Agreement (AHKIA) and encouraged all to expedite the

completion of the necessary process before implementation and the discussions of the remaining items on the work programme.

5. The Meeting expressed appreciation for HKC's contribution of HKD 5 million for the implementation of the ECOTECH Work Programme for 2023 and looked forward to the effective and timely implementation of approved ECOTECH projects in 2023. The Meeting was pleased to note that the AHKFTA dissemination event was successfully held on 2 August 2023 in Jakarta, Indonesia. The Meeting looked forward to further increasing the engagement between ASEAN and HKC to promote the utilisation of AHKFTA and AHKIA through capacity-building activities, trade fairs, and exhibitions.

6. The Meeting welcomed the entry into force of the Regional Comprehensive Economic Partnership (RCEP) Agreement for all signatories on 2 June 2023. The Meeting further noted HKC's keen interest in seeking early accession to RCEP, the value and important contributions that HKC's accession will add to RCEP. The Meeting positively welcomed HKC's accession request and appreciated its readiness for RCEP membership. The Meeting recognised the benefits of the adoption of the accession procedures by RCEP to facilitate the launch and conclusion of substantive discussions with interested economies on their accession.

7. The Meeting reaffirmed its commitment to bringing economic relations and cooperation between ASEAN and HKC to new heights. The Meeting agreed to explore economic cooperation and collaboration opportunities, which have tangible outcomes in areas that include, but are not limited to, sustainability, connectivity, tourism, digital technology, investment promotion, and promotion of micro, small, and medium enterprises in the regional and global supply chains to support the ASEAN and HKC efforts in building a resilient region against future economic shock.

8. The Meeting reaffirmed its commitment to a rules-based, non-discriminatory, open, free, inclusive, equitable, and transparent multilateral trading system on the World Trade Organization (WTO). The Meeting highlighted its support to reform the WTO to ensure that it remains fit-for-purpose and forward looking. The Meeting made a resolve to cooperate and coordinate on mutually beneficial areas to contribute to the success of the 13th WTO Ministerial Conference (MC13), to be held in Abu Dhabi, United Arab Emirates, in 2024.

9. The Meeting affirmed its commitment to supporting Timor-Leste to be an ASEAN Member State by providing technical assistance, capacity building and other support to facilitate Timor-Leste's integration into the mainstream of ASEAN-HKC economic relations. The Meeting also encouraged the Timor-Leste government to intensify efforts towards the preparations for ASEAN membership.
