



## **Senator the Hon Simon Birmingham**

Minister for Trade, Tourism and Investment  
Deputy Leader of the Government in the Senate  
Senator for South Australia

March 26, 2019

Mr Edward Yau  
Secretary for Commerce and Economic Development  
Hong Kong Special Administrative Region of the People's Republic of China

Dear Secretary

In connection with the signing on this date of the *Free Trade Agreement between Australia and Hong Kong, China* (the Agreement), I have the honour to confirm the following mutual understandings shared by the Government of Australia (Australia) and the Government of the Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong, China):

Australia and Hong Kong, China recognise the important role that government-owned enterprises can play to deliver critical public services. Australia and Hong Kong, China also recognise that some government-owned enterprises that are engaged principally in commercial activities may operate in competition with private commercial entities.

In this regard, Australia and Hong Kong, China will enter into discussions at an agreed time, but no later than two years after the date of entry into force of the Agreement, to exchange views on experiences in government practice aimed at ensuring that government-owned enterprises do not receive a competitive advantage unjustifiably in their commercial activities simply because they are government-owned.

I have the further honour to propose that this letter and your letter in reply confirming these mutual understandings constitute a record of understanding between Australia and Hong Kong, China, which will come into effect on the date of entry into force of the Agreement.

Yours sincerely,

**Simon Birmingham**

March 26, 2019

The Honourable Mr Simon Birmingham  
Minister for Trade, Tourism, and Investment  
Australia

Dear Minister,

I have the honour to acknowledge receipt of your letter of March 26, 2019, which reads as follows:

*“In connection with the signing on this date of the Free Trade Agreement between Australia and Hong Kong, China (the Agreement), I have the honour to confirm the following mutual understandings shared by the Government of Australia (Australia) and the Government of the Hong Kong Special Administrative Region of the People’s Republic of China (Hong Kong, China):*

*Australia and Hong Kong, China recognise the important role that government-owned enterprises can play to deliver critical public services. Australia and Hong Kong, China also recognise that some government-owned enterprises that are engaged principally in commercial activities may operate in competition with private commercial entities.*

*In this regard, Australia and Hong Kong, China will enter into discussions at an agreed time, but no later than two years after the date of entry into force of the Agreement, to exchange views on experiences in government practice aimed at ensuring that government-owned enterprises do not receive a competitive advantage unjustifiably in their commercial activities simply because they are government-owned.*

*I have the further honour to propose that this letter and your letter in reply confirming these mutual understandings constitute a record of understanding between Australia and Hong Kong, China, which will come into effect on the date of entry into force of the Agreement.”*

I have the further honour to confirm that the above reflects the mutual understandings shared by the Government of the Hong Kong Special Administrative Region of the People’s Republic of China (Hong Kong, China) and the Government of Australia (Australia), and that your letter and this letter in reply, constitute a record of understanding between Hong Kong, China and Australia, which will come into effect on the date of entry into force of the *Free Trade Agreement between Hong Kong, China and Australia*.

Yours sincerely,

( Edward Yau )  
Secretary for Commerce and Economic Development  
Hong Kong Special Administrative Region  
The People's Republic of China