

MEMORANDUM OF UNDERSTANDING

ON

LABOUR COOPERATION

BETWEEN

HONG KONG, CHINA

AND

CHILE

The Governments of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong, China") and Republic of Chile ("Chile"), hereinafter individually referred to as a "Party" or collectively as the "Parties":

Desiring to express an approach dealing with labour issues based on dialogue, cooperation and consultation, taking into account the needs, aspirations and unique circumstances of each Party;

Seeking to improve working conditions and protect and enhance the basic workers' rights in the areas of the Parties, taking into account the different domestic contexts, including development, social, cultural and historical backgrounds;

Acknowledging that the Parties share a similar commitment to improving the levels of labour protection through their domestic laws and regulations, policies and practices, taking into account their domestic context and priorities;

Considering the strategic labour objectives of the International Labour Organization ("ILO"), including those related to employment, labour standards, social protection and social dialogue, which the Parties firmly support; and

Considering the *Free Trade Agreement between Hong Kong, China and Chile*, done at Vladivostok, Russian Federation, on September 7th, 2012 ("FTA"),

Have agreed as follows:

Article 1 Objectives

The objectives of the Parties under this Memorandum of Understanding ("MOU") are to:

- (a) through dialogue and cooperation between them, strengthen their broader relationship and facilitate the improvement of their capacities to address labour matters;
- (b) enhance the well-being of their respective workforces progressively, through the promotion of sound labour policies and practices, and better understanding of each other's labour system; and

- (c) provide a forum to discuss and exchange views on labour issues of interest or concern.

Article 2

Key Commitments

1. The Parties affirm their respective commitments to the principles of the *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up* (1998).
2. Each Party shall seek to improve its labour laws, regulations, policies and practices, taking into account the international labour commitments applicable to it and its domestic circumstances.
3. Each Party shall respect the other Party's right to set, administer and enforce its own labour laws, regulations, policies and priorities, as appropriate.
4. The Parties recognise that it is inappropriate to set or use their labour laws, regulations, policies and practices for trade protectionist purposes.
5. The Parties recognise that it is inappropriate to encourage or gain trade or investment advantage by weakening or failing to enforce or administer their labour laws, regulations, policies and practices in a manner affecting trade between them.
6. Each Party shall promote public awareness of its labour laws and regulations domestically.

Article 3

Cooperation Framework

1. The Parties agree to establish a dialogue on labour matters of mutual interest and may explore opportunities for cooperation. Such dialogue and cooperation shall be subject to the availability of resources, the respective priorities of the Parties and their respective domestic laws and regulations.
2. Taking into account the Parties' interest and expertise in labour related areas, the Parties may jointly decide specific cooperative activities which may be implemented through a variety of means, such as the exchange of best practices and information, joint projects, studies, visits, workshops and dialogues as the Parties may agree. If the cooperative activities need funding, it shall be decided

by the Parties on a case-by-case basis, and according to the respective priorities of the Parties, their domestic laws and regulations and budget available.

3. Each Party may, as appropriate, invite the participation of its stakeholders in identifying potential areas for cooperation and in undertaking cooperative activities.

Article 4 Institutional Arrangements

1. In order to facilitate communication between the Parties for the purposes of this MOU, each Party shall designate a contact point no later than 6 months after the date of its entry into force. Each Party shall notify the other Party promptly of any change of the contact point.

2. The Parties may exchange information and coordinate activities by any means of communication, including internet and videoconference.

3. The Parties may agree to meet in order to discuss and exchange views on matters of mutual interest, consider areas of potential cooperative activities, and address any issue that may arise between them.

4. Each Party may, having regard to its own domestic circumstances, consult its stakeholders over matters relating to the operation of this MOU by whatever means that Party considers appropriate.

Article 5 Consultations

1. The Parties shall endeavour, at all times, to make every effort to settle in good faith any issue concerning the interpretation, implementation or application of this MOU through dialogue, cooperation and consultations.

2. Should any issue arise concerning the interpretation, implementation or application of this MOU, a Party may request consultations with the other Party, through its contact point. Any difference that may arise under or relating to this MOU shall be resolved solely between the Parties in accordance with this Article.

3. The Parties shall complete the consultations as soon as practicable, following the receipt by the requested Party of the request for consultations pursuant to paragraph 2.

