

# **AGREEMENT ON LABOUR**

## **BETWEEN**

### **HONG KONG, CHINA AND THE EFTA STATES**

The Hong Kong Special Administrative Region of the People's Republic of China (hereinafter referred to as "Hong Kong, China") on the one part, and Iceland, the Principality of Liechtenstein, the Kingdom of Norway, the Swiss Confederation (hereinafter referred to as the "EFTA States") on the other, hereinafter individually referred to as a "Party" or collectively as the "Parties":

**DESIRING** to strengthen the trade and economic relationship between Hong Kong, China and the EFTA States;

**CONSIDERING** the Free Trade Agreement between the EFTA States and Hong Kong, China;

**COMMITTED** to the pursuit of sustainable development, taking into account the social, environmental, cultural and economic circumstances of the Parties, and noting that it is essential for long term economic prosperity;

**CONSIDERING** the objectives of the International Labour Organisation (hereinafter referred to as the "ILO"), which the Parties firmly support; and

**RECOGNISING** the commitments made by the Parties in this Agreement on Labour between Hong Kong, China and the EFTA States, with each Party seeking to improve working conditions and protect and enhance basic workers' rights in that Party, taking into account the different domestic contexts, including development, social, cultural and historical backgrounds;

**HAVE AGREED:**

ARTICLE 1

***Objectives***

The objectives of the Parties are:

- (a) through dialogue and co-operation between the Parties, to strengthen the broader relationship and address labour matters of mutual interest or concern; and
- (b) to enhance the well-being of the respective Parties' workforces progressively, through the promotion of sound labour policies and practices, and better understanding of each Party's labour system.

ARTICLE 2

***International Labour Standards***

1. The Parties affirm their respective commitment to the principles of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up adopted by the International Labour Conference at its 86<sup>th</sup> Session in 1998.
2. The Parties recall the obligations to give effect to the ILO Conventions applicable to them and to make continued and sustained efforts towards ratifying or applying the "up-to-date" ILO Conventions, taking into account their domestic contexts.
3. The violation of fundamental principles and rights at work shall not be invoked or otherwise used as a legitimate comparative advantage. Labour laws, regulations, policies and practices shall not be used for trade protectionist purposes.

ARTICLE 3

***Right to Regulate and Levels of Protection***

Recognising the right of each Party to establish its own level of labour protection and to adopt or modify accordingly its domestic law and policies, each Party will seek to improve the levels of labour protection through its domestic law, policies and practices, consistent with standards and principles referred to in Article 2, taking into account its domestic context and priorities.

ARTICLE 4

***Upholding Levels of Protection in the Application and Enforcement of Domestic Law***

1. The Parties will faithfully enforce their respective domestic labour law.
2. Subject to Article 3, a Party will not:
  - (a) weaken or reduce the level of labour protection provided by its domestic law with the sole intention to encourage investment from another Party or to seek or to enhance a competitive trade advantage of producers or service providers operating in that Party; or
  - (b) waive or otherwise derogate from, or offer to waive or otherwise derogate from, such domestic law with the sole intention to encourage investment from another Party or to seek or to enhance a competitive trade advantage of producers or service providers operating in that Party.

ARTICLE 5

***Dialogue on Labour Matters***

The Parties agree to establish a dialogue on labour matters of mutual interest. Such dialogue shall be subject to the availability of resources, the respective priorities of the Parties and their respective domestic law.

ARTICLE 6

***Institutional Arrangements and Consultations***

1. The Parties should designate the administrative entities which serve as contact points for the purposes of this Agreement.
2. Should any issue arise over the interpretation, implementation or application of this Agreement, a Party may request consultations with another Party, through its contact point. The contact point shall identify the office or official responsible for the issue and assist as necessary in facilitating communications between the Parties. Any difference between the Parties under this Agreement shall be settled amicably through consultations and negotiations. Neither Party shall refer any difference arising from this Agreement to any third party or international tribunal for settlement.

ARTICLE 7

***Final Provisions***

1. This Agreement is concluded separately from, but alongside, the Free Trade Agreement between the EFTA States and Hong Kong, China.
2. This Agreement shall enter into force on the same date as the Free Trade Agreement enters into force between Hong Kong, China and the respective EFTA States.
3. A Party may withdraw from this Agreement by written notification to the other Parties. The withdrawal shall take effect six months after the date of notification.
4. If Hong Kong, China withdraws, this Agreement shall expire on the date on which its withdrawal takes effect in accordance with paragraph 3.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto, have signed this Agreement.

Done at Hong Kong and Schaan, in five originals, on the dates indicated, in the English language.

For the Hong Kong Special  
Administrative Region of the  
People's Republic of China

For Iceland

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Dated this 17<sup>th</sup> day of June 2011  
HONG KONG

.....  
Dated this 21<sup>st</sup> day of June 2011  
SCHAAN

For the Principality of Liechtenstein

.....  
Dated this 21<sup>st</sup> day of June 2011  
SCHAAN

For the Kingdom of Norway

.....  
Dated this 21<sup>st</sup> day of June 2011  
SCHAAN

For the Swiss Confederation

.....  
Dated this 21<sup>st</sup> day of June 2011  
SCHAAN