

CLOSER COLLABORATION BETWEEN UNITED KINGDOM AND HONG KONG ON TRADE AND ECONOMIC MATTERS

JOINT STATEMENT

The Secretary of State for International Trade of the United Kingdom (UK) and the Secretary for Commerce and Economic Development of the Hong Kong Special Administrative Region (HKSAR) recognise that the UK and Hong Kong enjoy strong and long-standing economic and trade relations, and are committed to forging broader and deeper collaboration on a number of priority areas with a view to creating an even more prosperous partnership to benefit UK and Hong Kong businesses and people. The two sides have identified some initial measures to achieve such a goal and will continue to explore other initiatives over the next 18 months.

1. GLOBAL FREE TRADE

The UK and Hong Kong are both strong advocates for free trade and open markets in international fora such as the World Trade Organisation. Following the UK's vote to leave the European Union, the UK reiterates that its economy is fundamentally strong and open for business. There is a real opportunity here for the UK and Hong Kong to build on an already-strong partnership. As heavily services-orientated economies, both jurisdictions share significant areas of common interest and are well-placed to promote the values of free trade globally as well as regionally. In September 2017, the UK Government and the Government of the HKSAR announced the launch of a Strategic Dialogue on Trade Partnership to improve the already excellent trading arrangements between the two economies.

2. INNOVATION

Promotion of innovation, research and development are important policy commitments of the HKSAR Government. It is also one of the primary objectives of the UK Industrial Strategy and an area of significant strength in the UK. Both sides have initially identified the following areas, with a view to developing more collaboration in future:

- a) **Smart Cities:** Smart city development will make our cities greener, cleaner, more liveable, sustainable and competitive. We will encourage the sharing of good practice and innovative solutions.
- b) **FinTech:** Fostering the growth of innovative FinTech firms, we will continue to develop clear regulatory environments to enable businesses to operate easily between both markets. We will look to build further FinTech partnerships between Hong Kong and the UK.
- c) **Collaboration in key technology areas:** we will encourage collaboration of universities, R&D institutions and technology enterprises of the UK and Hong Kong in key technology areas, including healthcare technologies, artificial intelligence and robotics technologies. Hong Kong is building up technology clusters in these areas by offering financial and other support to suitable scientific research institutions locally and overseas. We welcome the participation of such UK institutions.
- d) **On-Boarding Arrangements for Small Business:** recognising that it can be more daunting for SMEs, start-ups and innovators to establish their financing and operations, we will identify practical measures to simplify the current arrangements.

3. CREATIVE INDUSTRIES

Creative industries are new drivers for further economic development. Both the UK and Hong Kong place great emphasis on, and accord high priority to, the development of our respective creative industries. We will identify collaboration and exchange opportunities of mutual benefits to each other, with particular focus on market expansion and talent nurturing.

4. BELT AND ROAD INITIATIVE

Hong Kong enjoys the unique dual advantages of "One Country, Two Systems" and has an indispensable role to play in being the platform for the Belt and Road Initiative, particularly in the provision of financial and professional services. The UK has already demonstrated its commitment to the Belt and Road Initiative through its membership of the Asia Infrastructure Investment Bank and the creation of a Financial and Professional Services Board. Both sides have initially identified the following areas, with a view to developing more areas for collaboration in future.

- a) **Standards of Procurement and Project Management:** attracting innovative, efficient and quality construction and engineering companies through common standards. Building on the Memorandum of Understanding signed on 7 March 2018 between the Development Bureau of Hong Kong and the Infrastructure and Projects Authority of the UK, we will exchange expertise and experience to improve procurement approaches, uplift project performance, adopt innovative construction methods and enhance project delivery capability.

- b) **Financial cooperation:** Building on the success of the Hong Kong-London Financial Services Forum, we will explore ways to further promote and facilitate collaboration between UK and Hong Kong financial institutions.
- c) **Agency Cooperation and Collaboration:** good relationships already exist between UK and Hong Kong trade and investment departments and agencies and with Chambers of Commerce and other business representative bodies. We will examine what more can be done to better align our priorities and the services on offer to business. The Department for International Trade of the UK and Invest Hong Kong of the Government of the HKSAR will sign a Memorandum of Understanding on Cooperation on promoting both inward and outward investment in the UK and the HKSAR through information and experience sharing as well as other cooperation initiatives. We will also encourage our respective businesses and professionals to participate in relevant seminars and events aiming at furthering such collaboration.
- d) **Education:** continue to build on our strong links in education to explore and facilitate collaboration in education provision and professional development.