

Speech by Ms Lorna Wong,
Director, Hong Kong Economic & Trade Office,
at the Launch of the 2009 HKABA NSW Business Awards
on Friday, 15 May 2009

Mr David Howard, Counselor Ling Guiru, Mr Peter Sinn, Ms Belinda Wong, distinguished guests, ladies and gentlemen,

I am very honoured to be here this evening to mark the official launch of the 2009 HKABA New South Wales Business Awards.

The event this year marks a significant milestone for the HKABA NSW Chapter, as this is the tenth anniversary of the Business Awards. Since its inception in 2000, the Business Awards has become a major feature in the New South Wales business events calendar, playing a key role in reinforcing the strong economic and trade ties between Hong Kong and Australia, and giving recognition to distinguished companies in New South Wales which strive for excellence in bilateral trade and investment.

The economic and trade relationship between Hong Kong and Australia have seen remarkable growth in recent years. Despite the global

financial crisis, total trade volume in 2008 still records an increase of 9% over that of 2007. In terms of investment, Hong Kong is Australia's fifth largest foreign investor and tenth largest investment destination. Some 1,700 Australian businesses are either based or represented in Hong Kong.

Let me give you an example of the growing trade between Australia and Hong Kong – wine. Since the abolition of wine duty last year, we have made significant steps in developing Hong Kong into a regional wine trading and distribution hub. Wine imports in 2008 grew to HK\$2.9 billion (A\$490 million), or an increase of over 80% compared to 2007. The signing of a Memorandum of Understanding, or MOU, with Australia on Cooperation in Wine-related Businesses last month represents another key step for us. This is our first MOU with a New World wine-producing country, and for a good reason: Australia is now the second largest supplier of wine to Hong Kong. Wine import from Australia accounted for 19% of our total wine imports by volume and amounted to HK\$255 million (over A\$43 million) in 2008, representing a year-on-year increase of 28% by value. Many NSW wineries are well known in Hong Kong and I hope that more brands

and varieties of NSW wine will be exported to Hong Kong, either for local consumption or using Hong Kong as a hub for trading. And I am sure the Food and Wine Dinner organized by the HKABA NSW Chapter will draw a big crowd in late June.

I wish to take this opportunity to share with you another piece of good news. The HKSAR Government and the Central People's Government have agreed on further services liberalisation and trade co-operation under the bilateral trade agreement signed between the Mainland of China and Hong Kong back in 2003 i.e. the Closer Economic Partnership Arrangement, or CEPA. Under the latest round of liberalisation signed last week, 29 new liberalisation measures covering 20 service sectors were announced. These new measures will help enhance the competitiveness of Hong Kong service suppliers in the Mainland and create enormous opportunities for Australian businesses, because any foreign service provider which has been established in Hong Kong for over three years is treated as a Hong Kong company under CEPA rules. An Australian business can partner with, invest in or buy a CEPA-qualified firm in Hong Kong to gain full benefits from CEPA immediately.

CEPA is a unique free trade agreement in that it is concluded between two governments of the same country. CEPA draws support from two buttresses – the “One Country, Two Systems” principle and the separate membership of Hong Kong in the WTO, both enshrined in the Basic Law. With the firm bedrock of our mini-constitution, Hong Kong has continued to flourish as a free, open and competitive trading entity.

In closing, I would like to thank the HKABA NSW Chapter for the efforts they have made in fostering closer trade and economic relations between Hong Kong and Australia. Through its activities, the HKABA NSW Chapter has succeeded in extending our reach to the wider business community in this state. I also wish to congratulate Mr Peter Sinn, Ms Belinda Wong and the HKABA on making the Business Awards such a success. My best wishes go to all the companies which will be competing for the honours this year. Thank you.