

Trade Policy Review of the United Arab Emirates (First Session on 22 March 2022)

Statement by Hong Kong, China

- I would start by extending a warm welcome to the delegation of the United Arab Emirates (the UAE) led by H.E. Dr Ahmad Belhoul Al Falasi, Minister of State for Entrepreneurship and Small and Medium Enterprises. I would also like to thank the Discussant Ambassador José Valencia of Ecuador for sharing with us his insights, and the Secretariat for preparing a comprehensive report for this review.
- Hong Kong, China and the UAE have been enjoying cordial bilateral trade relations. In 2021, the UAE was our largest trading partner in the Middle East, with total merchandise trade amounting to USD12.8 billion, and an average annual growth of 4.1% from 2017 to 2021. Besides, in order to promote mutual investments, Hong Kong, China and the UAE signed an Investment Promotion and Protection Agreement in June 2019, which entered into force in March 2020.
- With the generous support of the UAE, Hong Kong, China set up a new Economic and Trade Office in Dubai in October 2021, which is our first external economic and trade office in the Middle East. This Office's mission is to promote and strengthen our bilateral economic, trade and cultural ties with the UAE, as well as with other member states of the Cooperation Council for the Arab States of the Gulf. It is a testimony of our commitment to developing closer trade relations with the UAE.
- Let me now highlight our observations on the trade policies of the UAE.
- First, **trade facilitation**. We are pleased to note that the UAE has made improvements to its customs clearance system and information sharing mechanisms between border agencies, which have contributed to clearance of 96% of customs declarations in less than two minutes. We are also glad to learn that the UAE's Authorized Economic Operators scheme piloted in 2016 has since resulted in substantially shorter clearance times and lower costs for participants covering all Gulf Cooperation Council members.
- Nevertheless, while the UAE has committed to implementing nearly all provisions in the Trade Facilitation Agreement, we notice that certain transparency notifications have yet to be made. We would encourage the UAE to submit the notifications as soon as possible.

- On **tariff**, we are pleased to note that the UAE has bound all its tariff lines, and most of the applied tariff rates are either at 5% or duty-free. That said, the applied tariffs of certain products such as goods containing alcohol exceed the bound tariffs by significant margins. We look forward to the UAE's continued efforts in enhancing its tariff regime.
- Turning to **agriculture**. The agriculture sector of the UAE continues to be relatively protected, though its contribution to GDP was less than 1% in 2020. The applied MFN tariff for agricultural products increased from 5.5% in 2015 to 6.7% in 2021, which remained higher than that of non-agricultural products at 4.7%.
- On the other hand, we are pleased to note that the UAE all along supports more transparency in the use of export restrictions and has submitted up-to-date notifications on domestic support and export subsidies. According to its notifications, the UAE did not provide any export subsidies during the review period and maintained only "green box" domestic support, mainly related to measures on pest and disease controls, and advisory services.
- We are also glad to note that the UAE is a co-sponsor of the joint statement on responding to the COVID-19 pandemic with open and predictable trade in agricultural and food products as well as the joint statement on agriculture export prohibitions or restrictions relating to the World Food Programme.
- Lastly, on **services**, we note that the services sector continued to be an important contributor to the UAE's GDP, accounting for 50% in 2020. However, foreign participation in certain sectors is still subject to restrictions. In this regard, we would like to encourage the UAE to consider further liberalising the restrictions on foreign investment in its services sectors, such as financial services, telecommunications and maritime transport.
- Hong Kong, China highly appreciates the constructive contributions of the UAE to the WTO and shares the UAE's commitment in maintaining a strong and effective multilateral trading system. I would like to thank the UAE for its replies to Hong Kong, China's questions and would wish the UAE a successful and productive trade policy review.
- Thank you very much.

Hong Kong Economic and Trade Office in Geneva
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