

Trade Policy Review of Australia
(First Session on 12 March 2025)

Statement by Hong Kong, China

- Thank you, Chair.
- Hong Kong, China (HKC) warmly welcome the Australian delegation, headed by **Mr. Paul WOJCIECHOWSKI**, Acting First Assistant Secretary from the Department of Foreign Affairs and Trade.
- We would also like to recognize the thoroughness of the WTO Secretariat in compiling their report for the ninth Trade Policy Review of Australia.
- Thanks also go to the Discussant, Ambassador **PITFIELD** of Thailand, for her insightful and witty remarks, which have enriched today's discussion.

Australia and Hong Kong, China

- HKC and Australia have enjoyed strong bilateral trade and investment connections for decades. The people-to-people ties are just as strong, if not more.
- Our trade and investment partnership has been reinforced by the HKC-Australia Free Trade Agreement and Investment Agreement, which entered into force in January 2020. The two Agreements are comprehensive in scope and the commitments therein are of high quality, thereby creating more opportunities for trade and investment flows between the two places. In particular, we have witnessed a significant growth in services trade in recent years.
- In 2021, a year after the entry into force of the two agreements, we saw a jump of over 8% in bilateral services trade, then another jump of over 10% in 2022. The latest statistics of 2023 shows that Australia was now Hong Kong's eighth largest services trade partner, with bilateral services trade value amounting to US\$4.9 billion, representing yet another impressive growth of 10.4% over the previous year.

- HKC also remains a strategic hub for Australian businesses. As of June 2024, Hong Kong hosts around 20 regional headquarters, 50 regional offices, and 100 local offices whose parent companies are located in Australia. Their presence has no doubt cemented Australia's reputation as HKC's trusted partner in the Asia Pacific region.

Australia and WTO

- HKC and Australia are both staunch advocates of free trade. We share many common interests in advancing WTO agendas such as WTO reforms, dispute settlement reform and the WTO agreement on fisheries subsidies. We commend Australia for its steadfast commitment to open markets and the rules-based multilateral trading system. The active and constructive engagements of their excellent team here in Geneva under the leadership of **Ambassador James BAXTER** is widely recognized. Their dedication to bridging differences at the negotiation tables to push forward initiatives at the WTO are invaluable contribution to the resilience of the multilateral trading system. This is of particular importance in times of global economic volatility.
- In particular, HKC commend Australia's sterling efforts in driving various Joint Statement Initiatives at the WTO. Their pivotal role as a Co-Convenor of the JSI on E-commerce to find the right balance to set the first ever baseline digital trade rules after five years of hard work is truly remarkable.

Trade Policy of Australia

- With respect to the trade policy of Australia, we have four main observations.
- First, on **tariff**, we appreciate Australia's efforts in simplifying and liberalising its tariff regime during the review period. Particularly, Australia has unilaterally eliminated the so-called "nuisance tariffs" on over 450 tariff lines across various product categories. The Australian tariff regime remains simple, with about half of the tariff lines duty-free and half at 5%. We commend Australia's efforts in maintaining an open market and reducing the cost for importing goods into its market.

- Second, on **trade facilitation**, we welcome the launch of the Simplified Trade System in July 2021, which aims at enhancing trade-related systems and regulations across the government. We commend Australia on the efforts to enhance its authorised operator programme with the Duty Deferral Plus benefit, allowing more time for the payment of customs duties and other charges after importation. Australia has a network of Mutual Recognition Arrangements on authorised operators with trading partners, and HKC is pleased to be one of Australia's partner economies.
- Third, on **Agriculture**, which remains a vital sector for Australia, we commend their efforts to promote drought resilience and to encourage investment in research and development to address challenges brought about by climate change. We note, however, that biosecurity measures and their related border procedures remain numerous and are accompanied by various fees. While we recognise the importance of safe agricultural trade, we would appreciate it if Australia would regularly evaluate such practices to avoid overly stringent and burdensome restrictions.
- Fourth, on **services**, the services sector continues to dominate the economy of Australia, accounting for 70% of nominal GDP in 2023-24. With the growing importance of digital trade, we are pleased to note Australia's plans to advocate for digital trade liberalisation, with a focus on strategies including paperless trading and cross-border data flows. Like HKC, Australia is also a strong advocate for a permanent ban on customs duties on electronic transmissions, which is to date the most important contribution the WTO has made to e-commerce. Australia's efforts in promoting trade in environmental and environmentally related services to address evolving global challenges is also most commendable. HKC looks forward to continuing our cooperation with Australia in pursuing further liberalisation on trade in services.
- Lastly, HKC would like to thank Australia for their timely replies to all our written questions. We wish Australia a successful Trade Policy Review and are eager to continue our close collaboration in fostering a robust, inclusive and sustainable multilateral trading system.

- Thank you.

Hong Kong Economic and Trade Office in Geneva
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