

# **EFTA States and Hong Kong, China sign Free Trade Agreement**

*Schaan – 21 June 2011 - Ministers from the Member States of the European Free Trade Association (EFTA) - Iceland, Liechtenstein, Norway and Switzerland - and Hong Kong, China have signed a Free Trade Agreement (FTA) today. The FTA will further enhance the economic ties and promote trade and investment between the two sides.*

The EFTA-Hong Kong, China FTA was signed by Aurelia Frick, Minister of Foreign Affairs of Liechtenstein; Össur Skarphéðinsson, Minister for Foreign Affairs and External Trade of Iceland; Rikke Lind, State Secretary, Ministry of Trade and Industry of Norway; and Johann Schneider-Ammann, Federal Councillor and Head of the Federal Department of Economic Affairs of Switzerland; as well as by Gregory So Kam-leung, Acting Secretary for Commerce and Economic Development of Hong Kong, China.

The negotiations between EFTA and Hong Kong, China were launched in January 2010 and concluded in March 2011. The FTA covers a broad range of areas, notably trade in goods (industrial and processed agricultural goods, fish and other marine products), trade in services, investment, protection of intellectual property rights, government procurement, competition and trade and environment. Bilateral arrangements on agricultural products between the individual EFTA States and Hong Kong, China also form part of the instruments establishing the free trade area between the two sides. A parallel agreement on labour was concluded in connection with the FTA.

A Joint Committee will supervise the functioning of the FTA. The Agreements will become effective after the completion of internal ratification procedures by the Parties.

Merchandise trade between the EFTA States and Hong Kong, China has increased at an average rate of 12% between 2005 and 2010. In 2010, total trade between the two sides was valued at USD 8.3 billion, with EFTA's exports to Hong Kong, China amounting to USD 6.5 billion and imports reaching USD 1.7 billion. Trade in goods in both directions is dominated by clocks and watches and precious stones.

With a combined population of around 13 million, the EFTA States are the world's 11<sup>th</sup> largest merchandise traders, as well as significant actors in the areas of trade in services and foreign direct investment. They have now concluded 23 FTAs with a total of 32 partner countries outside the EU.

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