

Speech by SJ at Roundtable on Trade Renewal and Future of Multilateralism (English only) (with photo)

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Following is the speech by the Secretary for Justice, Mr Paul Lam, SC, at the Roundtable on Trade Renewal and the Future of Multilateralism organised by the International Chamber of Commerce (ICC) - Hong Kong and the Asia Global Institute today (March 20):

Mr Brandt (Mr Keith Brandt, Chairman of the ICC - Hong Kong), Dr Fung (Dr Victor Fung, Chairman of the Asia Global Institute), Mr Denton (Mr John Denton, Secretary-General of the ICC), distinguished guests, ladies and gentlemen,

A very good morning. It is my great pleasure to join you at this High-Level Roundtable. I wish to begin by thanking ICC - Hong Kong and also the Asia Global Institute for the kind invitation. The theme of today's discussion, namely, "Trade Renewal and the Future of Multilateralism", is most timely having regard to what is happening in other parts of the world. Before you hear from so many eminent speakers, let me try to set the scene.

The core elements of multilateralism can be represented by three "Cs", namely, co-operation, compromise and co-ordination. Countries would and should work together, that is co-operation; make deals, that is compromise; and organise their efforts, this is co-ordination to solve problems that one country alone could not handle. To enable and facilitate co-operation, compromise and co-ordination, there is no doubt that international rule of law based on a rule-based international order is essential.

Hong Kong's rule-based infrastructure

Hong Kong, as a special administrative region of the People's Republic of China (PRC), has always been a staunch supporter of international rule of law and multilateralism. This is most evident in the area of international trade. Hong Kong is well recognised as an international trade centre. There are many reasons leading to Hong Kong's success, for example, our free-trade and low-tax policy. But I would venture to suggest that an important contributing factor is that Hong Kong has always been one of the most consistent and insistent followers of international trade law, as well as proactive participants in international trade institutions.

To begin with, Hong Kong became a separate contracting party to the General Agreement on Tariffs and Trade back in 1986. Hong Kong is of course a founding member of its successor, the World Trade Organization (WTO), in 1995. After China's resumption of the exercise of sovereignty on July 1, 1997, Hong Kong has continued to participate in the WTO as a full and separate member under "Hong Kong, China".

Hong Kong's commitment to a rule-based system is also reflected by our connections with other jurisdictions through bilateral and multilateral agreements. To date, Hong

Kong has concluded nine free trade agreements with 21 economies, 24 investment promotion and protection agreements with 33 foreign economies, as well as double taxation agreements with 56 tax jurisdictions. Looking ahead, the Government will continue to seek accession to the Regional Comprehensive Economic Partnership, and work on investment agreements with other countries such as Qatar, Saudi Arabia, Bangladesh, Egypt and Peru.

#### Implementation, credibility and dispute settlement

Of course, what matters is not merely an agreement on paper, but how faithfully it is carried out in practice. In this respect, Hong Kong has an impeccable record, to the best of my knowledge and belief: Hong Kong has never been found in breach of any legal obligations before the WTO Dispute Settlement Body (DSB) or under any investment agreements.

When disputes arose, Hong Kong would insist on attempting to resolve them by peaceful means in accordance with the applicable legal procedures. For example, Hong Kong has invoked WTO procedures in the well-known case in which we challenged the United States (US)'s origin-marking requirements on products from Hong Kong. The Panel established under the WTO DSB affirmed our status as a separate customs territory and a full member of the WTO in its own right; and that the origin-marking requirement imposed by the US on products from Hong Kong is discriminatory and inconsistent with WTO rules. It is unfortunate and frustrating that the US has decided to appeal against the Panel's report to the Appellate Body, an appeal mechanism that it has crippled since end-2019 by continuously blocking the appointments of members to the body. While these difficulties were not entirely unexpected, it is significant to demonstrate our stance that the rules, including those regulating the resolution of disputes, must be adhered to in order to maintain the integrity of the whole system.

#### Modernising the legal framework for future trade and the importance of independent judiciary

Defending the rules is essential, but so is making sure that they keep pace with a changing world. Hong Kong has taken an active role in the development of international rules. For example, as part of the Chinese delegation, we have been participating in the work of UNCITRAL (United Nations Commission on International Trade Law) Working Group III on investor-State dispute settlement reform. Last October, the headquarters of the International Organization for Mediation, formed pursuant to an international treaty signed in Hong Kong last May, commenced operation in Hong Kong. It created a new platform for the amicable resolution of international disputes, which aims to address many existing challenges identified by the UNCITRAL Working Group III.

Hong Kong is also keen to collaborate with international legal organisations. Last Thursday, as the Secretary for Justice, I signed a memorandum of administrative arrangements with the Secretary-General of the International Institute for the Unification of Private Law (UNIDROIT) concerning the establishment of a liaison office in Hong

Kong. The office will be the first overseas office of UNIDROIT outside its seat in Rome in its 100 years of history. UNIDROIT is an independent intergovernmental organisation with 65 member states; and its purpose is to study the needs and methods for modernising, harmonising and co-ordinating private and, in particular, commercial law among states and groups of states and to formulate uniform law instruments, principles and rules to achieve those objectives.

At the domestic level, we are equally keen on keeping our legal framework aligned with international standards and the realities of modern trade. For example, in 2021, we enacted the Sale of Goods (United Nations Convention) Ordinance to give effect to the United Nations Convention on Contracts for the International Sale of Goods, which is often described as the most successful substantive uniform commercial law treaty. This allows international sales of goods to be governed by one modern and uniform regime, reducing choice-of-law complications, lowering legal costs and providing greater certainty and predictability.

An important government policy is to promote the digitalisation of trade to lower costs and improve efficiency. Among other things, the Government will introduce a legislative proposal later this year to incorporate the UNCITRAL Model Law on Electronic Transferable Records into our domestic law. The WTO will hold its 14th Ministerial Conference from March 26 to 29 in Cameroon. An important issue will be about an agreement on electronic commerce. While it seems infeasible for all WTO members to reach a consensus at this stage, Hong Kong would support an interim arrangement which allows such an agreement to become applicable to those members who agree.

For all these efforts at the domestic level, what ultimately gives them meaning is how the relevant law is applied in real cases. That is where Hong Kong's reputable independent judiciary, enjoying the power of final adjudication, plays a central role. One must also not forget that international commercial and investment disputes are very often resolved by arbitration; and Hong Kong is the second most preferred seat of arbitration in the world according to the 2025 Queen Mary University of London survey.

#### The future and China's national policy

Ladies and gentlemen, we are now living at a time of great uncertainties: There are attempts to replace multilateralism with unilateralism; and a rule-based international order with a power-based international order. There is all the more reason we have to insist on maintaining and enhancing rule-based multilateralism because this is the only way to overcome serious challenges ahead. While the challenges are huge, there are good reasons to be optimistic. This is because China, our motherland, is taking the lead in this respect.

On September 1, 2025, China proposed the Global Governance Initiative (GGI) to promote the building of a more just and equitable global governance system and work together for a community with a shared future for humanity. The GGI is another major initiative proposed by China, following the Global Development Initiative, the Global

Security Initiative and the Global Civilization Initiative. Two of the five core principles of the GGI are staying committed to international rule of law, and staying committed to multilateralism.

More recently, last week, the National People's Congress of the PRC adopted the National 15th Five-Year Plan. It states, among other things, that the PRC will promote, build and maintain a fair, just, open, inclusive, and mutually beneficial co-operative international economic order; it will defend the multilateral economic system with the WTO at its core, engage comprehensively and deeply in WTO reforms, as well as resolutely oppose protectionism and the indiscriminate imposition of tariffs. I am confident that Hong Kong, having regard to its exemplary track record and various unique systematic strengths under the principle of "one country, two systems", can and will contribute significantly to assisting our country to achieve these vital objectives.

Before I conclude, I would like to underscore the important role played by the ICC in promoting open and rules-based trade, and effective dispute resolution. Its decision in 2008 to establish the ICC International Court of Arbitration Secretariat's first overseas Asia Office in Hong Kong not only underlines the growing importance of the Asia-Pacific region to the ICC's work, but is also a strong vote of confidence in Hong Kong. I am pleased to note that the ICC is seeking to play a more active role in Hong Kong. I look forward to closer collaboration between the Department of Justice and the ICC in the years ahead.

Lastly, may I wish you all a very constructive and enjoyable roundtable discussion this morning. Thank you very much.

Ends/Friday, March 20, 2026