

Speech by PSCIT at signing ceremony for the MOU between Hong Kong and Bordeaux on Co-operation in Wine-related Businesses (English only)

Following is a speech by the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism), Miss Yvonne Choi, at the signing ceremony for the Memorandum of Understanding (MOU) between Hong Kong and Bordeaux on Co-operation in Wine-related Businesses in Bordeaux, France today (October 7):

Madame Regimbaud Cazes, Monsieur Courbu, ladies and gentlemen,

Good Morning. I am delighted to return to the beautiful City of Bordeaux for the third time - and this time with an important mission, which is to sign the Memorandum of Understanding (MOU) between Hong Kong and Bordeaux on Co-operation in Wine-related Businesses.

This Memorandum of Understanding follows the MOU that Hong Kong signed with the French Government on August 19, 2008. It specifies areas of co-operation particular to Bordeaux.

The wine market in Asia, particularly that of Mainland China, offers robust potential for business. Hong Kong is well placed to become a regional hub for wine trading and distribution. Not only because Hong Kong is strategically-placed in geographical terms, close to the Mainland of China, and because of our business-friendly environment, but because the Hong Kong SAR Government, in close liaison with the wine-related industries in Hong Kong, is being proactive in making it happen.

Hong Kong becoming a regional wine hub

First, the Hong Kong SAR Government reduced wine duty from 80% to 40% in 2007, then to zero in February this year, making Hong Kong the first free wine port among major economies. The market response in Hong Kong is most encouraging. In the five months since duty was lifted, between March and July 2008, wine imports into Hong Kong increased by about 95% in value compared to the same period last year. Wine imports from France, Hong Kong's largest supplier, increased by as much as 116% during the same period. Wine-related activities have surged; new companies have established a presence in Hong Kong and existing ones have flourished; wine

companies are expanding their storage facilities to cope with increased imports; wine auctions returned and achieved record-breaking sales with more being lined up.

Second, building on this momentum, the Government is actively pursuing measures in various areas to enhance trade and investment promotion in wine, in terms of customs facilitation, doing a lot more against counterfeit products, and co-operation with our trading partners.

MOU with Bordeaux

The Hong Kong and Bordeaux MOU is a milestone in our efforts in the development of wine-related business. This MOU is the first Hong Kong is signing with a wine-producing region. In fact, I understand from President Courbu that this is also the first MOU Bordeaux is signing with a non-wine producing area.

The MOU provides for co-operation in a range of specific areas including wine-related tourism, trade and investment promotion, the transfer of technologies such as wine storage, and manpower training. Two particular elements in the MOU I would like to highlight are:-

(a) the organising of a wine festival in Hong Kong in 2009. We will make reference to the Wine Festival held in Bordeaux in organising a similar festivity in Hong Kong. We will organise a gourmet festival in parallel, as we believe good food and fine wines go together. We will discuss with the Bordeaux Chamber of Commerce and Industry and the Hong Kong Tourism Board to work out the details. To enhance the impact, we intend to organise the two festivals at the same time. We will adapt the format of the wine festival to suit the local circumstances because Hong Kong is compact - we do not have a river, we have a harbour;

(b) encouraging the “Great Wine Capital Global Network”, of which Bordeaux is a core member in concert with 7 other world-renowned wine-producing regions, to hold their annual meeting in Hong Kong.

Ladies and gentlemen, this MOU is a common endeavour of Bordeaux and Hong Kong. Signing it is the only first step in what I am sure will be a long and fruitful co-operation between the two places. As we work together to achieve the deliverables contained in the MOU, our co-operation will deepen and expand. Both sides will also explore new areas of co-operation. I have every confidence that this MOU will bring

mutual benefit to Hong Kong and Bordeaux, and that with expertise, care, time and love, our relationship will mature like your fine Bordeaux wines.

Thank you.

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