

Hong Kong / Latvia Trade and Economic Relations

I. Points-to-Note:

- The average annual growth rate in bilateral trade from 2006 to 2010 was +29.0%.
- In 2010, Latvia ranked as HK's –
 - (a) 70th trading partner in the world and
 - (b) 22nd trading partner among the 27 European Union (EU) Member States¹.
- Reciprocally, HK ranked 21st among Latvia's trading partners outside the EU in 2010².
- Ranking in world trade entity in 2010³:
 - Merchandise trade : HK - 10th; Latvia - 85th
(if taking the EU as a single entity, HK ranked 6th, the EU ranked 1st)
 - Services trade : HK - 14th; Latvia - 78th
(if taking the EU as a single entity, HK ranked 8th, the EU ranked 1st)
- In 2010, 32.8%⁴ of the total trade between Latvia and the Mainland (HK\$841.6 million or US\$108.3 million)⁵ was routed through HK.

II. Summary of Hong Kong's Trade with Latvia⁶

Value in HK\$ million (US\$ million)

	2010	2010/2009 % change	2011 (Jan - Aug)	2011/2010 % change (Jan - Aug)
(a) Domestic Exports	6.9 (0.9)	+37.9 ⁷	1.5 (0.2)	+45.8 ⁷
(b) Re-exports	943.0 (121.4)	+26.5	1,138.3 (146.2)	+105.7 ⁸
<i>- of Mainland origin</i>	838.9 (108.0) [89%] ⁹	+17.9	1,102.6 (141.6) [97%] ⁹	+123.0
(c) Total Exports [(a)+(b)]	949.9 (122.3)	+26.6	1,139.8 (146.4)	+105.6
(d) Imports	26.9 (3.5)	+8.3	28.5 (3.7)	+63.5 ¹⁰
(e) Total Trade¹¹ [(c)+(d)]	976.8 (125.7) [0.02%]	+26.0	1,168.3 (150.1) [0.02%]	+104.3
(f) Balance of Trade¹² [(c)-(d)]	923.0 (118.8)	-	1,111.3 (142.7)	-

¹ The 27 EU Member States are : Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

² Source: Statistical Office of the European Communities, Eurostat.

³ Source: WTO Statistics Database and WTO Press Release Press/628 dated 7 April 2011. The rankings are provisional and subject to change.

⁴ An estimate based on the Eurostat and Hong Kong trade statistics.

⁵ The figures represent the total of : (a) re-exports of Mainland-origin goods to Latvia via HK (HK\$838.9 million or US\$108.0 million); and (b) re-exports of Latvia-origin goods to Mainland via HK (HK\$2.7 million or US\$0.3 million).

⁶ Source: Census and Statistics Department.

⁷ Due to limited value of HK's domestic exports to Latvia, small changes in absolute value led to substantial fluctuations in percentage terms. Domestic exports to Latvia increased in 2010 due to a rise in demand for plastic tubes, pipes and hoses. The upward trend continued during January-August 2011 mainly due to the rise in demand for photographic apparatus and equipment.

⁸ The significant increase in re-exports to Latvia in January-August 2011 was mainly attributed to the rise in demand for telecommunications equipment.

⁹ Figures denote percentage share of Mainland-origin re-exports over total Hong Kong re-exports to Latvia.

¹⁰ Imports from Latvia increased sharply in January-August 2011 as a result of the rise in demand for alcoholic beverages; plastic waste and scrap; telecommunications equipment; as well as furskins.

¹¹ Figures in brackets [] denote percentage share in Hong Kong's total trade with the world.

¹² Positive figures denote a trade balance in favour to Hong Kong, while negative figures denote a trade balance in favour to Latvia.

III. Major Categories of Commodities Traded between Hong Kong and Latvia in 2010¹³

Domestic Exports to Latvia	<ul style="list-style-type: none"> - Latvia ranked 88th among Hong Kong's domestic export markets. - Television receivers (59.4%); plastic tubes, pipes and hoses (24.2%); textiles (4.0%); metalworking machinery (other than machine-tools) and parts (3.4%); and plastic articles (2.6%).
Re-exports to Latvia	<ul style="list-style-type: none"> - Latvia ranked 62nd among Hong Kong's re-export markets. - Telecommunications equipment (58.1%); cathode valves and tubes/transistors/integrated circuits/semi-conductor devices (12.4%); clothing (6.0%); toys and games (3.2%); and textiles (2.7%).
Imports from Latvia	<ul style="list-style-type: none"> - Latvia ranked 117th among Hong Kong's sources of imports. - Birds' eggs, in shell, fresh, preserved or cooked (19.5%); telecommunications equipment (18.9%); plastic waste and scrap (17.2%); electrical machinery and apparatus (13.2%); and parts and accessories of office machines and computers (4.8%).

IV. Economic Indicators

	Latvia ¹⁴		Hong Kong ¹⁵	
	2009	2010	2009	2010
Population (million)	2.3	2.2	7.0	7.1
Current Price GDP (US\$ billion)	26	24	209	224
Current GDP per capita (US\$)	11,448	10,680	29,881	31,759
Real GDP growth (% change)	-18.0	-0.3	-2.7	7.0
CPI (% change)	3.3	-1.2	0.5	2.4
Unemployment (%)	17.3	19.0	5.4	4.4
Exports (US\$ billion)¹⁶	7.7	9.5	319	390
Imports (US\$ billion)¹⁶	9.8	11.5	347	433

Europe Division
Trade and Industry Department

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¹³ Source: Census and Statistics Department.

¹⁴ Source: International Monetary Fund (IMF), World Economic Outlook Database, September 2011 edition, unless otherwise specified.

¹⁵ Source: Census and Statistics Department.

¹⁶ Source: WTO Statistics Database.