

Hong Kong / United Kingdom (UK) Trade Relations

I. Points to Note

- Average annualised bilateral trade growth rate (2005 - 2009): -1.1%.
- In 2009, the UK ranked 9th among our trading partners in the world and 2nd among the European Union (EU) Member States¹.
- Reciprocally, HK ranked 11th among the UK's trading partners outside the EU in 2008².
- Ranking in world merchandise trade in 2008³:
 - HK: 13th; UK : 8th
 - (if taking the EU as a single entity, HK ranked 8th, the EU ranked 1st)
- In 2009, HK\$61.8 billion (US\$8.0 billion) worth of goods, or 17.2%⁴ of the total trade between the UK and the Mainland of China, was routed through HK.

II. Summary of HK's Trade with the UK⁵

HK\$ million (US\$ million)

| | 2008 | 2008/2007 % change | 2009 | 2009/2008 % change |
|---|--------------------------------|-----------------------|-------------------------------|-----------------------|
| Domestic Exports to the UK | 2,722.5 (349.6) | -53.4 | 1,239.4 (159.9) | -54.5 ⁶ |
| Total Re-exports to the UK | 72,665.4 (9,331.6) | +5.3 | 58,432.0 (7,537.7) | -19.6 |
| <i>Re-exports to the UK (of which of Mainland origin)</i> | 67,806.0 (8,707.6) | +6.3 | 54,652.1 (7,050.1) | -19.4 |
| Imports from the UK | 38,041.7 (4,885.3) | +25.9 | 36,175.5 (4,666.6) | -4.9 |
| Total Trade⁷ | 113,429.6 (14,566.5) [1.9%] | +7.9 | 95,846.9 (12,364.2) [1.9%] | -15.5 |
| Balance of Trade⁸ | 37,346.2 (4,796.0) | - | 23,495.9 (3,030.9) | - |

¹ The EU comprises 27 Member States, including : 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 UK.

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

³ Source: WTO International Trade Statistics 2009.

⁴ An estimate based on the Eurostat and HK trade statistics. The Eurostat 2009 yearly figure is projected from Jan – Jul 2009 statistics.

⁵ Source: Census and Statistics Department.

⁶ Domestic exports to the UK have been decreasing since 2007. The fall in 2008 was mainly caused by a substantial drop in clothing exports. The continuous decrease in 2009 was attributed to the decline in exports of clothing, jewellery, and telecommunications equipment.

⁷ Figures in brackets [] denote percentage share in HK's total trade with the world.

⁸ Positive figures denote a trade balance in favour to HK, while negative figures denote a trade balance in favour to the UK.

III. Major Categories of Commodities Traded between HK and the UK in 2009

| | |
|-----------------------------------|---|
| Domestic Exports to the UK | <ul style="list-style-type: none"> - The UK was HK's 8th largest market for domestic exports in 2009. - Clothing (26.0%); jewellery (23.2%); telecommunications equipment (12.8%); printed matter (9.7%); and edible products and preparations (7.4%). |
| Re-exports to the UK | <ul style="list-style-type: none"> - The UK was HK's 5th largest market for re-exports in 2009. - Clothing (31.5%); telecommunications equipment (11.0%); toys and games (8.4%); silver and platinum (5.1%); and jewellery (3.9%). |
| Imports from the UK | <ul style="list-style-type: none"> - The UK was HK's 12th largest source of imports in 2009. - Non-electric engines and motors (27.2%); telecommunications equipment (15.0%); silver and platinum (4.6%); and alcoholic beverages (3.6%). |

IV. Major Economic Indicators of the UK*

| | 2006 | 2007 | 2008 |
|--|--------|--------|--------|
| Population (million) | 60.6 | 61.0 | 61.3 |
| GDP (Current Price) (US\$ billion) | 2,443 | 2,800 | 2,680 |
| GDP per capita (Current Price) (US\$) | 40,321 | 45,922 | 43,734 |
| Real GDP growth (%) | 2.9 | 2.6 | 0.7 |
| Inflation (%) | 2.3 | 2.3 | 3.6 |
| Unemployment (%) | 5.4 | 5.4 | 5.5 |
| Exports (US\$ billion)# | 449 | 439 | 459 |
| Imports (US\$ billion)# | 601 | 623 | 632 |

* Source: International Monetary Fund (IMF), World Economic Outlook Database, October 2009 edition, unless otherwise specified.

Source: WTO International Trade Statistics 2009.

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