

## Hong Kong / United Kingdom (UK) Trade and Economic Relations

### I. Points-to-Note:

- The average annual growth rate in bilateral trade from 2006 to 2010 was -1.1%<sup>1</sup>.
- In 2010, the UK ranked as HK's -
  - (a) 11<sup>th</sup> trading partner in the world; and
  - (b) 2<sup>nd</sup> trading partner among the 27 European Union (EU) Member States<sup>2</sup>.
- Reciprocally, HK ranked 11<sup>th</sup> among the UK's trading partners outside the EU in 2010<sup>3</sup>.
- Ranking in world trade entity in 2010<sup>4</sup>:
  - Merchandise trade: HK - 10<sup>th</sup>; the UK - 7<sup>th</sup>  
(if taking the EU as a single entity, HK ranked 6<sup>th</sup>, the EU ranked 1<sup>st</sup>)
  - Services trade: HK - 14<sup>th</sup>; the UK - 3<sup>rd</sup>  
(if taking the EU as a single entity, HK ranked 8<sup>th</sup>, the EU ranked 1<sup>st</sup>)
- In 2010, 13.4%<sup>5</sup> of the total trade between the UK and the Mainland (HK\$64.0 billion or US\$8.2 billion)<sup>6</sup> was routed through HK.

### II. Summary of Hong Kong's Trade with the UK<sup>7</sup>

*Value in HK\$ billion (US\$ billion)*

	2010	2010/2009 % change	2011 (Jan – Aug)	2011/2010 % change (Jan - Aug)
<b>(a) Domestic Exports</b>	1.55 (0.20)	+25.4	1.08 (0.14)	+8.7
<b>(b) Re-exports</b>	59.23 (7.62)	+1.4	38.34 (4.93)	+2.4
<i>- of Mainland origin</i>	55.59 (7.16) [94%] <sup>8</sup>	+1.7	35.28 (4.53) [92%] <sup>8</sup>	+0.6
<b>(c) Total Exports [(a)+(b)]</b>	60.78 (7.82)	+1.9	39.43 (5.06)	+2.5
<b>(d) Imports</b>	39.81 (5.12)	+10.1	31.14 (4.00)	+24.6
<b>(e) Total Trade<sup>9</sup> [(c)+(d)]</b>	100.59 (12.95) [1.6%]	+5.0	70.56 (9.06) [1.5%]	+11.2
<b>(f) Balance of Trade<sup>10</sup> [(c)-(d)]</b>	20.97 (2.70)	-	8.29 (1.06)	-

<sup>1</sup> The negative growth rate was primarily due to the global economic downturn in 2009 which brought about a drop of 15.5% in bilateral trade for that year.

<sup>2</sup> 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.

<sup>3</sup> Source: Statistical Office of the European Communities, Eurostat.

<sup>4</sup> Source: WTO Statistics Database and WTO Press Release Press/628 dated 7 April 2011. The rankings are provisional and subject to change.

<sup>5</sup> An estimate based on the Eurostat and Hong Kong trade statistics.

<sup>6</sup> The figures represent the total of : (a) re-exports of Mainland-origin goods to the UK via HK (HK\$55.6 billion or US\$7.1 billion); and (b) re-exports of UK-origin goods to Mainland via HK (HK\$8.4 billion or US\$1.1 billion).

<sup>7</sup> Source: Census and Statistics Department.

<sup>8</sup> Figures denote percentage share of Mainland-origin re-exports over total Hong Kong re-exports to the UK.

<sup>9</sup> Figures in brackets [ ] denote percentage share in Hong Kong's total trade with the world.

<sup>10</sup> Positive figures denote a trade balance in favour to Hong Kong, while negative figures denote a trade balance in favour to the UK.

### III. Major Categories of Commodities Traded between Hong Kong and the UK in 2010<sup>11</sup>

<b>Domestic Exports to the UK</b>	<ul style="list-style-type: none"> <li>- The UK ranked 8<sup>th</sup> among Hong Kong's domestic export markets.</li> <li>- Jewellery (26.0%); telecommunications equipment (21.7%); clothing (10.7%); parts and accessories of office machines and computers (10.2%); and edible products and preparations (9.5%).</li> </ul>
<b>Re-exports to the UK</b>	<ul style="list-style-type: none"> <li>- The UK ranked 7<sup>th</sup> among Hong Kong's re-export markets.</li> <li>- Clothing (30.2%); telecommunications equipment (9.8%); toys and games (8.9%); silver and platinum (4.1%); and jewellery (3.8%).</li> </ul>
<b>Imports from the UK</b>	<ul style="list-style-type: none"> <li>- The UK ranked 12<sup>th</sup> among Hong Kong's sources of imports.</li> <li>- Non-electric engines and motors (19.9%); telecommunications equipment (16.0%); passenger motor cars (5.0%); and alcoholic beverages (4.7%).</li> </ul>

### IV. Economic Indicators

	UK <sup>12</sup>		Hong Kong <sup>13</sup>	
	2009	2010	2009	2010
<b>Population (million)</b>	61.8 <sup>^</sup>	62.2 <sup>^</sup>	7.0	7.1
<b>Current Price GDP (US\$ billion)</b>	2,182	2,250	209	224
<b>Current GDP per capita (US\$)</b>	35,315 <sup>^</sup>	36,164 <sup>^</sup>	29,881	31,759
<b>Real GDP growth (% change)</b>	-4.9	1.4	-2.7	7.0
<b>CPI (% change)</b>	2.1	3.3	0.5	2.4
<b>Unemployment (%)</b>	7.5	7.9 <sup>^</sup>	5.4	4.4
<b>Exports (US\$ billion)<sup>14</sup></b>	353	405	319	390
<b>Imports (US\$ billion)<sup>14</sup></b>	483	558	347	433

Europe Division  
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<sup>11</sup> Source: Census and Statistics Department.

<sup>12</sup> Source: International Monetary Fund (IMF), World Economic Outlook Database, September 2011 edition, unless otherwise specified. <sup>^</sup> denotes estimates by IMF.

<sup>13</sup> Source: Census and Statistics Department.

<sup>14</sup> Source: WTO Statistics Database.