

Hong Kong / Denmark Trade and Economic Relations

A. TRADE IN GOODS

I. Points-to-Note

- In 2015, Denmark ranked as Hong Kong's –
 - (a) 32nd largest trading partner in the world; and
 - (b) 9th largest trading partner among the 28 European Union (EU) Member States¹.
- Reciprocally, Hong Kong ranked 10th among Denmark's trading partners outside the EU in 2014².
- The average annual growth rate in bilateral merchandise trade from 2011 to 2015 was -3.2%.
- In 2014³, Hong Kong ranked as the world's 8th largest trading entity in merchandise trade while Denmark ranked 36th.
- In 2015, 11.5%⁴ of the total trade between Denmark and the Mainland (HK\$9.3 billion or US\$1.2 billion)⁵ was routed through Hong Kong.

II. Summary of Hong Kong's Trade with Denmark⁶

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

	2014	2014/2013 % change	2015	2015/2014 % change
(a) Domestic Exports	42.0 (5.4)	-13.4	45.3 (5.8)	+7.9
(b) Re-exports	4,324.3 (557.7)	-6.4	4,069.3 (524.9)	-5.9
<i>- of Mainland origin</i>	4,074.1 (525.4) [94%] ⁷	-6.2	3,895.8 (502.5) [96%] ⁷	-4.4
(c) Total Exports [(a)+(b)]	4,366.3 (563.1)	-6.4	4,114.6 (530.8)	-5.8
(d) Imports	8,171.6 (1,053.9)	-30.8 ⁸	8,429.2 (1,087.4)	+3.2
(e) Total Trade⁹ [(c)+(d)]	12,537.9 (1,617.0) [0.2%]	-23.9	12,543.9 (1,618.1) [0.2%]	+0.05
(f) Balance of Trade¹⁰ [(c)-(d)]	-3,805.2 (-490.7)	-	-4,314.6 (-556.6)	-

¹ The 28 EU Member States are: Austria, Belgium, Bulgaria, Croatia, 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 International Trade Statistics 2015.

⁴ An estimate based on the Eurostat and Hong Kong Trade Statistics. The Eurostat 2015 yearly figure is projected from January – October 2015 statistics.

⁵ The figures represent the total of : (a) re-exports of Mainland-origin goods to Denmark via HK (HK\$3.9 billion or US\$0.50 billion); and (b) re-exports of Denmark-origin goods to Mainland via HK (HK\$5.4 billion or US\$0.70 billion).

⁶ Source: Census and Statistics Department.

⁷ Figures denote percentage share of Mainland-origin re-exports over total Hong Kong re-exports to Denmark.

⁸ Imports from Denmark decreased in 2014 due to the drop in demand for raw furskins.

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

¹⁰ Positive figures denote a trade balance in favour of Hong Kong, while negative figures denote a trade balance in favour of Denmark.

II. Major Categories of Commodities Traded between Hong Kong and Denmark in 2015¹¹

<i>Domestic Exports to Denmark</i>	- Denmark ranked 39 th among Hong Kong's domestic export markets. - Non-electric parts and accessories of machinery (51.5%); jewellery (25.2%); printed matter (10.2%); toys and games (4.2%); and textiles (2.9%).
<i>Re-exports to Denmark</i>	- Denmark ranked 44 th among Hong Kong's re-export markets. - Clothing (24.8%); telecommunications equipment (14.7%); toys and games (6.7%); automatic data processing machines and units thereof (6.5%); and electrical apparatus for switching or protecting electrical circuits (4.9%).
<i>Imports from Denmark</i>	- Denmark ranked 26 th among Hong Kong's sources of imports. - Raw furskins (61.2%); medicaments (16.2%); telecommunications equipment (2.7%); preparations of cereal (2.5%); and fresh or frozen meat other than of bovine animals (1.5%).

B. TRADE IN SERVICES¹²

IV. Points-to-Note

- In 2013, Denmark ranked as Hong Kong's 25th largest trading partner in the world.
- In 2014¹³, Hong Kong ranked as the world's 18th largest commercial services trading entity while Denmark ranked 21st

V. Summary of Hong Kong's Trade with Denmark

	Value in HK\$ million (US\$ million)	
	2013	2013/2012 % change
(a) Exports of Services	1,931 (249)	+5.3
(b) Imports of Services	3,135 (404)	-5.0
(c) Total Trade of Services [(a)+(b)]	5,066 (653)	-1.3
(d) Net Exports of Services [(a)-(b)]	-1,204 (-155)	-

¹¹ Source: Census and Statistics Department.

¹² Source: Census and Statistics Department, unless otherwise specified. The Trade in Services (TIS) statistics are compiled based on the new standards as set out in the Manual on Statistics of International Trade in Services 2010.

¹³ WTO International Trade Statistics 2015.

VI. Major Service Components Traded between Hong Kong and Denmark in 2013

<i>Exports to Denmark</i>	<ul style="list-style-type: none">- Denmark ranked 28th among Hong Kong's export markets.- The top 3 major service components are (in descending order):<ul style="list-style-type: none">• Transport• Financial services¹⁴• Travel
<i>Imports from Denmark</i>	<ul style="list-style-type: none">- Denmark ranked 22nd among Hong Kong's sources of imports.- The top 3 major service components are (in descending order):<ul style="list-style-type: none">• Transport• Other business services• Charges for the use of intellectual property

C. **Investment Promotion and Protection Agreement (IPPA) with Denmark**

- Hong Kong and Denmark signed an IPPA in 1994. The IPPA has been operating smoothly since its entry into force in March 1994.
- The IPPA mainly provides investors of the Contracting Parties with (a) non-discriminatory treatment of their investments and returns; (b) compensation for losses owing to war or other armed conflict, national emergency, etc; (c) compensation for expropriation; (d) unrestricted right to transfer their investments and returns abroad; and (e) procedures for settlement of investment disputes.

¹⁴ Since data on geographical breakdowns of financial intermediation services are not available, the figures in respect of financial intermediation services are not included.

D. ECONOMIC INDICATORS

	Denmark ¹⁵		Hong Kong ¹⁶	
	2013	2014	2013	2014
Population (million)	5.6	5.6	7.2	7.3
Current Price GDP (US\$ billion)	336	342	276	291
Current GDP per capita (US\$)	59,950	60,947	38,364	40,170
Real GDP growth (% change)	-0.5	1.1	3.1	2.5
CPI (% change)	0.8	0.6	4.3	4.4
Unemployment (%)	7.0	6.5	3.4	3.3
Merchandise exports (US\$ billion)¹⁷	110	111	459	474
Merchandise imports (US\$ billion)¹⁷	97	99	524	544

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¹⁵ Source: International Monetary Fund (IMF), World Economic Outlook Database, October 2015 edition, unless otherwise specified.

¹⁶ Source: Census and Statistics Department.

¹⁷ Source: WTO Statistics Database.