

Hong Kong / Finland Trade and Economic Relations

A. TRADE IN GOODS

I. Points-to-Note

- In 2015, Finland ranked as Hong Kong's –
 - (a) 47th largest trading partner in the world; and
 - (b) 15th largest trading partner among the 28 European Union (EU) Member States¹.
- Reciprocally, Hong Kong ranked 26th among Finland's trading partners outside the EU in 2014².
- The average annual growth rate in bilateral merchandise trade from 2011 to 2015 was -14.5%.
- In 2014³, Hong Kong ranked as the world's 8th largest trading entity in merchandise trade while Finland ranked 41st.
- In 2015, 11.8%⁴ of the total trade between Finland and the Mainland (HK\$4.6 billion or US\$0.6 billion)⁵ was routed through Hong Kong.

II. Summary of Hong Kong's Trade with Finland⁶

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

	2014	2014/2013 % change	2015	2015/2014 % change
(a) Domestic Exports	9.6 (1.2)	+7.6	4.7 (0.6)	-51.3 ⁷
(b) Re-exports	6,705.4 (864.8)	-20.4	3,729.8 (481.1)	-44.4 ⁸
<i>- of Mainland origin</i>	4,230.7 (545.6) [63%] ⁹	-19.6	3,411.1 (440.0) [91%] ⁹	-19.4
(c) Total Exports [(a)+(b)]	6,715.0 (866.0)	-20.4	3,734.5 (481.7)	-44.4
(d) Imports	1,582.2 (204.1)	-45.9 ¹⁰	1,873.0 (241.6)	+18.4
(e) Total Trade ¹¹ [(c)+(d)]	8,297.2 (1,070.1) [0.1%]	-27.0	5,607.5 (723.4) [0.07%]	-32.4
(f) Balance of Trade ¹² [(c)-(d)]	5,132.7 (661.9)	-	1,861.5 (240.1)	-

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 Finland via HK (HK\$3.4 billion or US\$0.44 billion); and (b) re-exports of Finland-origin goods to Mainland via HK (HK\$1.2 billion or US\$0.15 billion).

⁶ Source: Census and Statistics Department.

⁷ Due to limited value of HK's domestic exports to Finland, small changes in absolute value led to substantial fluctuations in percentage terms. Domestic exports to Finland decreased in 2015 due to the drop in demand for parts and accessories of office machines and computers; toys and games; as well as automatic data processing machines and units thereof.

⁸ Re-exports to Finland decreased in 2015 due to the drop in demand for cathode valves and tubes / transistors integrated circuits /semi-conductor devices; automatic data processing machines and units thereof; as well as electric power machinery and parts.

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

¹⁰ Imports from Finland decreased in 2014 due to the drop in demand for raw 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 of Hong Kong, while negative figures denote a trade balance in favour of Finland.

III. Major Categories of Commodities Traded between Hong Kong and Finland in 2015¹³

Domestic Exports to Finland	<ul style="list-style-type: none"> - Finland ranked 93rd among Hong Kong's domestic export markets. - Toys and games (22.3%); clothing (21.3%); automatic data processing machines and units thereof (10.7%); plastic articles (10.5%); and optical goods (8.8%).
Re-exports to Finland	<ul style="list-style-type: none"> - Finland ranked 47th among Hong Kong's re-export markets. - Telecommunications equipment (40.7%); automatic data processing machines and units thereof (9.7%); watches and clocks (6.2%); parts and accessories of office machines and computers (5.6%); and cathode valves and tubes / transistors integrated circuits / semi-conductor devices (4.8%).
Imports from Finland	<ul style="list-style-type: none"> - Finland ranked 43rd among Hong Kong's sources of imports. - Raw furskins (49.0%); flat-rolled products of alloy steel (7.9%); telecommunications equipment (7.8%); measuring and checking instruments (4.7%); and watches and clocks (4.3%).

B. TRADE IN SERVICES¹⁴

IV. Points-to-Note

- In 2013, Finland ranked as Hong Kong's 36th largest trading partner in the world.
- In 2014¹⁵, Hong Kong ranked as the world's 18th largest commercial services trading entity while Finland ranked 37th.

V. Summary of Hong Kong's Trade with Finland

	Value in HK\$ million (US\$ million)	
	2013	2013/2012 % change
(a) Exports of Services	357 (46)	-14.4
(b) Imports of Services	1,129 (146)	+6.5
(c) Total Trade of Services [(a)+(b)]	1,486 (192)	+0.6
(d) Net Exports of Services [(a)-(b)]	-772 (-100)	-

¹³ Source: Census and Statistics Department.

¹⁴ 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.

¹⁵ Source: WTO International Trade Statistics 2015.

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

Exports to Finland	<ul style="list-style-type: none">- Finland ranked 44th among Hong Kong's export markets.- The top 3 major service components are (in descending order):<ul style="list-style-type: none">• Travel• Transport• Other business services
Imports from Finland	<ul style="list-style-type: none">- Finland ranked 27th among Hong Kong's sources of imports.- The top 3 major service components are (in descending order):<ul style="list-style-type: none">• Travel• Charges for the use of intellectual property• Transport

C. Investment Promotion and Protection Agreement (IPPA) with Finland

- Hong Kong and Finland signed an IPPA in 2009. The IPPA has been operating smoothly since its entry into force on March 2014.
- 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) free transfer of their investments and payments related to investments; and (e) procedures for settlement of investment disputes.

D. ECONOMIC INDICATORS

	Finland ¹⁶		Hong Kong ¹⁷	
	2013	2014	2013	2014
Population (million)	5.4	5.5	7.2	7.3
Current Price GDP (US\$ billion)	269	273	276	291
Current GDP per capita (US\$)	49,621	50,016	38,364	40,170
Real GDP growth (% change)	-1.1	-0.4	3.1	2.5
CPI (% change)	2.2	1.2	4.3	4.4
Unemployment (%)	8.1	8.7*	3.4	3.3
Merchandise exports (US\$ billion)¹⁸	74	74	459	474
Merchandise imports (US\$ billion)¹⁸	78	77	524	544

Europe Division
Trade and Industry Department

16 February 2016

[EB1368.doc]

¹⁶ Source: International Monetary Fund (IMF), World Economic Outlook Database, October 2015 edition, unless otherwise specified. *denotes estimates by IMF.

¹⁷ Source: Census and Statistics Department.

¹⁸ Source: WTO Statistics Database.