

## Hong Kong / Latvia Trade and Economic Relations

### A. TRADE IN GOODS

#### I. Points-to-Note

- In 2015, Latvia ranked as Hong Kong's –
  - (a) 94<sup>th</sup> largest trading partner in the world; and
  - (b) 26<sup>th</sup> largest trading partner among the 28 European Union (EU) Member States<sup>1</sup>.
- Reciprocally, Hong Kong ranked 17<sup>th</sup> among Latvia's trading partners outside the EU in 2014<sup>2</sup>.
- The average annual growth rate in bilateral merchandise trade from 2011 to 2015 was -17.5%.
- In 2014<sup>3</sup>, Hong Kong ranked as the world's 8<sup>th</sup> largest trading entity in merchandise trade while Latvia ranked as 79<sup>th</sup>.
- In 2015, 10.4%<sup>4</sup> of the total trade between Latvia and the Mainland (HK\$473.1 million or US\$61.0 million)<sup>5</sup> was routed through Hong Kong.

#### II. Summary of Hong Kong's Trade with Latvia<sup>6</sup>

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

	<b>2014</b>	<b>2014/2013 % change</b>	<b>2015</b>	<b>2015/2014 % change</b>
<b>(a) Domestic Exports</b>	7.0 (0.9)	-10.1	6.5 (0.8)	-8.2
<b>(b) Re-exports</b>	779.3 (100.5)	-24.1	613.1 (79.1)	-21.3
<i>- of Mainland origin</i>	695.2 (89.7) [89%] <sup>7</sup>	-21.8	463.9 (59.8) [76%] <sup>7</sup>	-33.3
<b>(c) Total Exports [(a)+(b)]</b>	786.3 (101.4)	-24.0	619.6 (79.9)	-21.2
<b>(d) Imports</b>	72.8 (9.4)	+21.4	58.1 (7.5)	-20.3
<b>(e) Total Trade<sup>8</sup> [(c)+(d)]</b>	859.1 (110.8) [0.01%]	-21.5	677.7 (87.4) [0.009%]	-21.1
<b>(f) Balance of Trade<sup>9</sup> [(c)-(d)]</b>	713.5 (92.0)	-	561.5 (72.4)	-

<sup>1</sup> 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.

<sup>2</sup> Source: Statistical Office of the European Communities, Eurostat.

<sup>3</sup> Source: WTO International Trade Statistics 2015.

<sup>4</sup> An estimate based on the Eurostat and Hong Kong trade statistics. The Eurostat 2015 yearly figure is projected from January – October 2015 statistics.

<sup>5</sup> The figures represent the total of : (a) re-exports of Mainland-origin goods to Latvia via HK (HK\$463.9 million or US\$59.8 million); and (b) re-exports of Latvia-origin goods to Mainland via HK (HK\$9.3 million or US\$1.2 million).

<sup>6</sup> Source: Census and Statistics Department.

<sup>7</sup> Figures denote percentage share of Mainland-origin re-exports over total Hong Kong re-exports to Latvia.

<sup>8</sup> Figures in brackets [ ] denote percentage share in Hong Kong's total trade with the world.

<sup>9</sup> Positive figures denote a trade balance in favour of Hong Kong, while negative figures denote a trade balance in favour of Latvia.

### III. Major Categories of Commodities Traded between Hong Kong and Latvia in 2015<sup>10</sup>

<b>Domestic Exports to Latvia</b>	<ul style="list-style-type: none"> <li>- Latvia ranked 78<sup>th</sup> among Hong Kong's domestic export markets.</li> <li>- Plastic tubes, pipes and hoses (50.5%); jewellery (35.5%); machinery and equipment specialised for particular industries and parts (5.9%); automatic data processing machines and units thereof (4.9%); and printed matter (2.3%).</li> </ul>
<b>Re-exports to Latvia</b>	<ul style="list-style-type: none"> <li>- Latvia ranked 86<sup>th</sup> among Hong Kong's re-export markets.</li> <li>- Telecommunications equipment (33.4%); cathode valves and tubes / transistors integrated circuits / semi-conductor devices (26.1%); pearls, precious and semi-precious stones, unworked or worked (5.3%); electrical machinery and apparatus (3.6%); and toys and games (3.4%).</li> </ul>
<b>Imports from Latvia</b>	<ul style="list-style-type: none"> <li>- Latvia ranked 108<sup>th</sup> among Hong Kong's sources of imports.</li> <li>- Parts and accessories of office machines and computers (12.0%); telecommunications equipment (11.4%); cathode valves and tubes / transistors integrated circuits / semi-conductor devices (10.3%); preparations of cereal (8.9%); and perfumery and cosmetics (8.8%).</li> </ul>

### B. TRADE IN SERVICES

#### IV. Points-to-Note

- In 2014<sup>11</sup>, Hong Kong ranked as the world's 18<sup>th</sup> largest commercial services trading entity while Latvia ranked 82<sup>nd</sup>.
- Data on Hong Kong's trade in services with Latvia in 2013 are not available.

<sup>10</sup> Source: Census and Statistics Department.

<sup>11</sup> Source: WTO International Trade Statistics 2015.

## C. ECONOMIC INDICATORS

	Latvia <sup>12</sup>		Hong Kong <sup>13</sup>	
	2013	2014	2013	2014
<b>Population (million)</b>	2.0	2.0*	7.2	7.3
<b>Current Price GDP (US\$ billion)</b>	31	32*	276	291
<b>Current GDP per capita (US\$)</b>	15,126	15,730*	38,364	40,170
<b>Real GDP growth (% change)</b>	4.2	2.4*	3.1	2.5
<b>CPI (% change)</b>	0.01	0.7*	4.3	4.4
<b>Unemployment (%)</b>	11.9	10.8*	3.4	3.3
<b>Merchandise exports (US\$ billion)<sup>14</sup></b>	14	15	459	474
<b>Merchandise imports (US\$ billion)<sup>15</sup></b>	18	18	524	544

Europe Division  
Trade and Industry Department

16 February 2016

[EB1380.doc]

<sup>12</sup> Source: International Monetary Fund (IMF), World Economic Outlook Database, October 2015 edition, unless otherwise specified. \* denotes estimates by IMF.

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

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