

Hong Kong / Sweden Trade and Economic Relations

A. TRADE IN GOODS

I. Points-to-Note

- In 2015, Sweden ranked as Hong Kong's –
 - (a) 35th largest trading partner in the world; and
 - (b) 11th largest trading partner among the 28 European Union (EU) Member States¹.
- Reciprocally, Hong Kong ranked 22nd among Sweden's trading partners outside the EU in 2014².
- The average annual growth rate in bilateral merchandise trade from 2011 to 2015 was -2.9%.
- In 2014³, Hong Kong ranked as the world's 8th largest trading entity in merchandise trade while Sweden ranked 30th.
- In 2015, 8.0%⁴ of the total trade between Sweden and the Mainland (HK\$8.6 billion or US\$1.1 billion)⁵ was routed through Hong Kong.

II. Summary of Hong Kong's Trade with Sweden⁶

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

	2014	2014/2013 % change	2015	2015/2014 % change
(a) Domestic Exports	17.6 (2.3)	-27.6	10.4 (1.3)	-41.0 ⁷
(b) Re-exports	7,143.8 (921.3)	-3.8	7,246.3 (934.8)	+1.4
<i>- of Mainland origin</i>	6,589.5 (849.8) [92%] ⁸	-5.1	6,683.7 (862.2) [92%] ⁸	+1.4
(c) Total Exports [(a)+(b)]	7,161.4 (923.6)	-3.9	7,256.7 (936.1)	+1.3
(d) Imports	3,602.9 (464.6)	+0.02	4,068.4 (524.8)	+12.9
(e) Total Trade⁹ [(c)+(d)]	10,764.3 (1,388.2) [0.1%]	-2.6	11,325.1 (1,460.9) [0.1%]	+5.2
(f) Balance of Trade¹⁰ [(c)-(d)]	3,558.5 (458.9)	-	3,188.2 (411.3)	-

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 Sweden via HK (HK\$6.7 billion or US\$0.86 billion); and (b) re-exports of Sweden-origin goods to Mainland via HK (HK\$1.9 billion or US\$0.24 billion).

⁶ Source: Census and Statistics Department.

⁷ Domestic exports to Sweden decreased in 2015 due to the drop in demand for textiles; printed matter; manufactures of base metal; as well as machinery and equipment specialized for particular industries and parts.

⁸ Figures denote percentage share of Mainland-origin re-exports over total Hong Kong re-exports to Sweden.

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 Sweden.

III. Major Categories of Commodities Traded between Hong Kong and Sweden in 2015¹¹

Domestic Exports to Sweden	<ul style="list-style-type: none"> - Sweden ranked 69th among Hong Kong's domestic export markets. - Textiles (16.4%); plastic tubes, pipes and hoses (13.9%); jewellery (9.3%); printed matter (9.2%); and plastic articles (7.4%).
Re-exports to Sweden	<ul style="list-style-type: none"> - Sweden ranked 35th among Hong Kong's re-export markets. - Telecommunications equipment (22.6%); clothing (21.8%); electrical machinery and apparatus (9.7%); watches and clocks (5.1%); and electrical apparatus for switching or protecting electrical circuits (4.3%).
Imports from Sweden	<ul style="list-style-type: none"> - Sweden ranked 33rd among Hong Kong's sources of imports. - Measuring and checking instruments (18.9%); plastics in primary forms (7.9%); medicinal and pharmaceutical products (5.5%); telecommunications equipment (4.7%); and road motor vehicles (4.5%).

B. **TRADE IN SERVICES**¹²

IV. Points-to-Note

- In 2013, Sweden ranked as Hong Kong's 21st largest trading partner in the world.
- In 2014¹³, Hong Kong ranked as the world's 18th largest commercial services trading entity while Sweden ranked 20th.

V. Summary of Hong Kong's Trade with Sweden

	Value in HK\$ million (US\$ million)	
	2013	2013/2012 % change
(a) Exports of Services	8,092 (1,043)	-5.9
(b) Imports of Services	262 (34)	-20.6
(c) Total Trade of Services [(a)+(b)]	8,354 (1,077)	-6.4
(d) Net Exports of Services [(a)-(b)]	7,830 (1,010)	-

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 Source: WTO International Trade Statistics 2015.

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

Exports to Sweden	<ul style="list-style-type: none"> - Sweden ranked 15th among Hong Kong's export markets. - The top 3 major service components are (in descending order): <ul style="list-style-type: none"> • Other business services • Travel • Financial services¹⁴
Imports from Sweden	<ul style="list-style-type: none"> - Sweden ranked 40th among Hong Kong's sources of imports. - The top 3 major service components are (in descending order): <ul style="list-style-type: none"> • Other business services • Transport • Travel

C. INVESTMENT PROMOTION AND PROTECTION AGREEMENT (IPPA) WITH SWEDEN

- Hong Kong and Sweden signed an IPPA in 1994. The IPPA has been operating smoothly since its entry into force in June 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.

D. ECONOMIC INDICATORS

	Sweden ¹⁵		Hong Kong ¹⁶	
	2013	2014	2013	2014
Population (million)	9.6	9.7	7.2	7.3
Current Price GDP (US\$ billion)	580	571	276	291
Current GDP per capita (US\$)	60,086	58,538	38,364	40,170
Real GDP growth (% change)	1.3	2.3	3.1	2.5
CPI (% change)	0.4	0.2	4.3	4.4
Unemployment (%)	8.0	7.9	3.4	3.3
Merchandise exports (US\$ billion)¹⁷	168	164	459	474
Merchandise imports (US\$ billion)¹⁷	161	163	524	544

Europe Division
Trade and Industry Department
11 February 2016

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

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.