

Hong Kong

Market Overview

Market Size

Date: June 2015

Publication: 2

Total Population: 7,187,500

Official Language: English and Cantonese

Business Language(s): English is the most widely used language within the Hong Kong government, legal system and commercial sectors.

Area: 1,100 km²

Type of State: Special Administrative Region (SAR) of the People's Republic of China

Type of Economy: High-income economy. The financial heart of South East Asia.

HDI (World Rank): 15/187

Currency: Hong Kong Dollar (HKD)

Source: Export Enterprises - Available in Exportgate Digital Library

Political Outline

Hong Kong is a Special Administrative Region (SAR) of the People's Republic of China. The country's status is defined by the basic law (adopted in 1990 by the National People's Assembly of China), which serves as the "constitution" of the Territory. Hong Kong maintains a high degree of autonomy from China.

Source: Export Enterprises - Available in Exportgate Digital Library

Economic and Trade Profile

Hong Kong holds the position of the 10th largest trading power and the 3rd largest financial center of the world. The resilience of its economy became apparent during the recent financial crisis and was benefited by the gradual recovery of the American economy. The economic model adopted by Hong Kong gives special emphasis on free trade. The government has imposed several fiscal measures for the support of SMEs and households.

Hong Kong is among the world's top 9 exporters and top 7 importers of goods, with trade representing nearly 430% of the GDP (2011-2013 average). Especially with regard to the food and beverages sector, Hong Kong imports almost 80% of its food supplies. The main industry and prominent contributor to the country's GDP is the financial services sector featuring a contribution of nearly 60% of the GDP. On the contrary, the agricultural and the mineral resources sectors contribute the least to Hong Kong's economy.

Main Indicators	2011	2012	2013	2014	2015 (e)
GDP (billions USD)	248.51	262.63	274.03e	292.68e	312.39
GDP (Constant Prices, Annual % Change)	4.8	1.6	2.9e	3.0e	3.3
GDP per Capita (USD)	34,941	36,589	37e	40,304e	42,770
General Government Gross Debt (in % of GDP)	6.1	6.8e	6.7e	6.5e	6.3
Inflation Rate (%)	5.3	4.1	4.3e	3.9e	3.8
Current Account (billions USD)	13.81	4.15	5.10e	6.22e	6.81
Current Account (in % of GDP)	5.6	1.6	1.9e	2.1e	2.2

Source: Export Enterprises - Available in Exportgate Digital Library

Investments

According to “2014 World Investment Report”, in 2013 Hong Kong was the 4th largest FDI recipient in the world and 2nd in Asia just behind China and surpassing Singapore.

Since 2010 the FDI inflows to Hong Kong keep rising on a constant and stable pace. This is mainly due to the country’s solid economy and financial system, as well as its strategic position in the Asian territory. Specifically, being the gate to the Chinese market and, at the same time, the incentives applied in its tax regime, the legal framework and the upgraded infrastructures have contributed in Hong Kong becoming an attractive FDI destination.

Source: Export Enterprises - Available in Exportgate Digital Library

Tax System

Corporate Income Tax: 16.5%

Only incomes generated in HK are subjected to taxation. Foreign companies are taxed as resident companies, while there is no taxation for long term capital gains.

Accounting Practices:

The HKFRS standards set out the basic principles which the auditors should follow. These standards are equivalent to the IFRS accounting standards.

Source: Export Enterprises - Available in Exportgate Digital Library

Legal Environment

The judicial system of Hong Kong is independent of the system of mainland China. The country’s judicial system continues to be based on the English Common Law and the Rules of Natural Justice of Great Britain.

English, Mandarin and Cantonese are the languages of domestic contracts, being a common practice to realize contracts in both English and Cantonese.

Source: Export Enterprises - Available in Exportgate Digital Library

Consumer Behavior

The Hong Kong consumer is a very well informed one. Although located in the Asian territory, the influences of Western culture and the wide adoption of the English language have made a significant impact on the purchasing behavior and decisions. Hong Kong consumers are mainly interested in competitive prices and high quality for the products/services they select. At the same time, they are heavily concerned on health issues and their overall well being.

The medium age of the Hong Kong consumer is 38. The average household consists of 3 people with the average age of its head being the 52.6 years. The purchasing power parity of the people is constantly increasing over the years, showing strong potential and dynamics. In terms of advertising and promotion, television is the most popular and effective vehicle followed by newspapers. Cantonese and English are the official languages used in the territory and in all communication materials.

Source: Export Enterprises - Available in Exportgate Digital Library

Market Access Considerations

For almost all of its imports, Hong Kong requires only a commercial import declaration within 14 days of the shipment. However, for certain products, such as some categories of chemicals and pharmaceuticals, textiles, meat and poultry, special import licenses need to be submitted.

Source: Export Enterprises - Available in Exportgate Digital Library

Customs

Hong Kong is a duty free destination, having adopted a Free Harbor status. Only on certain goods, such as tobacco, wines, spirits, beer and petroleum products, payment of duties is imposed.

Source: Export Enterprises - Available in Exportgate Digital Library

Labeling and Packaging

English and Chinese are the languages that must be included on every packaging item in Hong Kong. Name, ingredients and compositions should be stated clearly on the label/packaging of goods sold in the territory. Depending on product category, certain other information may be mandatory to be included.

Source: Export Enterprises - Available in Exportgate Digital Library

Distribution

In Hong Kong the distribution network is mainly comprised of family type enterprises. On one hand, large stores offer mainly luxury and upscale products, while on the other, supermarkets and neighborhood stores are basically for bulk products purchases. The collaboration with distributors and trading companies are one of the most widely applied methods to penetrate the Hong Kong market.

Source: Export Enterprises - Available in Exportgate Digital Library

Industries Trade Flows, Opportunities and Barriers

600.6 bn USD of products imported in 2014

Electronic integrated circuits and microassemblies	16.4%
Gold, incl. gold plated with platinum, unwrought...	9.2%
Electrical apparatus for line telephony or line...	6.3%
Transmission apparatus for radio-telephony,...	5.8%
Automatic data processing machines and units...	4.0%
Diamonds, whether or not worked, but not mounted...	3.7%
Parts and accessories (other than covers, carrying...	3.2%
Diodes, transistors and similar semiconductor...	2.6%
Articles of jewellery and parts thereof, of...	2.4%
Petroleum oils and oils obtained from bituminous...	2.1%

Source: Export Enterprises - Available in Exportgate Digital Library

Main Partner Countries for given Products

07-Edible vegetables and certain roots and tubers

Top countries exporting to the world in 2013	
1. Netherlands	7,906 million USD
2. China	7,871 million USD
3. Spain	6,367 million USD
4. Mexico	5,398 million USD
5. United States	4,394 million USD
Total exports: 63,785.16 million USD	

Top countries by export growth* to the world	
1. Canada	+1,108 million USD
2. China	+966 million USD
3. Netherlands	+925 million USD
4. Spain	+775 million USD
5. Mexico	+725 million USD
Average annual growth 2013/2012: +15%	

* Between 2013 and 2012

Top countries exporting to Hong Kong in 2013	
1. China	661 million USD
2. United States	20 million USD
3. Thailand	8 million USD
4. Australia	7 million USD
5. Japan	6 million USD
Total exports: 739.08 million USD	

Top countries by export growth* to Hong Kong	
1. China	+281 million USD
2. New-Zealand	+2 million USD
3. Japan	+1 million USD
4. Netherlands	+1 million USD
5. Thailand	+1 million USD
Average annual growth 2013/2012: +64%	

* Between 2013 and 2012

08-Edible fruit and nuts

Top countries exporting to the world in 2013	
1. United States	14,538 million USD
2. Spain	9,260 million USD
3. Chile	5,462 million USD
4. Netherlands	5,360 million USD
5. China	4,172 million USD
Total exports: 94,515.05 million USD	

Top countries by export growth* to the world	
1. United States	+1,281 million USD
2. Spain	+1,201 million USD
3. Netherlands	+726 million USD
4. Chile	+583 million USD
5. Belgium	+444 million USD
Average annual growth 2013/2012: +10%	

* Between 2013 and 2012

Top countries exporting to Hong Kong in 2013	
1. United States	1,540 million USD
2. Thailand	172 million USD
3. China	159 million USD
4. Australia	146 million USD
5. South Africa	134 million USD
Total exports: 2,521.87 million USD	

Top countries by export growth* to Hong Kong	
1. China	+56 million USD
2. Thailand	+42 million USD
3. Australia	+23 million USD
4. Turkey	+9 million USD
5. Japan	+7 million USD
Average annual growth 2013/2012: +1%	

* Between 2013 and 2012

1509-Olive oil and its fractions

Top countries exporting to the world in 2013	
1. Spain	2,590 million USD
2. Italy	1,721 million USD
3. Greece	657 million USD
4. Tunisia	505 million USD
5. Portugal	450 million USD
Total exports: 6,636.67 million USD	

Top countries by export growth* to the world	
1. Greece	+239 million USD
2. Turkey	+218 million USD
3. Spain	+213 million USD
4. Italy	+174 million USD
5. Tunisia	+129 million USD
Average annual growth 2013/2012: +21%	

* Between 2013 and 2012

Top countries exporting to Hong Kong in 2013	
1. Italy	9 million USD
2. Spain	3 million USD
3. Chile	0.03 million USD
Total exports: 13.43 million USD	

Top countries by export growth* to Hong Kong	
1. Italy	+2 million USD
2. Spain	+0.22 million USD
3. Portugal	+0.10 million USD
4. United States	+0.10 million USD
5. Singapore	+0.06 million USD
Average annual growth 2013/2012: +21%	

* Between 2013 and 2012

25-Salt; sulphur; earths and stone; plastering materials, lime and cement

Top countries exporting to the world in 2013	
1. China	3,456 million USD
2. Turkey	2,746 million USD
3. United States	2,591 million USD
4. Germany	2,385 million USD
5. India	2,037 million USD
Total exports: 42,311.60 million USD	

Top countries by export growth* to the world	
1. India	+310 million USD
2. Vietnam	+295 million USD
3. Turkey	+263 million USD
4. Belgium	+115 million USD
5. Greece	+97 million USD
Average annual growth 2013/2012: +0%	

* Between 2013 and 2012

Top countries exporting to Hong Kong in 2013	
1. China	154 million USD
2. Japan	47 million USD
3. India	24 million USD
4. Lithuania	20 million USD
5. Spain	15 million USD
Total exports: 323.72 million USD	

Top countries by export growth* to Hong Kong	
1. China	+60 million USD
2. Lithuania	+15 million USD
3. Canada	+4 million USD
4. Poland	+4 million USD
5. Spain	+3 million USD
Average annual growth 2013/2012: +24%	

* Between 2013 and 2012

30-Pharmaceutical products

Top countries exporting to the world in 2013	
1. Germany	73,449 million USD
2. Switzerland	57,550 million USD
3. Belgium	50,356 million USD
4. United States	39,591 million USD
5. France	36,966 million USD
Total exports: 475,838.25 million USD	

Top countries by export growth* to the world	
1. Germany	+6,493 million USD
2. Belgium	+5,516 million USD
3. Netherlands	+5,282 million USD
4. Italy	+3,597 million USD
5. Switzerland	+3,194 million USD
Average annual growth 2013/2012: +6%	

* Between 2013 and 2012

Top countries exporting to Hong Kong in 2013	
1. China	257 million USD
2. Switzerland	180 million USD
3. United States	174 million USD
4. Germany	144 million USD
5. France	123 million USD
Total exports: 1,696.94 million USD	

Top countries by export growth* to Hong Kong	
1. Germany	+21 million USD
2. France	+19 million USD
3. Ireland	+18 million USD
4. Singapore	+10 million USD
5. Italy	+8 million USD
Average annual growth 2013/2012: -5%	

* Between 2013 and 2012

33-Essential oils and resinoids; perfumery, cosmetic or toilet preparations

Top countries exporting to the world in 2013	
1. France	16,640 million USD
2. United States	11,051 million USD
3. Germany	10,996 million USD
4. Ireland	8,208 million USD
5. United Kingdom	6,130 million USD
Total exports: 108,594.65 million USD	

Top countries by export growth* to the world	
1. France	+855 million USD
2. Germany	+649 million USD
3. United States	+639 million USD
4. United Kingdom	+586 million USD
5. Spain	+583 million USD
Average annual growth 2013/2012: +8%	

* Between 2013 and 2012

Top countries exporting to Hong Kong in 2013	
1. Singapore	501 million USD
2. United States	413 million USD
3. France	353 million USD
4. China	346 million USD
5. Japan	264 million USD
Total exports: 2,764.44 million USD	

Top countries by export growth* to Hong Kong	
1. Singapore	+74 million USD
2. South Korea	+72 million USD
3. United States	+34 million USD
4. France	+20 million USD
5. Italy	+17 million USD
Average annual growth 2013/2012: +7%	

* Between 2013 and 2012

39-Plastics and articles thereof

Top countries exporting to the world in 2013	
1. China	62,071 million USD
2. United States	61,192 million USD
3. Germany	59,470 million USD
4. Belgium	34,339 million USD
5. South Korea	31,206 million USD
Total exports: 559,138.39 million USD	

Top countries exporting to Hong Kong in 2013	
1. China	5,481 million USD
2. Japan	2,170 million USD
3. South Korea	1,639 million USD
4. United States	1,084 million USD
5. Singapore	544 million USD
Total exports: 13,115.14 million USD	

Top countries by export growth* to the world	
1. China	+6,617 million USD
2. Belgium	+3,924 million USD
3. Germany	+3,024 million USD
4. South Korea	+2,800 million USD
5. United States	+2,009 million USD
Average annual growth 2013/2012: +6%	

Top countries by export growth* to Hong Kong	
1. China	+1,130 million USD
2. South Korea	+114 million USD
3. France	+23 million USD
4. India	+12 million USD
5. Germany	+10 million USD
Average annual growth 2013/2012: +6%	

* Between 2013 and 2012

* Between 2013 and 2012

68-Articles of stone, plaster, cement, asbestos, mica or similar materials

Top countries exporting to the world in 2013	
1. China	10,062 million USD
2. Germany	4,656 million USD
3. United States	3,514 million USD
4. Italy	3,510 million USD
5. Japan	2,224 million USD
Total exports: 47,680.72 million USD	

Top countries exporting to Hong Kong in 2013	
1. China	544 million USD
2. Japan	76 million USD
3. Italy	40 million USD
4. United States	33 million USD
5. South Korea	15 million USD
Total exports: 760.09 million USD	

Top countries by export growth* to the world	
1. China	+1,989 million USD
2. Italy	+293 million USD
3. India	+261 million USD
4. Germany	+197 million USD
5. Brazil	+194 million USD
Average annual growth 2013/2012: +10%	

Top countries by export growth* to Hong Kong	
1. China	+166 million USD
2. Italy	+4 million USD
3. Singapore	+1 million USD
4. Spain	+1 million USD
5. United Kingdom	+1 million USD
Average annual growth 2013/2012: +23%	

* Between 2013 and 2012

* Between 2013 and 2012

Export Flows of various product categories from Greece to Hong Kong

CHAPTER 7 - EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS

Flows in EUR			Evolution
Year 2011	Year 2012	Year 2013	2013/2011
-	310	560	-

CHAPTER 8 - EDIBLE FRUIT AND NUTS; PEEL OF CITRUS FRUITS OR MELONS

Flows in EUR			Evolution
Year 2011	Year 2012	Year 2013	2013/2011
411,380	807,610	499,630	+21.5%

1509 OLIVE OIL AND ITS FRACTIONS OBTAINED FROM THE FRUIT OF THE OLIVE TREE

Flows in EUR			Evolution
Year 2011	Year 2012	Year 2013	2013/2011
158,430	214,230	119,970	-24.3%

CHAPTER 25 - SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERIALS, LIME AND CEMENT

Flows in EUR			Evolution
Year 2011	Year 2012	Year 2013	2013/2011
4,006,180	2,584,050	2,188,510	-45.4%

CHAPTER 30 - PHARMACEUTICAL PRODUCTS

Flows in EUR			Evolution
Year 2011	Year 2012	Year 2013	2013/2011
511,280	519,980	917,670	+79.5

CHAPTER 33 - ESSENTIAL OILS AND RESINOIDS; PERFUMERY, COSMETIC OR TOILET PREPARATIONS

Flows in EUR			Evolution
Year 2011	Year 2012	Year 2013	2013/2011
1,538,840	2,574,750	2,677,890	+74%

CHAPTER 39 - PLASTICS AND ARTICLES THEREOF

Flows in EUR			Evolution
Year 2011	Year 2012	Year 2013	2013/2011
3,266,200	2,901,540	15,480	-99.5%

CHAPTER 68 - ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATERIALS

Flows in EUR			Evolution
Year 2011	Year 2012	Year 2013	2013/2011
580,260	986,630	638,280	+10.0%

Hong Kong Main Partner Countries

Main Customers (% of exports)	2014
China	57.3%
United States	8.4%
Japan	3.3%
India	2.5%
Germany	1.8%
Other	26.7%

Main Suppliers (% of imports)	2014
China	44.7%
Japan	6.5%
United States	5.8%
Singapore	5.8%
Switzerland	4.0%
Other	33.2%

Source: Export Enterprises - Available in Exportgate Digital Library

Top Products of Greek exports

Main Trade Products 2014 (value in thousand €)							
Exports				Imports			
SITC	Product	Value	% Share	SITC	Product	Value	% Share
88542	Oth. wrist watches	7,634	14,49%	88541	Wrist watches	6,428	14,72%
84831	Articles of furskin	4,776	9,06%	61311	Furskins mink,not assemb.	6,133	14,04%
55320	Beauty,make-up prepar.	2,548	4,84%	21210	Mink skins, raw, whole	1,549	3,55%
28821	Copper waste and scrap	2,431	4,61%	61319	Other furskins,not assemb	1,526	3,49%
61311	Furskins mink,not assemb.	2,353	4,47%	76160	Rec.Apparatus For Tv	1,338	3,06%
76411	Telephone sets	2,199	4,17%	89731	Articles of jewell.& part	1,316	3,01%
27312	Marble,etc.cut,into block	2,143	4,07%	75220	Digital autom.data proces	1,214	2,78%
1235	Poultry cuts,frozen	1,966	3,73%	89721	Imit. jewell. base metal	1,156	2,65%
57990	Waste of other polymers	1,517	2,88%	76411	Telephone sets	1,114	2,55%
78439	Oth.parts motor vehicles	1,399	2,66%	84599	Garments,knitted,n.e.s.	973	2,23%
89731	Articles of jewell.& part	1,330	2,52%	89420	Childrens Toys	843	1,93%
88532	Other metal wrist watches	1,317	2,50%	88542	Oth. wrist watches	833	1,91%
4830	Macaroni,sim.prod.uncook.	1,068	2,03%	77572	Food grinders, mixers	621	1,42%
28823	Aluminium waste and scrap	904	1,72%	84540	T-shirts,etc. knitted	541	1,24%
68423	Aluminium plates >.2mm	844	1,60%	89219	Other books	509	1,17%
75220	Digital autom.data proces	815	1,55%	84112	Men overcoat,nt knit.oth.	464	1,06%
66134	Marble, simply cut or sawn	758	1,44%	76484	TV/dig Cameras,Cam.Record	394	0,90%
54293	Medicament nes.for retail	732	1,39%	72399	Oth.parts group 723,744.3	367	0,84%
3639	Oth.molluscs,fro.dri.sal.	729	1,38%	77878	Oth.elect.machines indiv.	361	0,83%
61319	Other furskins,not assemb	657	1,25%	84831	Articles of furskin	359	0,82%
	Sub - total - (20 products)	38,119	72,35%		Sub - total - (20 products)	28,041	64,21%
	Total greek exports	52,685	100,00%		Total greek exports	43,673	100,00%

Source: PEA using data from ELSTAT

Exports – Imports

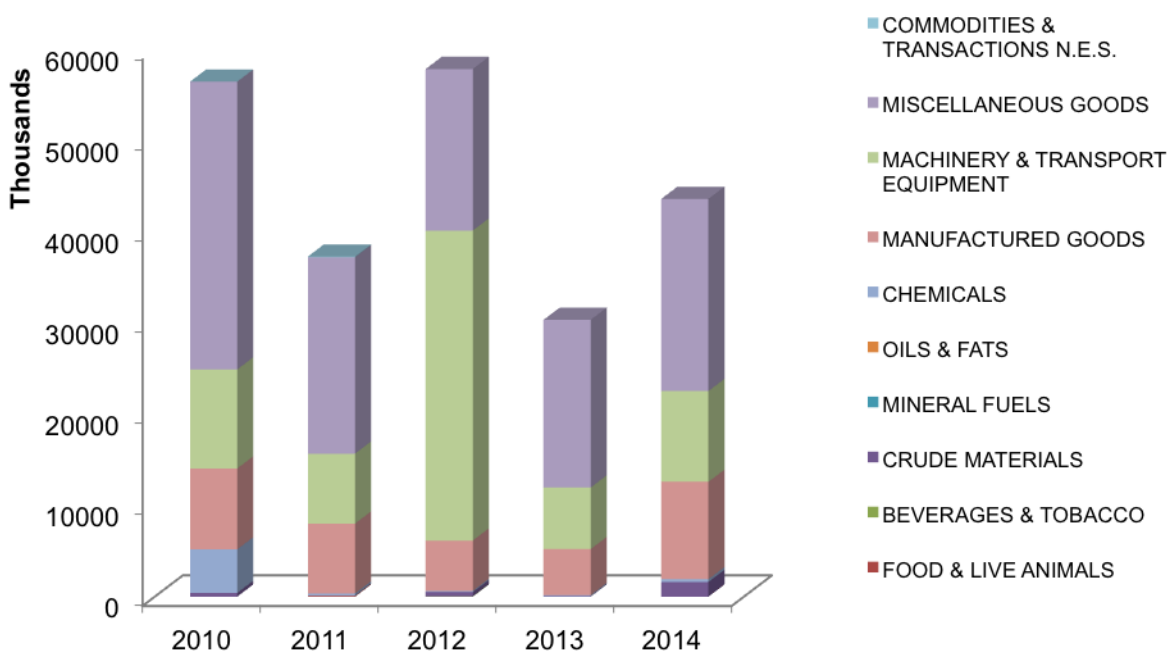
Trade Flows between Greece and Hong Kong

In the following section you will find the bilateral trade value between Greece and Hong Kong. Although the bilateral trade surplus is firmly in favor of Greece, exports have dropped to €52,68 million in 2014, compared to €61,45 million in 2013.

The following graphs present the Greek imports from Hong Kong (flow in million €). The top importing category is “miscellaneous manufactured articles” with €21,1 million. On the contrary “food and live animals” account for €10,371 only.

Imports From Hong Kong	2010	2011	2012	2013	2014
Food & Live Animals	1,996	84,811		23	10,371
Beverages & Tobacco		0	44,928		
Crude Materials	408,657	28,579	461,932	47,735	1,609,073
Mineral Fuels					
Oils & Fats					
Chemicals	4,786,549	238,349	129,697	11,436	30,361
Manufactured Goods	8,876,169	7,670,783	5,531,966	5,060,843	10,689,833
Machinery & Transport Equipment	1,0871,495	7,684,194	34,031,796	6,759,424	9,965,209
Miscellaneous Goods	31,598,230	21,565,540	17,738,799	18,411,397	21,100,438
Commodities & Transactions N.e.s.	4,393	73,721			
Total	56,547,489	37,386,999	57,939,118	30,393,782	43,678,534

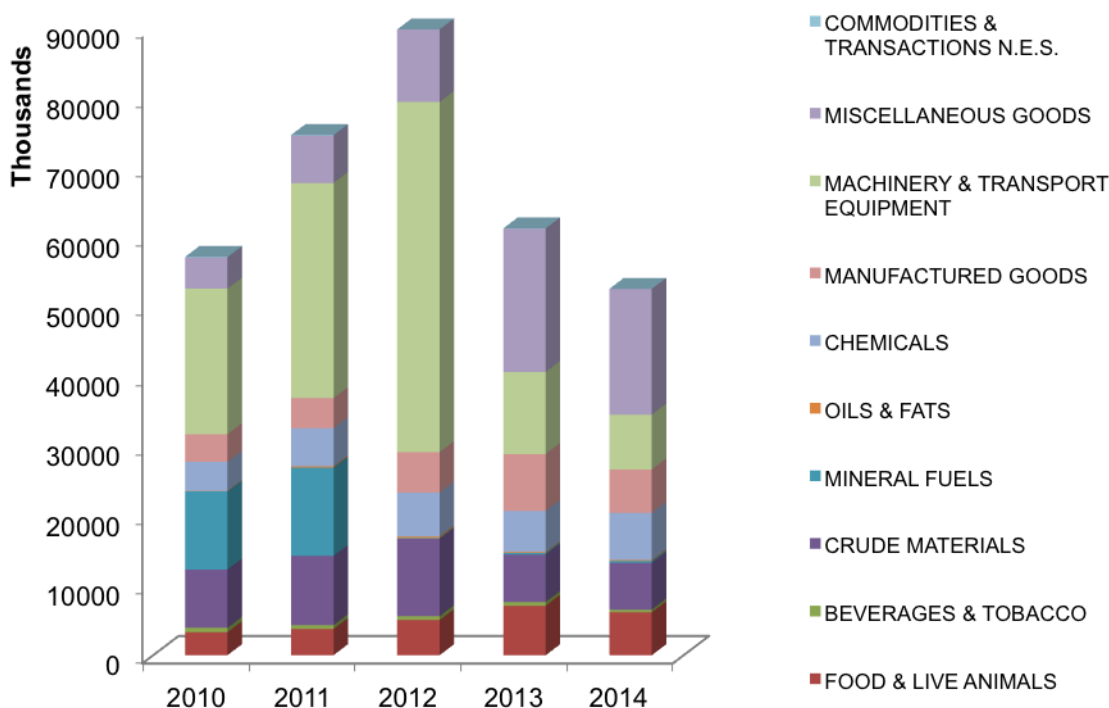
Imports from Hong Kong



Underneath you will find the Greek exports to Hong Kong (flow in million €). Like imports, the first exporting category is the “miscellaneous manufactured articles” which reaches €18 million. The last exporting category is “commodities and transactions not classified elsewhere in the SITC” with €27,367.

Exports To Hong Kong	2010	2011	2012	2013	2014
Food & Live Animals	3,302,261	3,781,271	5,050,733	7,115,216	6,170,200
Beverages & Tobacco	638,994	547,277	580,869	546,548	39,589
Crude Materials	8,389,448	9,946,458	11,099,264	6,828,351	6,717,768
Mineral Fuels	11,223,977	12,707,820	119,602	20,353	259,025
Oils & Fats	73,956	16,238	226,754	135,392	135,235
Chemicals	4,184,440	5,521,638	6,311,355	5,941,729	6,800,704
Manufactured Goods	3,955,048	4,306,036	5,809,495	8,168,756	6,238,738
Machinery & Transport Equipment	20,954,997	30,950,109	50,373,388	11,804,752	7,890,432
Miscellaneous Goods	4,466,730	6,805,703	13,507,043	20,619,015	18,049,411
Commodities & Transactions N.e.s.	9,199	91,144	975	22,725	27,367
Total	57,281,841	74,819,836	93,088,253	61,386,014	52,684,770

Greek Exports to Hong Kong



Eurobank Ergasias S.A.

8 Othonos Str., Athens 105 57, Greece, Tel.: (+30) 210 333 7000, General Commercial Registry No 000223001000

SEV Hellenic Federation of Enterprises

5 Xenofontos Str., Athens 105 57 Greece, Tel.: (+30) 211 5006 000, ir@sev.org.gr

Eurobank Ergasias Bank S.A. and SEV Hellenic Federation of Enterprises do not warrant the accuracy and reliability of the information provided. Data and information are subject to change. For last updated data and information please visit Exportgate Digital Library.