



Economic Report 2021

Hong Kong

08 June 2022

Executive Summary

The city's economy saw a recovery in 2021, after two consecutive years of recession. However, it will not exceed the size of 2018 (prior to the mass protests and pandemic) probably until 2023, following an extended slump in consumer spending and private investment. Tourism will lag behind the recovery in other sectors due to the zero-COVID policy followed by Hong Kong. From a sectoral perspective, financial industries will remain the core growth driver of the economy in mid-term outlook.

The service sector continues to dominate Hong Kong's economy (93% of its GDP and 89% of its total employment) while the manufacturing sector is small and is focused on non-tradable. The local government follows very strict COVID-19 rules that discourage international travel. Nearly 60% of the companies in Hong Kong say that rule of law has worsened in the last 12 months¹ and the size of the Swiss community has shrunk by more than 10% since 2019. Nevertheless, Hong Kong still holds many business opportunities, particularly in transport and logistics and the financial services sectors. As long as mainland China keeps access to its capital market controlled, Hong Kong will remain an important financial hub by providing access to China for international investors and to the international market for mainland investors.

In 2022, Hong Kong's economy will still face strong headwinds. Concerns over quarantine rules for international arrivals, other COVID-19 containment measures and the national security law are intensifying the brain drain² and are threatening Hong Kong's status as an international business hub.

In 2021 Switzerland was Hong Kong's 23rd largest import and 13th largest export market. Total Swiss export in goods including gold bars and precious metals increased by CHF 3 billion (+56%) to CHF 9 billion, while total Swiss import decreased considerably by CHF 7 billion (-62%) to CHF 4 billion. As consequence the total trade volume decreased by 21% (from CHF 17 billion to CHF 13 billion). The difference is mainly due to gold bars and other precious metals, as Switzerland imported less of these goods from Hong Kong in 2021. Trade volume without gold bars and other precious metals amounts to CHF 5 billion. Stocks direct investment from Switzerland increased by 9.1% to USD 13.1 billion³.

¹ AmCham: <https://www.amcham.org.hk/news/amcham-hk-releases-2022-business-sentiment-survey-report>. Consulted on 31.03.2022

² SCMP: <https://www.scmp.com/news/hong-kong/society/article/3125412/hong-kong-brain-drain-threat-nearly-quarter-university#:~:text=Hong%20Kong%20brain%20drain%20threat%20as%20nearly%20quarter,with%20most%20citing%20work-life%20balance%20and%20political%20stability>. Consulted on 15.03.2022

³ Latest available information at the time of editing (may 2022).

TABLE OF CONTENTS

1	ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS	3
2	PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES	5
3	FOREIGN ECONOMIC POLICY	6
3.1	Hong Kong's policy and priorities	6
3.2	Outlook for Switzerland (potential for discrimination or comparative advantage)	7
4	FOREIGN TRADE	7
4.1	Developments and general outlook	7
4.1.1	<i>Trade in goods</i>	7
4.1.2	<i>Trade in services</i>	8
4.2	Bilateral trade	8
4.2.1	<i>Trade in goods</i>	9
4.2.2	<i>Trade in services</i>	9
5	DIRECT INVESTMENTS	9
5.1	Developments and general outlook	9
5.2	Bilateral investment	10
6	ECONOMIC AND TOURISM PROMOTION	10
6.1	Swiss foreign economic promotion instruments	10
6.2	Hong Kong's interest in Switzerland	11
ANNEX 1	– Economic structure	12
ANNEX 2	– Main economic data	13
ANNEX 3	– Trade partners	14
ANNEX 4	– Bilateral trade	15
ANNEX 5	– Main investing countries	16

1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

1.1 Macroeconomic situation and outlook

Hong Kong has faced multiple shocks since 2019, internal and external, including social unrest, the pandemic, USA-China tensions⁴, imposition of the national security law⁵ in 2020 and the electoral reform⁶ in 2021, which resulted, albeit partially indirectly, in an economic contraction for two consecutive years. However, in the fiscal year ending on 31 March 2022⁷, Hong Kong's economy saw a recovery. This was mainly due to strong exports, a revival in retail sales (Dec. 2021 +6.2% yoy change), revenue from land sales and lower-than-expected expenditure. The GDP increased by 6.4% last year, although the rebound was uneven which is attributed to still frozen inbound tourism (it used to account to 5% of GDP). Overall, for the first three quarters of the fiscal year, the economy grew by 7% year-on-year when the city was mostly COVID-19-free. Yet the growth lost momentum in the year's last quarter reflecting the slowdown in global trade and the local surge of Omicron. Despite the fastest growth since 2010, GDP is still 2% lower than in 2018, the year before the democratic protests followed by the COVID-19 crisis. Private consumption rose from -10.5% in 2020 to +5.7%⁸ in 2021 due to the introduction of the government's consumption voucher scheme and improved employment. Unemployment rate fell from 5.9% in 2020 to 5.2% in 2021 and further to 3.9% in last November 2021 to January 2022. The labour market is forecast to improve further in 2022. Total exports of goods increased by 19% while total imports rose by 17.6% yoy. The inflation rate was 1.6%.

The government revenue 2021-2022 is USD 88.9 billion. For the 2021 fiscal year, Hong Kong posted a surprise surplus of USD 3.7 billion compared to an estimated deficit of USD 13 billion. The surplus is largely due to the issuance of green bonds of USD 3.7 billion. By 31 March 2022, the fiscal reserves amounted to USD 122.7 billion⁹, equivalent to about 13-16 months of government expenditure¹⁰. Since the beginning of the pandemic, the government launched six rounds of measures to provide financial assistance for the affected individuals and businesses with the latest round announced in February's budget speech 2022 including a further injection of USD 3.5 billion into the Anti-epidemic Fund, totaling over USD 59 billion¹¹. Main measures include: support for the temporarily unemployed, USD 10'000 cash payout to each eligible Hong Kong resident, counter-cyclical measures (which were already launched in the Budgets 2020 and 2021), extra half month allowance of social welfare payments, reduction of salaries tax and domestic rental expenses, tax concessions for eligible family investment management entities, special 100% Loan Guarantee and Rental Enforcement Moratorium to protect tenants of specific sectors.

While the economy in 2021 saw a rebound, it was battered in late December 2021 by the fifth wave of COVID-19, with officials caught off guard. Since then Hong Kong has recorded more than 8'000 COVID-related deaths and cumulative cases have surged to over 1 million¹². The government has implemented strict measures to contain the wave, which could lead to slower recovery in the private consumption, delayed resumption of quarantine-free cross-border travel with mainland China and dampen the economic outlook. With a slower than expected global recovery¹³, Hong Kong's economic growth is expected to slow to 2%-3.5% and the government budget is forecasted to have a deficit of USD 7.2 billion in 2022. The 2022 economic performance will depend much on how Hong Kong manages the COVID-19 crisis. Bloomberg forecasts growth of just 1.4%, with a contraction in the first quarter followed by a rebound¹⁴.

1.2 Economic integration with the Mainland

In 2020, mainland China is the second largest investor country in Hong Kong (USD 499.2 billion or 27.1% of total¹⁵) and it was the largest destination for outward direct investment (USD 903.6 or 47.3% of total¹⁶).

⁴ <https://www.congress.gov/bill/116th-congress/house-bill/7440>: In July 2020, USA. revoked the special status granted to HKSAR and enacted the Hong Kong Autonomy Act, under which it authorizes a range of significant sanctions on persons and financial institutions in reaction to the new law on Safeguarding National Security in the HKSAR. Consulted on 27.03.2022

⁵ BBC: <https://www.bbc.com/news/world-asia-china-52765838>. Consulted on 17.03.2022

⁶ Wikipedia: https://en.wikipedia.org/wiki/2021_Hong_Kong_electoral_changes. Consulted on 17.03.2022

⁷ In Hong Kong, the government's financial year runs from 1 April to 31 March.

⁸ Info Gov. HK: <https://www.info.gov.hk/gia/general/202201/28/P2022012800284.htm>. Consulted on 05.04.2022

⁹ Info Gov. HK: <https://www.info.gov.hk/gia/general/202204/29/P2022042900449.htm>. Consulted on 11.05.2022

¹⁰ LegCo Gov. HK: <https://www.legco.gov.hk/research-publications/english/2022rb01-the-2022-2023-budget-20220406-e.pdf>. Consulted on 11.05.2022

¹¹ <https://www.budget.gov.hk/2022/eng/budget04.html>. Consulted on 17.03.2022

¹² <https://www.coronavirus.gov.hk/eng/index.html>. Consulted on 05.04.2022

¹³ IMF lowered its 2022 global growth forecast to 4.4% from 4.9%. <https://www.bloomberg.com/news/articles/2022-01-25/imf-cuts-world-growth-forecast-on-weaker-u-s-and-china-outlooks>. Consulted on 04.04.2022

¹⁴ Bloomberg: <https://www.bloomberquint.com/global-economics/hong-kong-plans-hk-64-billion-fund-to-combat-covid-scmp-says>. Consulted on 17.03.2022

¹⁵ Census & Statistics Hong Kong, Table 48: https://www.censtatd.gov.hk/en/web_table.html?id=48. Consulted on 01.04.2022

¹⁶ Census & Statistics Hong Kong, Table 50: https://www.censtatd.gov.hk/en/web_table.html?id=50. Consulted on 01.04.2022

The city is the preferred business hub for renminbi (RMB) internationalization, processing RMB 6.3 trillion (USD 990 billion) in 2020, equivalent to 30% of global trading¹⁷. Hong Kong's economic integration with the Mainland continues to be most evident in the banking and finance sector. Initiatives like the various Connect Schemes¹⁸ are all important steps towards opening up the Mainland's capital markets and have reinforced Hong Kong's role as China's leading offshore RMB market. Additional connect schemes such as ETF Connect (for exchange-traded fund products) are also under exploration. In 2021's policy address, the Chief Executive Carrie Lam announced plans to increase government spending on development of the northern part of Hong Kong into a metropolitan, research and development, education, and technological innovation with the aim of spurring continued economic growth through greater sector diversification and to facilitate the integration with Shenzhen and connection with the Greater Bay Area (GBA)¹⁹. This strategy will be an occasion to be further integrated into the overall development of China by creating new leads for Hong Kong's private sector, especially the financial industry, tourism and hospitality.

In the recent years, Hong Kong has also established itself as the premier stock market for Chinese firms seeking to list abroad, aiming to consolidate its role as an offshore fundraising hub for Chinese mainland companies amid mounting uncertainties in overseas markets.

HKD is pegged to the USD since 1983 to re-establish confidence and to reduce the foreign exchange risk faced by importers, exporters and international investors while it was sending an implicit message that the city's financial system was maintaining some distance from the mainland China. The HKD has been allowed to trade between 7.75 and 7.85 per USD since 2005 and is fully backed by Hong Kong's foreign exchange reserves. It has successfully withstood a series of daunting crises in the past 39 years. Would a peg with the Chinese currency be more reasonable than one with the USD owing to the growing integration with China and the renminbi playing a more important role in local transactions? According to the Hong Kong Monetary Authority, this will unlikely happen because of China's tight capital control and in addition, Hong Kong's business cycles are "still more synchronized" with the U.S, than mainland China²⁰.

Impact of COVID-19: consumption and tourism

Hong Kong, like mainland China, has pursued an ironclad zero-COVID strategy. Some of the COVID-19 regulations such as the travel bans and flight restrictions, pose major challenges for airlines and have affected people's livelihood and the economy. Some airlines, including Lufthansa and SWISS International Airlines, decided to stop flying to the city between December 2021 and May 2022 due to strict rules regarding crew quarantine and repatriation. Transit was also blocked between mid-January and end of March 2022. The Hong Kong Tourism Board reported a further drop of 97.4% in the number of visitors in 2021, with number of arrivals from 3.57mio in 2020 down to 91'398 last year. Not to forget that before the protests in 2019 and the pandemic, Hong Kong used to receive 65mio of visitors per year²¹. Most inbound travellers in 2021 were visiting family members, returning residents or traveling for other reasons, reducing to number of tourists 'close to zero' according to the figures provided by the Tourism Board.

1.3 Implications for Swiss economic interests

The draconian COVID-19 travel restrictions have been in place for two years now. More and more foreigners are leaving the city. Among the Swiss community, there was a reduction of around 10% in the past two years. According to a survey done by the American Chamber of Commerce only 40% of the companies seem to be positive about the current situation²² as the rule of law has worsened. The emigration leads to a change in society and a decline in the international work culture. Swiss financial institutions in Hong Kong are optimistic about the prospective in the year 2022, but operational and regulatory challenges are increasing. Despite all that, capital controls and regulatory ambiguity in China ensure that Hong Kong remains an important financial hub, albeit one that is strongly oriented towards the Mainland.

¹⁷ Speech Eddie Yue, CEO of Hong Kong Monetary Authority on 09.11.2021: <https://www.bis.org/review/r211109e.htm>, Consulted 01.04.2022

¹⁸ Hong Kong-Shanghai Stock Connect, the Hong Kong-Shenzhen Stock Connect the Mutual Recognition of Funds, and the Bond Connect scheme, Wealth Management Connect

¹⁹ The Guangdong-Hong Kong-Macau Greater Bay Area also referred as GBA, is a megalopolis, consisting of nine cities and two special administrative regions in South China. It is envisioned as an integrated economic area aimed at taking a leading role globally by 2035.

²⁰ <https://www.bloomberg.com/news/articles/2020-06-04/what-the-hong-kong-dollar-peg-is-and-why-it-matters-quicktake>, Consulted 01.04.2022

²¹ Hong Kong Tourism Board: https://www.tourism.gov.hk/pdf/FactSheet/2019/tourism_fact_sheets_2019_en.pdf, Consulted 14.02.2022

²² AmCham: <https://www.amcham.org.hk/news/amcham-hk-releases-2022-business-sentiment-survey-report>, Consulted 14.02.2022

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

Hong Kong is a free port which thrives on free trade. Due to its strategic location, its well-developed infrastructure and its international communications network, Hong Kong plays an important role in the international business community and as a hub for trade between the mainland and the rest of the world. It enjoys a capitalistic economic and trading system, free movement of products and a separate customs territory. The economy is dependent on trade with the rest of the world. In 2020, the value of total trade reached USD 1,056 billion, equivalent to 302% of GDP. Hong Kong was the sixth largest trading partner in the world in 2020.

The value of goods and services trade, including the sizable share of re-exports, is about four times its GDP²³. In 2020, the value of goods re-exported goods to and from China amounted to USD 448 billion, accounting for 89.6% of the total value of the Hong Kong's re-export trade.

2.1 Hong Kong's main economic sectors

The service sector dominates Hong Kong's economy. In the absence of a significant agriculture and a large industrial base, the service sector has been constantly the largest economic sector in terms of income-generation, employment, and contribution to GDP (93.5%, 89% of total employment). Trade in services accounts for about half of GDP. In 2020, Hong Kong ranked 21st in the world in terms of trade in commercial services.

Hong Kong is renowned to be an important international financial centre and the **financial services industry remains** one of its most important economic pillars (23% of its GDP), showing a constant upside trend in the past years. It accounts for 273'700 jobs in 2020. **Trading and logistics** is another key industry of Hong Kong's economy and account for 19.8% of its GDP, employing 616'000 persons in 2020²⁴.

There are 181 licensed banks, including 8 Swiss banks and one Liechtenstein bank with a banking licence. and 4 with a representative office (and 32 Chinese banks). There are as well two Swiss insurance groups. Hong Kong is Asia's No. 1 in international fund management and in private wealth management and it has the largest offshore RMB liquidity pool in the world. 2/3 of all investments to and from China flow through Hong Kong.

The stock market is the 4th largest in Asia and the 7th largest in the world in terms of market capitalisation²⁵. As per the end of 2021, there were 2'572 companies listed on the Hong Kong Exchanges (HKEx), with a decreasing total market capitalisation of about USD 5.4 trillion (it was USD 6 trillion at the end of 2020)²⁶. Between 2010 and 2018, 73% of mainland Chinese IPOs were conducted in Hong Kong but in 2021 Hong Kong IPOs were 10% down compared with one year earlier²⁷. Bankers had expected Hong Kong to benefit from mainland China's regulatory tightening on technology companies. However, a lack of clarity from Beijing on plans for a new approvals regime for offshore listings has hampered opportunities. Moreover, HKEx is facing a stiff competition from exchanges in Shanghai and Shenzhen, whose market capitalisation has surpassed the one of Hong Kong. Asia Securities Industry & Financial Markets Association (ASIFMA) recently conducted a survey of its members. Operational and regulatory challenges are emerging for Hong Kong over the next three years. In a direct comparison with Singapore, Hong Kong is losing ground. The political situation, lower market growth and the risk of political sanctions are having a negative impact²⁸.

Nevertheless, Hong Kong's financial sector still enjoys several competitive benefits such as its own currency pegged to the USD, an efficient capital system, an independent judiciary and low taxes. Mainland Chinese still have a high interest in diversifying their savings in foreign currencies and preferably in HKD. At the same time, foreigners want to invest in China. To meet this demand despite Chinese capital controls, cross-boundary wealth management connect schemes have been implemented.

2.2 Consequences for Swiss companies

Swiss financial institutions are most represented in Hong Kong among all Swiss companies, most of which are operating in wealth management section. The presence of ultra-high-net worth individuals in Asia, particularly in China, presents long-term growth opportunities for wealth management business. Swiss companies are in general still optimistic about the business opportunities in Hong Kong. The city's

²³ CIA.gov: <https://www.cia.gov/the-world-factbook/countries/hong-kong/#economy>, Consulted 01.04.2022

²⁴ Census & Statistics Hong Kong: Table 188. Consulted 20.03.2022

²⁵ Trade Brains. Consulted on 18.03.2022

²⁶ SFC: <https://www.sfc.hk/-/media/EN/files/SOM/MarketStatistics/b01.pdf>, Consulted 18.03.2022

²⁷ FT: <https://www.ft.com/content/8c138b1f-c82d-4cdc-a089-66611fa1b50a>, Consulted 18.03.2022

²⁸ ASIFMA: <https://www.asifma.org/wp-content/uploads/2021/12/asifma-2022-apac-capital-markets-survey.pdf>, Conducted 04.04.2022

position as a gateway for financial investments to and from mainland China remains strong. Various connect programs are already in place for southbound as well as northbound funds and more financial programs are in the pipeline to be launched in the near future representing great opportunities.

Yet, the approach to the introduction of the Wealth Management Connect Hong Kong – China was criticized by Swiss firms as the framework conditions, at least in the first phase, exclude foreign financial institutions and are tailored to the large domestic banks. In Hong Kong, 24 banks have been granted a license since the start of the pilot phase in 2020. These are almost exclusively Chinese and Hong Kong banks. In principle, admission to the program is not limited: anyone who can meet the criteria may participate. However, for now, the conditions for foreign players are not interesting and smaller financial institutions feel left out because they lack necessary partner banks in China.

As for the Swiss luxury watch brands Hong Kong is changing its importance. For the first time after 12 years in first place, bilateral trade of Swiss watches with Hong Kong in 2020²⁹ showed one of the most negative performances across the board, pushing it down to third place in the ranking of Swiss watch exports³⁰. There are two factors for the decrease of trade. Firstly, the ongoing pandemic and Hong Kong's closure of the borders are preventing the influx of affluent mainland tourists. Secondly, direct orders from the rival Hainan, in mainland China, have increased drastically due to recent changes in the duty-free policy that benefits shoppers.

2.3 Digitalization

The government's economic policy agenda 2022-26 will focus on the development of new high-technology industries among others. As a financial city, digitization is particularly visible in the financial sector with the development of fintech technologies. Currently, 470 fintech companies³¹ are present in Hong Kong. Reflective of global trends, fintech funding activity in Hong Kong surged in 2021: the Hong Kong Exchange estimates that USD 68.8 billion was raised in the first seven months of the year alone. In comparison, total fintech funding totaled only USD 374 million in 2019. Hong Kong has four fintech unicorns with a combined valuation of USD 8.5 billion, according to WHub's Hong Kong Fintech White Paper³².

At the moment, virtual asset exchanges (including cryptocurrencies) are regulated only by a voluntary opt-in licensing mechanism, but the Hong Kong Financial Services and the Treasury Bureau are looking to bring all virtual asset exchange operators within the formal regulatory perimeter of the Securities and Futures Commission.

The Hong Kong Monetary Authority (HKMA) presented in June 2021 a "Fintech 2025 plan", a strategy to drive fintech development in Hong Kong. The plan promotes adoption of digital banking by all institutes and the digitalization of data infrastructure. It also aims at expanding the fintech-savvy workforce. Furthermore, a survey conducted by McKinsey (Dec. 2021)³³ shows that 93% of Hong Kong consumers use digital banking at least once per month compared to 90% in the rest of developed Asia. In addition, age and affluence don't seem to be arbiters of digital banking use in Hong Kong. Another survey says that in Asia, nearly 20% of key products are purchased completely online while 25% of decision-making³⁴. This shows how local consumers feel comfortable with using mobile and internet channels for banking services and represents a big opportunity for Swiss fintech companies that are pursuing a global expansion.

3 FOREIGN ECONOMIC POLICY

3.1 Hong Kong's policy and priorities

Hong Kong is a founding member of the World Trade Organization (**WTO**) and has been participating actively in its activities. It has continued its separate membership after its return to China in 1997 using the name "Hong Kong, China". Hong Kong has also become a member of the Asia-Pacific Economic Cooperation (**APEC**) and the Pacific Economic Cooperation Council (**PECC**) in 1991 and in its own right,

²⁹ This is the latest figure available

³⁰ Fédération horlogère, http://www.fhs.swiss/file/59/watchmaking_2020.pdf, Consulted 07.04.2022

³¹ Digital Journal: <https://www.digitaljournal.com/pr/fintech-in-hong-kong-2021-in-review>; consulted on 30.03.2022

³² Fintechnews: [https://fintechnews.hk/10762/various/a-review-of-hong-kongs-fintech-developments-in-2019/#:~:text=2019%20was%20a%20fruitful%20year%20for%20the%20Hong,Programming%20Interface%20%28API%29%20Framework.%20Virtual%20banks%20are%20coming](https://fintechnews.hk/10762/various/a-review-of-hong-kongs-fintech-developments-in-2019/#:~:text=2019%20was%20a%20fruitful%20year%20for%20the%20Hong,Programming%20Interface%20%28API%29%20Framework.%20Virtual%20banks%20are%20coming.). Consulted on 30.03.2022

³³ <https://www.mckinsey.com/cn/our-insights/our-insights/are-hong-kongs-banks-ready-for-a-digital-transformation>, Consulted 11.04.2022

³⁴ <https://www.mckinsey.com/~media/mckinsey/business%20functions/mckinsey%20digital/pdf/2014%20digital%20banking%20in%20asia%20-%20winning%20approaches%20in%20a%20new%20generation%20of%20financial%20services.pdf>, Consulted 11.04.2022

belongs to the Asian Development Bank (**ADB**) and the World Customs Organization (**WCO**). Since April 1994, Hong Kong has been an observer in the Trade Committee of the Organization for Economic Cooperation and Development (**OECD**) and also joined the Asian Infrastructure Investment Bank (**AIIB**) in June 2017.

So far, Hong Kong has signed eight Free Trade Agreements (FTA) with mainland China ([CEPA](#), 2003), New Zealand ([CEP](#), 2010), [EFTA](#) including **Switzerland** (2011), [Chile](#) (2012), HK and Macao Closer Economic Partnership Arrangement ([HK-Macao CEPA](#), 2017), [ASEAN](#) (2017), [Georgia](#) (2018) and [Australia](#) (2019). Last year it has concluded a new FTA with the Maldives. Hong Kong has signed Investment Promotion and Protection Agreements ([IPPAs](#)) with 22 foreign economies³⁵. As mentioned, Hong Kong's economy is increasingly tied to the Mainland. Under **CEPA**, qualifying products, companies and residents of Hong Kong enjoy preferential access to the mainland Chinese market.

In October 2017, **Switzerland** signed an agreement with Hong Kong for conducting automatic exchange of financial account information in tax matters ([AEOI](#)). In January 2018, authorities and private sector representatives from Hong Kong and **Switzerland** signed three Memorandums of Understanding ([MOU](#)) in Switzerland on strengthening collaboration in financial markets, fintech and promotion of private wealth management³⁶. Hong Kong and **Switzerland** also signed a comprehensive agreement on the avoidance of double taxation ([CDTA](#)) in December 2010.

The Regional Comprehensive Economic Partnership ([CEPA](#)) took effect on 1 January 2022 comprising 15 member states (ASEAN countries and China, Japan, South Korea, Australia and New Zealand). It is the largest Free Trade Agreement in the world, covering 2.2 billion people (almost 30% of the world's population) with a combined GDP of USD 29.7 trillion and accounts for nearly 30% of global trade³⁷. This agreement contains provision that goes beyond existing FTAs. Although Hong Kong is not a signatory of RCEP, at the moment, it will benefit from the agreement because most of the merchandise trade initiated and managed by Hong Kong based companies is produced in RCEP member states, particularly China. In other words these companies will have lower tariffs, simplified rules and procedures, and better market access. Hong Kong has submitted application beginning of 2022 to join the RCEP³⁸.

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

The economic agreements signed by Hong Kong present no discrimination against Swiss importers and exporters. The CEPA signed with mainland China is nationality neutral. Therefore, Swiss companies incorporated in Hong Kong can enjoy the full benefits of the CEPA.

4 FOREIGN TRADE

4.1 Developments and general outlook

4.1.1 Trade in goods

Hong Kong has been ranked the 6th economy in terms of total trade in 2020 World Merchandise Trade³⁹. Trading and logistics is one of the four key industries⁴⁰ of Hong Kong's economy. Hong Kong is one of the major international trading hubs with a significant amount of logistics-related transport in the world. In 2021, **imports** rose about 24.3% to USD 680 billion, the most since 2010 when they grew 25% (in 2020 total imports decreased only by 3.3%). China remains the biggest supplier country by far with a share of 46%, an increase by 26.5% from the previous year (in 2020 imports from China decreased by 6.5%). After China, Taiwan and Singapore are important importing partners.

Major **export** markets were China, following far behind the USA and Taiwan with India on fourth rank. Exports jumped 26.3% last year, the strongest since 1988 when they soared 30.4% (this represents an

³⁵ <https://www.tid.gov.hk/english/ita/ippa/index.html>, ASEAN, Australia, Austria, Belgo-Luxembourg Economic Union, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, Mexico, the Netherlands, New Zealand, Sweden, **Switzerland**, Thailand, United Arab Emirates and the United Kingdom, Consulted: 21.03.2022

³⁶ Press Releases: Governments of Switzerland and Hong Kong, <https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-69574.html>, <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2018/01/20180123-5/>, Consulted 21.03.2022

³⁷ <https://rcepsec.org/>, Consulted: 25.03.2022

³⁸ <https://origin.hkmb.hktdc.com/en/MTAwNDI3NzY4OA/hktdc-research/ASIA-Hong-Kong-Makes-Official-Application-to-Join-the-RCEP>, Consulted 25.03.2022

³⁹ Ranking 2020 World Merchandise Trade, <https://www.tid.gov.hk/english/aboutus/publications/tradestat/wmttt.html>, Consulted 31.03.2022

⁴⁰ Financial services, trading and logistics, tourism and producer and professional services: <https://www.statistics.gov.hk/pub/B72101FB2021XXXXB0100.pdf>

increase by 24.3% compared to total exports in 2019)⁴¹. The external trade has helped drive the city's expansion of the economy out of its recession.

Electrical machinery, apparatus and parts has often been the largest commodity group of Hong Kong's imports and exports followed by telecom, sound equipment and office machines/computers.

Since the 1980s, Hong Kong's manufacturing industry has been relocated to China and other economies. Domestic exports represent only 1.5% of total exports whereas re-exports constitute 98.5% of total exports. Outward processing activities play an important role in Hong Kong trade with China. In 2021, 19.1% of Hong Kong's total exports to the mainland China were for outward processing in the Mainland. On the other hands, 33.1% of Hong Kong's imports from the Mainland⁴² were related to outwards processing in the Mainland according to statistics released in March 2022. Over the same period, 60.9% of Hong Kong's re-exports of mainland origin to other places were produced through outward processing in the Mainland.

Although the economy saw a recovery in 2021 with total exports of good increased by 19% in real terms, the evolving pandemic, the pace of monetary policy tightening by some major central banks and the development of China-US relations and in addition, the recent situation in Ukraine will likely pose a drag on global economic growth through elevating international energy and commodity prices and aggravating supply chain and transportation disruptions. This may affect Hong Kong's export performance in the near term

4.1.2 Trade in services

Comparing 2020 with 2019, the value of total exports of services decreased by 35.0% to USD 66.5 billion, and that of total imports of services decreased by 32.8% to USD 54.7 billion. A trade surplus at USD 11.9 billion, equivalent to 21.7% of the value of total imports of services, was recorded in 2020. This was smaller than the corresponding surplus of USD 21.1 billion in 2019, equivalent to 26.0% of the value of total imports of services in 2019. However, Hong Kong remains one of the world's most important international financial centres in the mid-term as regional rivals such as Shanghai, Shenzhen and Singapore are unable to fulfil the same role as a link for financial flows between China and the global economy. In addition, Hong Kong's importance as a link between China and the rest of the world will be enhanced by the fact that tension between the USA and China will force Chinese companies to list in Hong Kong instead of the U.S. stock exchange⁴³.

Transport was the largest component **in exports of services**, accounting for 35.8% in 2020 followed by financial services (32.5%), other business services (18.7%) and travel (4.3%). The travel industry has suffered the most and decreased by 84.9% compared to 2019 pre-COVID. Whereas the financial services seem to have gained some volume, i.e. by 53.3%. The value of exports of services posted a record annual decline in 2020, dragged by frozen inbound tourism since February 2020 and generally weak cross-boundary transport and business services amid the COVID-19 pandemic. As for **imports of services**, transport accounted for 27.0% of the value of total imports of services in 2020, followed by other business services (19.8%), manufacturing services (18.5%) and financial services (13.1%).

Analyzed by main destination/source, the USA and China were the top two main destinations of exports of services of Hong Kong, accounting for 22.7% and 19.8% respectively of the value of total exports of services in 2020. The Mainland and the USA were also the top two main sources of imports of services, accounting for 38.7% and 16.3% respectively of the value of total imports of services in 2020. Services trade continued to register a surplus, albeit smaller than that in the preceding year.

4.2 Bilateral trade

According to the Hong Kong government statistics, Switzerland was Hong Kong's 23rd largest supplier and 13th largest export market in 2021.

⁴¹ Census & Statistic Hong Kong: <https://tradeidds.censtatd.gov.hk/Index/292c59764cfd4ec5aba6b5745d5c2711>, Consulted 21.03.2022

⁴² Hong Kong Government:

<https://www.info.gov.hk/gia/general/202203/11/P2022030900226.htm#:~:text=For%202021%20as%20a%20whole%2C%2019.1%25%20of%20Hong,were%20related%20to%20outward%20processing%20in%20the%20Mainland>. Consulted 21.03.2022

⁴³ 2020 is most updated statistics for trade in services. Census & Statistics Hong Kong: https://www.censtatd.gov.hk/en/press_release_detail.html?id=5153, Consulted 01.04.2022

4.2.1 Trade in goods

Total Swiss export in goods including gold bars and precious metals increased by CHF 3.4 billion (+56%) and amounts now to CHF 9.3 billion, while total Swiss import decreased considerably by CHF 7 billion (- 62%) and amounts now to CHF 4.2 billion. As consequence the total trade volume decreased by 21% (from CHF 17.2 billion to CHF 13.5 billion). The difference is mainly due to gold bars and other precious metals, as Switzerland imported less of these goods from Hong Kong in 2021. This category accounts for 62.6% of total exported value, and for 89.1% of total imported value. Also, the price of these goods is very volatile and this has an impact on the total yearly figure.

Trade volume without gold bars and other precious metals amounts to CHF 5.4 billion. **Swiss exports** to Hong Kong amounted to CHF 4.5 billion in 2021 (it was CHF 3.6 billion in 2020), while **imports** fell from CHF 1.2 billion to CHF 944 million in 2021. The variation are in line with previous years.

Gold dominates the bilateral trade: in 2021, gold exports to Hong Kong increased by 640% if we compare the quantity (from 15,118 kg in 2020 to 96,822 kg in 2021). This significant increased happened after decreasing in the previous five years due to the direct import of gold from China and the impact of social unrest and Covid-19 in 2019 and 2020, respectively. The local gold trade has a long history and Hong Kong's close links to China, and the recent collaborations between Shanghai Gold Exchange and Chinese Gold and Silver Exchange, have further increased the importance of the gold market in Hong Kong. Hong Kong imports gold for several reasons, being the main one re-export to China (42% of all re-exports of Swiss origin went to China). Imported gold is also used for investments (gold as safe haven), manufacturing and for the local jewelry industry. The significant increase of gold import from Switzerland is attributed to the green light given in April 2021 to domestic and international banks in China to import large amounts of gold into the country as Chinese gold demand recovered from an initial drop due to the COVID-19 pandemic⁴⁴. Jewelry sales in China during the Lunar New Year 2021 were stronger than the previous two years, triggering manufacturers and retailers to replenish their inventories through Hong Kong⁴⁵. In recent years, Hong Kong's Swiss-origin gold re-exports are much larger than Hong Kong's gold imports from Switzerland. The reason for the difference between Swiss-origin gold imports and re-exports stems from gold stocks held for decades by gold depositories and dealers.

4.2.2 Trade in services

Hong Kong's imports of services from Switzerland reached USD 377.9 million (0.7% of total imports of services) in 2020⁴⁶. Switzerland ranked 17th largest supplier in this category. It consisted of financial services (44.3%), charges for the use of intellectual property (15.7%), transport (13.9%) travel (9.6%), other business services (5.9%), telecommunications, computer and information services (5.1%) as well as insurance and pension services (3.3%)⁴⁷.

Hong Kong's exports of services to Switzerland amounted to USD 876.1 million (1.3% of total exports of services) in 2020. Switzerland ranked 12th largest market for Hong Kong's exports of services. It consisted of other business services (39%), financial services (36.7%), transport (18.9%), as well as telecommunications, computer and information services (7.2%).

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

The total foreign direct investment in Hong Kong at the end of 2020 decreased by 1.3% to USD 1'840.3 billion⁴⁸ (direct investment amounted to USD 1'865 billion at the end of 2019). This was primarily caused by the drop in share prices of some prominent enterprises amid the COVID-19 pandemic. The new net inflows over the year increased significantly from USD 74 billion in 2019 to USD 134 billion in 2020.

Analyzed by immediate source of investment, Hong Kong's two largest sources of inbound direct investment at the end of 2020 were the British Virgin Islands (BVI) with 31.6% and China with 27.1% of the total. The

⁴⁴Reuters:<https://www.reuters.com/world/china/exclusive-china-opens-its-borders-billions-dollars-gold-imports-sources-2021-04-16/#:~:text=EXCLUSIVE%20China%20opens%20its%20borders%20to%20billions%20of,support%20global%20gold%20prices%20after%20months%20of%20declines>. Consulted on 30.03.2022

⁴⁵Kitco News: <https://www.kitco.com/news/2022-01-28/China-s-net-gold-imports-via-Hong-Kong-Switzerland-rocket-in-2021.html>, Consulted 30.03.2022

⁴⁶ 2021 figures will be released end of 2022.

⁴⁷ Census & Statistics Hong Kong: https://www.censtatd.gov.hk/en/web_table.html?id=82, Consulted 21.03.2022

⁴⁸ Census & Statistics Hong Kong: https://www.censtatd.gov.hk/en/web_table.html?id=48, Consulted 04.04.2022

economic activities in Hong Kong that received the most inward direct investment were those engaged in investment and holding, real estate, professional and business services (65.5% of the total).

China and the BVIs were also the top two destinations for direct investments coming from Hong Kong. The importance of offshore financial centers such as the BVIs, Cayman Islands, and Bermuda for Hong Kong's external direct investment is due to favorable taxes and relaxed regulatory control of those places. These are important factors for Hong Kong firms engaged in setting up non-operating companies to channel direct investment back to Hong Kong or elsewhere.

The substantial amount of inward and outward foreign investments at the end of 2020 makes Hong Kong one of the world's major destinations for and source of external direct investments⁴⁹. The substantial cross-boundary investment between Hong Kong and the Mainland reflects the close economic link between the two places. Under the "dual circulation" strategy of the National 14th Five-Year Plan, Hong Kong should be integrated into the Mainland's overall development and thus hopes to benefit from it and to remain an international financial and business center.

In Hong Kong, there is no restriction on inward and outward investments nor is there nationality restrictions on corporate or sectorial ownership.

5.2 Bilateral investment

According to the latest figures available, Swiss direct investments in Hong Kong reached USD 13.1 billion in 2020. The Swiss share in foreign direct investments is historically rather stable although it saw an increase by 9.1% in 2020. It accounts for about 0.7% of Hong Kong total foreign direct investments.

As of 2021, there were 55 regional headquarters, 91 regional offices and 117 local offices⁵⁰ in Hong Kong representing parent companies located in Switzerland as well as using Hong Kong as a gateway for doing business with mainland China and the rest of Asia. They are classified in various sectors: banking, beauty products, chemicals & pharmaceuticals, consultants, electronics, food and beverage, freight forwarding, inspection, insurance, machinery/engineering, textiles & garments, watches/jewelry and trading houses, etc. Swiss companies based in Hong Kong employed approximately 22'000 people in 2021.

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

Swiss Chamber of Commerce in Hong Kong (SwissCham)⁵¹

It is an organization with the mission to provide business platform and networking for Swiss companies and individuals in Hong Kong. It represents the Swiss business community to both the Swiss and HKSAR governments.

Swiss-Chinese Chamber of Commerce/Swiss-Hong Kong Business Association⁵²

The Swiss-Chinese Chamber of Commerce and Swiss-Hong Kong Business Association are non-profit associations registered in Switzerland.

The Federation of the Swiss Watch Industry⁵³

The Federation of the Swiss Watch Industry (FH) is a private, professional and non-profit association which defends the watch industry's interests and contributes to its development.

Swiss Tourism⁵⁴

Switzerland Tourism for Hong Kong, Macao and South China has an office in Hong Kong.

The collaboration among the mentioned actors works well however due to COVID-19, the strict social distancing measures and travel restrictions, opportunities for interaction were limited. In 2021, the Consulate General participated in Eco Expo Asia⁵⁵ promoting three Swiss start-ups active in the sustainability sector. The Consulate General and Switzerland Tourism also participated together in the Hong Kong

⁴⁹ Press Release Hong Kong Government 10 December 2021: <https://www.info.gov.hk/gia/general/202112/10/P2021121000316.htm>, Consulted 21.03.2022

⁵⁰ Census & Statistics Hong Kong, Tables 133, 134 & 206, Consulted 21.03.2022

⁵¹ <https://www.swisscham.org/hongkong/about-us-2/>

⁵² <https://www.sccc.ch/>

⁵³ www.fhs.hk

⁵⁴ <https://www.myswitzerland.com/en-ch/>

⁵⁵ https://ecoexpoasia.hktdc.com/dm/2021/1st_edm/index_en.html

Book Fair⁵⁶ to showcase Switzerland and promote Swiss tourism. For 2022 Switzerland Tourism plans to participate again, together with the Consulate General, in the Hong Kong Book Fair. In July 2022 this Consulate General will attend for the first time the Education Fair⁵⁷ to promote Switzerland and its excellent education system (both private and public).

6.2 Hong Kong's interest in Switzerland

Tourism, education, other services: In 2021, the Swiss hotel industry recorded 29.6 million (23.7 million in 2019) overnight stays, of which 8'384 (down from 24'606) overnight stays in total are from Hong Kong visitors. Compared to 2020, this corresponds to a decrease of 66% (16'222)⁵⁸. The reason for the slump for the second consecutive year is the extraordinary situation in connection with the global pandemic and the long quarantine measures of Hong Kong government for returning residents. The overall perception of Switzerland is however very positive in Hong Kong and it is expected that Hong Kong residents are eager to travel back to Switzerland. There were about 300 Hong Kong residents studying in Switzerland in 2021⁵⁹.

Investments: There are 17 Hong Kong based companies in Switzerland⁶⁰ ranging from logistics, jewellery & watches retail, manufacturing, consulting and infrastructure asset management.

Switzerland as a financial centre: The Hong Kong Monetary Authorities (HKMA) held the 5th (virtual) dialogue with Switzerland in January 2022⁶¹. The Dialogue, co-organized by HKMA and the State Secretariat for International Finance (SIF) under the Federal Department of Finance of Switzerland, aims to foster financial services collaboration between Hong Kong and Switzerland and facilitate exchange of views on important issues surrounding the global financial system. Both parties discussed regional and domestic outlook and policy challenges, as well as the latest development and potential collaboration in the areas of (i) Fintech, (ii) wealth management, and (iii) sustainable finance.

Switzerland, as a world leader in assets and wealth management, has a competitive edge in this sector and benefits from political stability and economic strength, service quality, know-how of its workforce and its renowned reputation. Especially Swiss family offices, which have undergone quite some development in the decade and now occupy a leading position in this segment in Europe, are of great interest to Hong Kong.

⁵⁶ <https://hkbookfair.hktdc.com/en/index.html>

⁵⁷ https://event.hktdc.com/fair/hkeducationexpo-en/s/1073-General_Information/HKTDC-Education-and-Careers-Expo/Fair-Details.html

⁵⁸ Bundesamt für Statistik https://www.pxweb.bfs.admin.ch/pxweb/de/px-x-1003020000_102/px-x-1003020000_102/px-x-1003020000_102.px

⁵⁹ Consulate General of Switzerland in Hong Kong, internal statistics

⁶⁰ Switzerland Global Enterprise internal statistics

⁶¹ <https://www.swissbanking.ch/en/news-and-positions/news/5th-hong-kong-swiss-financial-seminar-the-needs-of-family-offices-are-evolving>

ANNEX 1 – Economic structure

Economic structure of the host country

	2017	2018	2019	2020*
Distribution of GDP*				
Primary Sector	0.1%	0.1%	0.1%	0.1%
Secondary Sector	7.6%	6.8%	6.5%	6.5%
Services	92.3%	93.1%	93.4%	93.5%
- of which public administration, social and personal services	18.2%	18.5%	19.6%	20.7%
- of which financing and insurance	18.8%	19.8%	21.2%	23.3%

Distribution of Employment	2018	2019	2020	2021**
Primary Sector	0.1%	0.1%	0.1%	0.1%
Secondary Sector	11.6%	11.3%	10.8%	11.4%
Tertiary Sector	88.3%	88.6%	89.1%	88.5%
- of which public administration, social and personal services	27.1%	28.2%	27.8%	27.8
- of which financing and insurance	6.8	7.1	7.6	7.6%

*This set of figure for 2021 will only be available by Nov. 2022, Table 36

** Figures released in April 2022, Source: Hong Kong Census and Statistics Department

ANNEX 2 – Main economic data

Hong Kong's main economic data

	2019	2020	2021	2022
GDP (USD bn)	367.7	341.3	369.8	369.5**
GDP per capita (USD)	48'980	45'176	49'613	49'850**
GDP growth (%)	-1.2	-6.1	6.4	3.0**
Inflation (%)	+2.9	0.3	1.6	2.1**
Unemployment rate (%)	2.9	5.9	5.2	3.5**
Fiscal balance (% of GDP)*	-1.3	-9.4	-3.6	1.9*
Current account balance (% of GDP)**	6.3	6.9	7.5	6.7**
General government external debt (% of GDP)	0.9	0.7	0.7%	****
Total external debt (% of GDP)**	454	510	510	****
Debt-service ratio (% of exports)**	***	***	***	***
Reserves (in months of imports)**	41.30	50	35.3	****

* HKSAR Government forecast

** IMF forecast

***HKSAR Government has not compiled this set of figures

****Unavailable at the time of report

USD 1 = HKD 7.8

ANNEX 3 – Trade partners

Trade partners of Hong Kong Year: 2021

Rank	Country	Exports from Hong Kong (USD million)	Share	Change	Rank	Country	Imports to Hong Kong (USD million)	Share	Change
1	China	378'458	60%	27%	1	China	311'984	46%	26.5%
2	USA	39'695	6%	19.6%	2	Taiwan	70'196	10%	35%
3	Taiwan	18'438	3%	46%	3	Singapore	53'053	8%	31.7%
4	India	17'059	3%	36.6%	4	Korea	41'618	6%	31.3%
5	Vietnam	13'241	2%	22.2%	5	Japan	34'716	5%	12.8%
6	Japan	15'237	2%	8.7%	6	USA	26'498	4%	18.3%
7	Singapore	8'961	1%	17.7%	7	Malaysia	21'374	3%	1.7%
8	UAE	8'998	1%	38.8%	8	Vietnam	15'084	2%	16.9%
9	Netherlands	10'181	2%	22.8%	9	Thailand	13'182	2%	18.9%
10	Korea	9'558	2%	42.7%	10	India	10'438	2%	41.9%
...	EU**	42'527	7%	16.7%	...	EU**	27'395	4%	1%
21	Switzerland%	...%	13	Switzerland	7'792	1.1%	27.4%
	Total	635'982	100%	26.3%		Total	680'486	100%	24.3%

* Merchandise trade statistics with EU from 2020 onwards are compiled based on the new coverage and thus not comparable with EU figures in earlier years which included the UK.

**year-on-year basis in %

Remarks: The compilation of this table is based on the source from the Hong Kong Census & Statistics Department. It does not include trade in gold, silver and coins, which is different from the current approach of the Swiss Customs Administration. It therefore shows a huge contrast if comparing with Annex 4 Bilateral Trade Switzerland – Hong Kong.

Exchange rate: HKD 7.8 = USD 1

Source : Hong Kong Trade Statistics

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and Hong Kong

	Exports (CHF mio.)	Change %	Imports (CHF mio.)	Change %	Trade Balance	Volume (CHF mio.)
2017 (total 2)*	15'747	-14%	9'227	+13%	6'520	24'974
2017 (total 1)**	5'345	+10%	1'193	+5.4%	4'152	6'538
2018 (total 2)*	15'670	-0.5%	3'831	-59%	11'839	19'501
2018 (total 1)**	5'944	+11%	1'199	+0.4%	4'745	7'143
2019 (total 2)*	9'873	-37%	3'801	-0.8%	6'072	13'674
2019 (total 1)**	5'524	-7.1%	1'296	+8.1%	4'228	6'820
2020 (total 2)*	5'953	-39.9%	11'309	198%	-5'357	17'262
2020 (total 1)**	3'625	-34.4%	1'242	-4.2	3'385	4'867
2021 (total 2)*	9'319	56.4%	4'234	-62.6%	5'085	13'553
2021 (total 1)**	4'463	23.1%	944	-24%	3'519	5'407

* General total (total 2) includes gold bars and other precious metals, coins, precious stones and gems, work of art and antiques.

** Economic total (total 1) does not include gold bars and other precious metals, coins, precious stones and gems, work of art and antiques.

Exports	2020 (% of total)	2021 (% of total)
1. Jewellery, precious stones and precious metals	51.6	62.6
2. Watches and clocks	28.5	22.9
3. Chemical and pharmaceutical products	7.8	4.3
4. Machinery (electrical and non-electrical)	5.8	4.1

Imports	2020 (% of total)	2021 (% of total)
1. Jewellery, precious stones and precious metals	96.4	89.1
2. Watches and clocks	2	5.2
3. Machinery (electrical and non-electrical)	0.8	2.9
4. Works of art and antiques	0.1	1.7

Source: Federal Office for Customs and Border Security

ANNEX 5 – Main investing countries

Main investing countries in Hong Kong Year: 2020 (latest available information)

Rank	Country	Direct investment (USD in billion, stock)	Share	Variation (stock)	Inflows over past year (USD in billion)
1	British Virgin Islands	582.1	31.6%	-0.08%	30.6
2	China	499.2	27.1%	-0.05%	43.2
3	Cayman Islands	184.4	10%	0.04%	16.3
4	UK	175.3	9.5%	0.14%	10.4
5	Bermuda	104.3	5.7%	-0.04%	-4.6
6	Singapore	58.7	3.2%	0.41%	10.9
7	USA	46.1	2.5%	0.31%	1.1
8	Canada	32.3	1.8%	0.36%	9.3
9	Cook Islands	24.5	1.3%	-0.10%	3.2
10	Thailand	24.4	1.3%	-0.03%	5
*	European Union**	25.7	1.4%	-85.6%	1.7
*	Switzerland	13.1	0.7%	9.1%	2.3
	Total	1'840.3	100.0%	-1.3%	134

*unavailable

** Starting from February 2020, the United Kingdom is no longer a member of European Union (EU). Statistics with EU from 2020 onwards are compiled based on the new coverage and thus not comparable with EU figures in earlier years.

Remarks: Investment figures for 2021 will only be available by Dec. 2022

Source: Hong Kong Census & Statistics Department

USD 1 = HKD 7.8