

## Hong Kong

- Following China's resumption of sovereignty over Hong Kong in 1997, Hong Kong remains a separate customs territory and preserves its independent membership in the World Trade Organization and the Asia-Pacific Economic Cooperation forum, but under the name Hong Kong, China. It also maintains its own financial system and monetary and financial policies. This includes issuing Hong Kong currency, which is currently pegged to the U.S. dollar. Hong Kong is China's largest port.
- In 2002, Canada-Hong Kong two-way trade declined \$267 million (12 per cent) to \$2.2 billion, mostly due to a significant drop in Hong Kong exports to Canada. The decrease is largely the result of China's ongoing trade liberalization and its new membership in the World Trade Organization, both of which have weakened Hong Kong's traditional role as a commercial centre for China. Hong Kong's position as a trading partner with Canada has gradually decreased from 14th place in 2000 to 18th place in 2002.
- In 2002, Canada ranked 19th among Hong Kong's sources of imports and 10th in terms of Hong Kong's export destinations.
- In 2002, Canada's exports to Hong Kong were valued at \$1.2 billion. The top exports were information and communications technology products, nickel, and seafood. While significant commercial opportunities exist to supply Hong Kong's local market, the Special Administrative Region remains an important door to China, where an estimated 40 per cent of Canadian exports end up.
- In 2002, Canada's imports from Hong Kong were valued at \$996 million. Knit and woven apparel, electrical machinery and machinery accounted for about 63 per cent of imports. Although most imports still come from light manufacturing industries, imports of higher-value-added goods such as consumer electronics and telecommunications equipment are growing.
- Canadian telecommunication firms, insurance companies, business service firms and banks are well represented in Hong Kong. The city is home to the largest Canadian business community in Asia, with over 150 local or regional Canadian corporate offices located there. The Canadian Chamber of Commerce in Hong Kong has more than 760 members, making it the largest chamber outside Canada. As a major financial centre, Hong Kong is a key gateway for Canadian companies, including small and medium-sized enterprises doing business in China.