

## **Hong Kong**

Located on the southern coast of China, the territory of Hong Kong has one of the world's finest natural harbours. With an area of 1,071 sq. km, comprising more than 200 islands and islets and a portion of the mainland, Hong Kong lies east of the Pearl River estuary adjoining the Chinese province of Huangdong. Government and business are concentrated on the northern rim of the 80 sq. km Hong Kong Island.

The population of Hong Kong is estimated at 5.9 million, about 97 per cent of which is Chinese. Hong Kong is a British Crown colony. Its head of government is the Governor, who is the Queen's representative. The Executive Council is the highest consultative body of the government.

Hong Kong's economy has expanded rapidly over the past decade. The territory has emerged as a major international financial centre and the 10th largest trading economy in the world. Its location, small size and lack of natural resources have given rise to a dependence on imports and, consequently, to an export-oriented development strategy. Closer economic links with China over the past decade have made Hong Kong and China each other's most important trading partner.

Hong Kong has a free enterprise economy. It is autonomous in financial affairs and the government's policy is to encourage private sector growth and to contain the size of the public sector. While manufacturing used to be the most important sector of the Hong Kong economy, the relocation of labour-intensive industries to China in recent years has produced a considerable decrease in manufacturing employment.

Manufacturing now employs about one-fifth of the work-force. Light manufacturing industries producing consumer goods predominate. Trade, restaurants and hotels, and financial services now contribute more to the gross domestic product than manufacturing.