

## **Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.**

### **India - Hong Kong Bilateral Relations**

#### **A. Introduction**

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Profile Report depicting the Embassy of Hong Kong.
2. India's relations with Hong Kong are historical and date back to the 1840s when Hong Kong became a British colony after the Treaty of Nanking as the result of the First Opium War. From trading ties established in the middle of the 19<sup>th</sup> century (1840 onwards) relations today span sectors such as investment finance, services, maritime, shipping, logistics, culture, education and trade.
3. Increasingly, a large number of Indian professionals are working in Hong Kong, in service industry, banking and finance, information technology, shipping, etc. The Indian community in Hong Kong is estimated to be nearly 42569 (including Indian nationals and People of Indian origin) and approximately 32796 hold Indian passports. Sindhis, Gujaratis and Punjabis (Sikh) form the largest component of the community. There are more than 40 Indian associations present in Hong Kong that are run by diaspora /people of Indian origin.
4. The early 2000s witnessed keen interest in Hong Kong in India's economic growth and its status as one of the fastest growing economies in the world. Expectations here are that with deepening of economic reforms in India in the coming years, India-Hong Kong relations should deepen and trade and economic ties should expand.
5. Hong Kong has always acted as a "Gateway to China" for the companies in rest of the world. With the rapid growth in engagement between the Chinese and Indian economies, Hong Kong presents a great opportunity to act as a "Gateway to India" for the mainland companies and become an important stakeholder and a beneficiary of this huge opportunity.

#### **B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures**

6. There has been considerable growth in the commercial relations between India and Hong Kong. Hong Kong companies also have been increasingly looking at India as an investment destination. Many Hong Kong companies have huge presence in India. This includes China Light and Power (CLP), Li &Fung, Shangri La, Kerry Logistics and Peak Re, to name a few.
7. Hong Kong is host to a large number of Indian professionals in banking, IT and shipping. Five public sector banks and two private sector banks from India are currently operating in Hong Kong. Numerous global financial majors, investment institutions and fund managers operating in India have their regional headquarters in Hong Kong. Hong Kong is also a major sourcing centre for Indian companies. It has emerged as a major re-exporter of items it imports from India to mainland China.

8. Hong Kong was India's 12<sup>th</sup> largest export market destination (after USA, UAE, China, Bangladesh, Netherlands and Singapore) in FY2022-23. The value of exports of goods from India to Hong Kong decreased by 9.94% over a year earlier to \$9.89 billion. On the other hand, Hong Kong was also Eleventh largest import destination (after China, UAE, USA, Saudi Arabia, Iraq, Switzerland). The value of imports of goods from Hong Kong to India decreased by 4.3% over a year earlier to \$18.27 billion. India-Hong Kong bilateral trade was US\$ 28.16 billion in FY2022-23, registering a decrease of 6.3%. The balance of trade during this period was in Hong Kong's favour amounting to US\$ 8.38 billion.

9. Indian exports to Hong Kong primarily include Gems & Jewellery, Iron & Steel, Electrical Machinery, Meat & Edible Meat, Machinery, Mineral fuels, Fish & Crustaceans, Raw Hides & Skins, Optical & Medical Instruments and Pharmaceutical products etc. while Indian imports from Hong Kong include Electrical Machinery, Gems & Jewellery Machinery, Optical & medical instruments, Plastic & articles thereof, Organic Chemicals etc.

**An account of Bilateral commodities trade in goods from 2019-20 to 2023-24 are as under:**

**Export-Import statistics as per India's Ministry of Commerce data bank from 2019-20 to 2023-24 are as follows :**

**Export-Import statistics from 2019-20 to 2023-24**

<b>(US Dollar Billion)</b>			
<b>Year</b>	<b>Total trade</b>	<b>Import</b>	<b>Export</b>
2019-20	27.91	16.94	10.97
2020-21	25.33	15.17	10.16
2021-22	30.07	19.09	10.98
2022-23	28.16	18.27	9.89
2023-24	28.69	20.45	8.24

*(Source: Department of Commerce, India)*

10. Hong Kong occupies the 14<sup>th</sup> position in FDI equity inflows into India with cumulative FDI amount of US \$4.7 billion (April 2000 to March 2023).

**C. Other Major Areas of Cooperation :**

- Several Agreements/ Memorandum of Understanding (MOU) have been signed between India and Hong Kong for cooperation in the fields of defence, economic and commercial links, technical cooperation and culture.
- Indian Council of Cultural Relations and the Chinese University of Hong Kong signed an MoU on 'Establishment of the ICCR visiting professorship of Indian Studies' in 2015. The MoU was

renewed in May 2023.

- Film festivals, painting exhibitions, competitions, Indian classical music, dance, folk dance, tribal art events and workshops to help promote Indian art and culture are held on a regular basis. Support is extended to Indian artists based in Hong Kong by giving them a platform to showcase their talent. Local associations celebrate Indian festivals like Diwali, Durga Puja, Onam, Baisakhi etc. with great enthusiasm. In 2022, a Diwali family day was organized at the Asia Society Hong Kong, a week-long tribal art on HK Walls event 'Kathaa' was organized in partnership with MeMeraki and HKWalls in December. Numerous painting competitions and music and dance events were also organized for the Indian diaspora.
- The International Day of Yoga is celebrated in Hong Kong every year since its inception. The event is well-attended, including by members of the Consular Corps, Indian Diaspora, expatriates and locals.
- Hong Kong has for more than 150 years been home to a large Indian community and its contribution to Hong Kong's emergence as a hub of global finance and trade is well known. Due to their long presence, Indians have been able to integrate themselves into the mainstream Hong Kong society. The Indian community is equally proud of its dual heritage and of their relations with both India and Hong Kong.

*Source:* [www.mea.gov.in](http://www.mea.gov.in)