

Introduction:

Hong Kong is located in eastern Asia, on the southeast coast of the People's Republic of China, facing the South China Sea. The geography of Hong Kong primarily consists of three main territories: Hong Kong Island, Kowloon Peninsula, and the New Territories. Positioned at the mouth of the Pearl River Delta on the coast of southern China, Hong Kong's geographical position as a gateway between the East and West has made it an attractive centre for international trade. As a reflection of this, the heart of Asia's world city has always been the bustling and beautiful Victoria Harbour. Hong Kong's 1,104-square-kilometer area comprises Hong Kong Island, which lies to the south of the harbour, the Kowloon Peninsula, which forms its northern shores, the New Territories to the north of Kowloon, which stretch all the way to Mainland China, and more than 200 outlying islands, including Lantau Island, where Hong Kong International Airport is located.



Note: Representative map

Population

The demographics of Hong Kong mainly consist of ethnic Chinese, making up more than 93.6% of the population. The ancestral home of most Hong Kong people originates from various regions in Guangdong. Most Hong Kong people nowadays are the descendants of immigrants from Mainland China and around the world after the end of World War II.

Despite Filipino and Indonesian foreign domestic helpers being the ethnic minorities, there are over 273,609 foreign domestic helpers in Hong Kong,[2] accounting for 4% of the entire population.

The major ethnic groups include the Punisi, Hakka and Cantonese including Toisanese, Hoklo and Tanka. Punisi and Tanka are Hong Kong indigenous Cantonese people while Cantonese people are not Hong Kong indigenous people. For Hakka and Hoklo, they have both indigenous and non-indigenous people in Hong Kong.

Economy

Hong Kong has a free market economy, highly dependent on international trade and finance - the value of goods and services trade, including the sizable share of re-exports, is about four times GDP. Hong Kong has no tariffs on imported goods, and it levies excise duties on only four commodities, whether imported or produced locally: hard alcohol, tobacco, hydrocarbon oil, and methyl alcohol. There are no quotas or dumping laws. Hong Kong continues to link its currency closely to the US dollar, maintaining an arrangement established in 1983.

Hong Kong's open economy left it exposed to the global economic slowdown that began in 2008. Although increasing integration with China, through trade, tourism, and financial links, helped it to make an initial recovery more quickly than many observers anticipated, its continued reliance on foreign trade and investment leaves it vulnerable to renewed global financial market volatility or a slowdown in the global economy.

Key Economic Indicators of Hong Kong during 2015

GDP	
PPP	\$414.5 billion
Real growth rate	2.5%
Per capita	\$57,000 USD
Composition	agriculture: 0.1%, industry: 7.2%, services: 92.8%
International Trade	
Export	\$499.4 billion
Major Export Item	electrical machinery and appliances, textiles, apparel, footwear, watches and clocks, toys, plastics, precious stones, printed material
Major Export partner	China and USA
Import	\$524.3 billion

Major Import Items	raw materials and semi-manufactures, consumer goods, capital goods, foodstuffs, fuel
Major Import partner	China, Japan, Singapore, US , South Korea

Source: CIA Fact book

The Hong Kong government is promoting the Special Administrative Region (SAR) as the site for Chinese renminbi (RMB) internationalization. Hong Kong residents are allowed to establish RMB-denominated savings accounts; RMB-denominated corporate and Chinese government bonds have been issued in Hong Kong; and RMB trade settlement is allowed. The territory far exceeded the RMB conversion quota set by Beijing for trade settlements in 2010 due to the growth of earnings from exports to the mainland. RMB deposits grew to roughly 9.4% of total system deposits in Hong Kong by the end of 2015. The government is pursuing efforts to introduce additional use of RMB in Hong Kong financial markets and is seeking to expand the RMB quota.

Hong Kong produces large quantity of fresh vegetables and fruit; poultry, pork; fish along with the industrial products like textiles, clothing, tourism, banking, shipping, electronics, plastics, toys, watches, clocks.

INDIA'S EXPORTS OF HANDICRAFTS TO HONG KONG (2013-2015)

US\$ Million

Sl. no	Items	2013-2014	2014-15	Growth rate
1.	ARTMETALWARES	8.13	2.61	-67.9
2.	WOODWARES	1.49	1.99	33.6
3.	HAND PRINTED TEXTILES & SCARVES	0.55	0.29	-47.3
4.	HAND KNITTED AND CROCHETTED GOODS	9.59	4.21	-56.1
5.	SHAWLS AS ARTWARE	0.02	0.01	-50.0
6.	ZARI & ZARI GOODS	0.00	0.00	0.00
7.	IMITATION JEWELLERY	5.93	6.03	1.7
8.	MISCELLANEOUS HANDICRAFTS	11.72	16.54	41.1
	Total	37.43	31.68	-15.4

Source- DGCI&S Kolkata

India is also a major trading partner of Hong Kong. India exported US\$ 13,599.88 Million of goods to Hong Kong during 2014-15 while imported US\$ 5,571.99 million during the same time period. The value of Indian handicrafts export to Hong Kong was 31.6 US\$ million in 2014-2015 which was 0.23 percent share of the total export to Hong Kong.

Trade Policy¹:

Despite the present economic difficulties, Hong Kong has maintained its traditional openness to both trade and investment and has not taken any measures directly affecting imports or foreign direct investment

The open-door policy and economic reforms in the mainland of China implemented since the late 1970s have not only opened up a huge production hinterland for Hong Kong's manufacturers, but also created abundant business opportunities for a wide range of service activities in Hong Kong. The past two decades therefore saw a significant transformation of Hong Kong into a predominantly service-based economy. The growth and development in financial and business services was particularly rapid. The significance of the service sectors as a whole in terms of their contribution to GDP thus rose steadily, from 70% in 1985 to 74% in 1990 and further to 84% in 1996. The contribution of the manufacturing sector to GDP concurrently declined, from 22% in 1985 to 18% in 1990 and further to 7% in 1996. The fall in GDP contribution by the manufacturing sector should nevertheless be viewed in conjunction with the concurrent substantial growth in import/export firms engaged in sub-contracting arrangements in the mainland of China. Many of these firms are formerly manufacturing firms which have shifted almost all of the labour-intensive manufacturing processes to the mainland of China, leaving such high value-added functions as marketing, orders processing, materials sourcing, design and product development, and quality control with

¹ Available at : https://www.wto.org/english/tratop_e/tpr_e/tp95_e.htm

the local firms. So a fair part of the HKSAR's services are generated from traditional "manufacturing" industries whose production base has been expanded into the mainland of China.

FACT SHEET: COUNTRY INFORMATION AT-A-GLANCE

Hong Kong		
S. No.	ITEMS	DETAILS
1	LOCATION OF COUNTRY	Hong Kong is located in eastern Asia, on the southeast coast of the People's Republic of China, facing the South China Sea.
2	GOVERNMENT & ADMINISTRATION	limited democracy
3		Mr. Leung Chun-ying, Chief Executive
4	CAPITAL OF THE COUNTRY	Hong Kong
5	CLIMATE AND TEMPERATURE	subtropical monsoon; cool and humid in winter, hot and rainy from spring through summer, warm and sunny in fall
6	TIME AND TIME DIFFERENCE FROM INDIA	UTC+8
7	ECONOMIC REGION/ZONE	East Asia
8	NEIGHBOURING COUNTRIES	South China Sea and China
9	AREA COVERED	1,108 sq km
10	OFFICIAL LANGUAGE	Cantonese
11	LANGUAGE SPOKEN	Mongolian, English, Putonghua, other Chinese dialects
12	POPULATION	7,141,106
13	MAJOR RELIGION	eclectic mixture of local religions 90%, Christian 10%
14	ELECTRICITY SUPPLY SYSTEM-VOLTAGE	220 volts AC, 50Hz.
15	TRANSPORT SYSTEM	Hong Kong has an extensive train network, and Hong Kong Government has long established that its public transit system is "railway as its backbone". Public transport trains are operated by the MTR Corporation

		<p>Limited. The MTR operates the metro network within inner urban Hong Kong, Kowloon Peninsula and northern part of Hong Kong Island with newly developed areas, Tsuen Wan, Tseung Kwan O, Tung Chung, Hong Kong Disneyland, the Hong Kong International Airport, the north eastern and north western parts of the New Territories. The Hong Kong Tramways operates a tram service exclusively on northern Hong Kong Island. The Peak Tram connects Central, Hong Kong's central business district, with the Victoria Peak.</p> <p>The Hong Kong International Airport Automated People Mover is a driverless people-mover system located within the Hong Kong International Airport in Chek Lap Kok. It operates in two "segments". For departures, the train runs from Terminal 2 to the East Hall to the West Hall. For arrivals, the train runs only from the West Hall to the East Hall, where all passengers must disembark for immigration, customs, and baggage claim. Operation of the first segment was commenced in 1998, and the operation of the second segment was commenced in early 2007.</p> <p>Bus services have a long history in Hong Kong. As at 2015, five companies operate franchised public bus services, each granted 10 year exclusive operating rights to the set of routes that they operate.[11] Franchise buses altogether carry about one-third of the total daily public transport market of around 12 million passengers, with KMB having 67% of the franchised bus market share, city bus with 16% and New World First Bus with 13%. There are also a variety of non-franchised public buses services, including feeder bus services to railway stations operated by the railway companies, and residents' services for residential estates</p>
16	AIRPORTS AND PORTS	<p>Airports: Chek Lap Kok Hong Kong International Airport Shek Kong Airfield (PLA Air Force)</p> <p>major seaport (s): Hong Kong</p>
17	MAJOR STATES	Hong Kong
18	BUSINESS CITIES	Hong Kong
19	GDP PER CAPITA	1,108 sq km
20	CURRENCY	Hong Kong dollars (HKD)
21	EXCHANGE RATE (USD/ARP)	7.764 HKD per US \$ (As on March 2016)
22	ECONOMY - GENERAL	Hong Kong has a free market economy, highly dependent on international trade and finance - the value of goods and services trade, including the sizable share of re-exports, is about four times GDP. Hong Kong has no

		tariffs on imported goods, and it levies excise duties on only four commodities, whether imported or produced locally: hard alcohol, tobacco, hydrocarbon oil, and methyl alcohol. There are no quotas or dumping laws.
23	LABOUR FORCE	3.883 million
24	MEDIA - PRESS, TV AND OTHER SYSTEM	Newspaper: Headline Daily, Oriental Daily News, Apple Daily and Sun Daily
		TV: TVB Jade, TVB Pearl, TVB iNews, ViuTV
		Radio: RTHK Radio 1, RTHK Radio 3, RTHK Putonghua Channel
25	INDUSTRY ASSOCIATION AND CHAMBER OF COMMERCE	Federation of Hong Kong Industries: FHKI 31/F, Billion Plaza, 8 Cheung Yue Street, Cheung Sha Wan, Kowloon Tel. 2732 3188 email :fhki@fhki.org.hk www.industryhk.org
		The Hong Kong General Chamber of Commerce 22/F United Centre, 95 Queensway, Hong Kong Tel. 25299229 www.chamber.org.hk
		The British Chamber of Commerce in Hong Kong RM1201, Emperor Group Centre, 288 Hennessy Road, WanChai Email : info@britcham.com Tel : + 852 2824 2211 Fax : + 852 2824 1333 www.britcham.com
		Hong Kong Trade Development Council 38/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong Tel: (852) 1830 668 Fax: (852) 2824 0249 E-mail: hktdc@hktdc.org
26	BANKS	Bank of China , Bank of East Asia, China CITIC Bank International, Chiyu Banking Corporation
27	BANNED ITEMS	dangerous drugs, psychotropic substances, controlled chemicals, antibiotics, arms, ammunition, fireworks, strategic commodities, rough diamonds, animals, plants, endangered species,
28	HOLIDAYS - NATIONAL/PUBLIC	Jan 1 New Year's Day
		May 1 Labour Day
		Sep 16 Day after Mid-Autumn Festival

		Oct. 1 National Day
		Oct. 10. Chung Yeung Festival
		December 25, Christmas Day
29	Consulate General of India in Hong Kong	Mr. Ravi Sinha Acting Consul General Unit A, 16th Floor United Centre 95 Queensway Admiralty Telephone: (852) 3970 9900 Fax No : 852-28664124 Website- http://www.cgihk.gov.in/ Email- consular@cgihk.gov.in
30	Embassy of China to India	Mr. Le Yucheng Ambassador 50-D, Shantipath, Chanakyapuri, New Delhi-110021 Tel: 91-11-26112345 Website: http://in.chineseembassy.org http://in.china-embassy.org E-mail: chinaemb_in@mfa.gov.cn
31	TRAVEL INFORMATION	Hong Kong Tourism Commission www.tourism.gov.hk
32	PLACES OF TOUISTS INTEREST	Hong Kong Skyline Star Ferry Victoria Peak (The Peak) Big Buddha Lantau Island
33	TRADE FAIRS AND EXHIBITIONS HELD RELATED TO HANDICRAFTS	HKTDC Hong Kong Houseware Fair 20.04.2016-23.04.2016 HKTDC Hong Kong International Home 20.04.2016-23.04.2016 HKTDC Hong Kong Gifts & Premium Fair Hong Kong Textiles Show 27-30 Apr 2016 HKTDC Hong Kong International Outdoor and Tech Light Expo 26-29 Oct 2016 HKTDC Home Delights Expo 11-15 Aug 2016

Tariff applicable in Hong Kong in 2015

ITC HS Code	Description	Hong Kong	
		MFN rate	Preferential rate
330190	ATTARS OF ALL KINDS IN FIXED OIL BASE		
330741	AGARBATTI" & OTHR ODORIFEROUS PRPNS WHICH OPERATE BY BURNING		
330749	OTHER ODORIFEROUS PRPNS USD FOR DEODORIZING ROOM (EXCL AGARBATTI)		
340600	CANDLES	0	
392310	WATCHBOX JEWELLERY BOX AND SIMILAR CONTAINER OF PLASTICS		
441400	WOODEN FRAMES FOR PAINTING, PHOTOGRAPHS, MIRRORS OR SIMILAR OBJECTS	0	
441900	TABLEWARE	0	
442010	STATUTES & OTHER ORNAMENTS OF WOOD	0	
442090	WOOD MARQUETRY & INLAID WOOD	0	
442190	PARTS OF DOMESTIC DECORATIVE ARTICLES USED AS TABLEWARE & KITCHENWARE		
460120	COIR MATS & MATTING BOUND IN PARALLEL STAND		
460199	PLNTS & SMLR PRDCTS OF PLATNG MATRLS PLATS& SMLR PRODCTS PLACD SIDE BY SIDE & BOUND TOGETHER IN FORM OF SHEETS (E.G.MATS ETC)		
460219	PALM LEAF BASKET ETC		
460211	BASKETWORK, WICKERWORK AND OTHER ARTICLES, OF BAMBOO.	0	
460212	BASKETWORK, WICKERWORK AND OTHER ARTICLES, OF RATTAN.		
630491	OTHER - FURNISHING ARTICLES, KNITTED/CROCHETED	0	
630790	DRESS MATERIAL HANDPRINTED OF SILK	0	
650400	HATS & OTHR HEADGEAR PLTD/MADE BY ASSMBLNG STRIPS OF ANY MATRLS W/N LIND/TRMMD		
650590	OTHER HEADGEAR, HATS, KNITTED / CROCHETED MADE UP FROM LACES ETC W/N LIND/TRMMD		
660200	WALKING STICKS, SEAT STICKS, WHIPS, RIDING CROPS, AND THE LIKE	0	
670100	FEATHERS DUSTERS	0	
670290	ARTIFICIAL FLOWERS ETC OF OTHER MATERIALS	0	
681599	OTHERS-OTHER ARTICLES OF STONES/OTHER MINERALS		
691190	OTHERS -WATER FILTERS OF A CAPACITY NOT EXCEEDING 40 LTRS. OF PORCELAIN		

701328	OTHER - GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)		
701333	OF LEAD CRYSTAL		
701337	OTHERS -GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	0	
701341	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)		
701349	GLSSWR FR TBL KTCHN,TOLT,OFFC INDOR DCORTION (EXCL GOODS OF HDG NO 7010/7018)	0	
701391	OF LEAD CRYSTAL		
711711	CUFFLINGS AND STUDS	0	
711719	BANGLES	0	
711790	JEWELLERY STUDDED WITH IMITATION PERALS OR IMITATION OR SYN. STONES	0	
732392	OTHER HOUSEHOLD ARTICLES OF CAST IRON ENAMELLED		
732394	UTENSILS - OTHER HOUSEHOLD ARTICLES OF IRON (OTHER THAN CAST IRON)OR STEEL,ENAMELLED	0	
741810	OF EPNS	0	
761510	OTHER TABLE AND KITCHENWARE OF ALUMINIUM	0	
940330	CABINETWARE	0	
940350	BED STEAD	0	
940360	OTHER WOODEN FURNITURE	0	
940381	FURNTIURE OF WICKERWORK/BAMBOO		
940389	OTHER - FURNITURE OF OTHER MATERIALS, INCLUDING CANE, OSIER, BAMBOO PR SIMILAR MATERIALS	0	
940390	PARTS OF FURNITURES OF HEADING 9403	0	
940490	HANDMADE POUFFES/ ARTICLES OF BEDDING, CUSHIONS ETC	0	
940510	HANGNG LMPs COMPLETE FITNGS	0	
940530	LGHING SETS OF A KIND USD FR CHRISTMS TREE		
950510	ARICLES OF CHRISTMAS	0	
950590	OTHER MAGICAL EQUIPMENTS	0	
960190	WRKD MOTHR OF PEARL & ARTCLS THEROF	0	
960200	WORKED VEGETABLE CARVING MATERIAL & ARTICLES THEREOF	0	
960310	BROOMS & BRUSHES,CONSTNG OF TWIGS/OTHR VGTBL MTRLS BOUND TOGTHR,WTH/WTHT HNDLS		
960622	BUTTONS OF BASE METAL NOT COVERED WITH TEXTILE MATERIAL	0	
961400	SMOKING PIPES (INCLUDING PIPE BOWLS) & CIGARS AND CIGGERATE HOLDERS AND PARTS THEREOF		
970110	MADHUBANI PAINTINGS(ON TXTLS)	0	

970190	DOMESTIC ARTICLES OF WOOD HAND DECORATED	0	
970200	ORIGNL ENGRVNGS,PRNTS & LITHOGRPHS		
970300	ORIGINAL SCULPTURE & STATUARY IN METAL	0	
970500	STUFFED ANIMALS & BIRDS (TAXIDERMY)		
970600	ANTIQUES OF AN AGE EXCDNG ONE HUNDRED YRS		
420229	HANDBAGS OF OTHER MATERIALS EXCLUDING WICKER WORK OR BASKET WORK	0	
420231	JEWELLERY BOX - SURFACE OF LEATHER	0	
420239	JEWELLERY BOX - OTHER SURFACE OF LEATHER		
480210	HAND MADE PAPER		
482390	PRODUCT CONSISTINGS OF SHEETS OF PAPER/ RBORD, IMPREGNGTED,COTED OR COVERED WITH PLASTICS	0	
580430	HAND MADE LACE		
580500	HAND WOOVEN TAPESTRIES HAND MADE OR NEDDLE WORKED BY HAND, OF COTTON - EMBRODIERY		
580810	BRAIDS, IN PCS OTHER THAN OF COTTON		
581010	EMBORIDERY IN THE PIECE, IN STRIPS OR IN MOTIFS - EMBRODIERY WITHOUT VISIBLE GROUND	0	
581092	EMBROIDERY BADGES, MOTIFS AND THE LIKE	0	
581100	KANTHA - EMBROIDERY		
610431	ENSAMBLES OF WOOL OR FINE ANIMAL HAIR - CROCHETTED	0	
611710	SHAWLS OF WOOL	0	
640610	EMBROIDERED UPPERS OF TEXTILE MATERIALS	0	
691110	TABLEWARE OF BONE CHINA AND SHOFT PORCELAIN	0	
691200	CERAMIC TABLEWARE (E.G. OF IMITATION PORCELAIN/OR SEMI-PORCELAIN)	0	
691310	STATUETTES ETC OF PORCELAIN/CHINA		
691390	OTHER STATUETTE ETC (EXCL OF PORCLAIN /CHINA	0	
691410	OTHER CERMC ARTCLS OF PORCELAIN / CHINA		
691490	OTHER CERMC ARTCLS EXCL OF PORCELAIN / CHINA		
700992	OTHR GLASS MIRRORS, FRAMED	0	
701810	BANGLES	0	
701890	GLASS STATUE OF OTHR ARTCLE OF HDG 7018		
702000	GLOBES FOR LAMPS & LANTERNS	0	
711311	SILVER FILLIGREE WORK	0	
741999	UTENSILS ARICLES OF COPPER ALLOYS ELECTROPLATED WITH NICKLE SILVER		
830621	OTHER ORNMNT PLTED WITH PRCS METAL	0	
830629	OTHR STATUETTES(EXCLUDING WORKS OF ART)	0	

830630	PHOTOGRPH,PICTURE/SMLR FRAMES,MIRORS	0	
830890	IMITATION ZARI SPANGLES	0	
920290	OTHER STRING MUSICAL INSTRUMENTS	0	
920590	FLUTES		
920600	PERCUSSION MUSICAL INSTRUMENTS (E.G. DRUMS, XYLOPHONES, CYMBOLS, CASTENETS, MARACAS)		
940550	HURRICANE LANTERNS	0	
960899	PEN HOLDERS PENCIL HOLDERS AND SIMILAR HOLDERS	0	
830610	BELLS GONGS AND THE LIKE	0	
482370	ARTICLE OF PAPER MACHIE		
640320	KOLAPURI CHAPPALS AND SIMILAR FOOTWEAR		

Source: WIS, TRAINS