

# THE AMERICAN CHAMBER OF COMMERCE IN HONG KONG

## Backgrounder

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### The US Presence in Hong Kong

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The United States has maintained a commercial presence in Hong Kong since the turn of the century. U.S. citizens represent the largest foreign business group in the Hong Kong Special Administrative Region (SAR). According to the U.S. Consulate General, an estimated 50,000 permanent or temporary U.S. passport holders reside in the SAR.

#### *US Investment in Hong Kong*

U.S. direct investment in Hong Kong through 2000 amounted to over US\$23.3 billion, an increase from US\$20.8 billion in 1999.<sup>1</sup> AmCham believes this figure is significantly understated because it includes only amounts reported by U.S. parent companies of subsidiary corporations established in Hong Kong and does not reflect investments by individual American entrepreneurs.

#### *US Trade with Hong Kong*

U.S. exports to Hong Kong for 2001 were US\$14.1 billion, while imports from the SAR totalled US\$9.6 billion, resulting in a US\$4.4 billion trade surplus (up from US\$1.3 billion last year) in favor of the United States.<sup>2</sup> The top five U.S. exports to Hong Kong are: machinery and transport equipment (51%), manufactured goods classified chiefly by materials (11%), chemicals and related products (10%), food and live animals (7%), and crude materials, inedible, except fuels (4%).<sup>3</sup>

The U.S. is Hong Kong's second largest trading partner, after Mainland China. The top five domestic Hong Kong exports to the US includes clothing/apparel (70.6%, by value in domestic exports to the U.S.), electrical machinery (10.1%), jewellery (5.6%), textile yarn, fabrics and made-up articles (2.9%), and printed matter (2.2%).<sup>4</sup> Hong Kong also serves as an important re-export zone for US-China trade, handling US\$33.3 billion worth of exports to the U.S., and US\$6.5 billion worth of U.S. exports to China in 2001.<sup>5</sup> The U.S. is the largest supplier of goods to the Hong Kong Government with sales reaching US\$295 million for the year 2001.<sup>6</sup>

#### *US Presence in Hong Kong*

Hong Kong is the preferred location in Asia for multinational regional offices and headquarters. The United States has 221 regional headquarters (the largest number followed by Japan and the United Kingdom), and 420 regional offices in Hong Kong (the second largest number after Japan).<sup>7</sup>

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<sup>1</sup> US HK Policy Act Report (March 31, 2002)

<sup>2</sup> US Census Bureau

<sup>3</sup> US Census Bureau

<sup>4</sup> HKSAR Trade and Industry Department.

<sup>5</sup> HKSAR Trade and Industry Department

<sup>6</sup> HKSAR Trade and Industry Department

<sup>7</sup> 2001 Survey of Regional Offices Representing Overseas Companies in HK – Census and Statistics Dept.

Overall, there are approximately 1,000 resident American firms operating in Hong Kong and an estimated 50,000 American citizens (including dual nationals) make this vibrant city their home.<sup>8</sup> U.S. banks in Hong Kong had assets totalling approximately US\$63.7 billion in 2001.<sup>9</sup> Most American consumer products are available in Hong Kong, as evidenced in the myriad of U.S. brands that can be seen in many stores.

Nine American states and seven U.S. ports maintain representative offices in Hong Kong.<sup>10</sup> The U.S. Consulate General is the largest in Asia, and one of only two consulates that maintain direct reporting lines to Washington DC. In addition, there are numerous American non-governmental organizations actively involved in the Hong Kong community, including alumni associations, educational, social, professional, and media organizations. Approximately 7,627 Hong Kong citizens are pursuing tertiary education in the U.S.<sup>11</sup> Some 936,000 visitors from the U.S. came to Hong Kong in 2001, a slight decline of 3.1% from 2000.<sup>12</sup>

### VITAL ECONOMIC STATISTICS

*All monetary figures in US\$ and for the year 2001 unless otherwise indicated*

	Hong Kong	USA
Real GDP Growth <sup>13</sup>	0.1%	1.2%
Per-Capita GNP (dollars)	\$24,751	\$35,686
Per-Capita GDP (dollars)	\$24,062	\$35,704
Foreign Exchange Reserves (billions)	\$111.2	\$69.1 <sup>14</sup>
Current Account Balance (billions)	\$11.9	-\$417.4
Inflation: CPI (% change)	-1.6%	1.6% <sup>15</sup>

<sup>8</sup> US HK Policy Act Report, (March 31, 2002)

<sup>9</sup> Hong Kong Monetary Authority Annual Report 2001.

<sup>10</sup> Association of US Ports Authority

<sup>11</sup> Institute of International Education (Hong Kong)

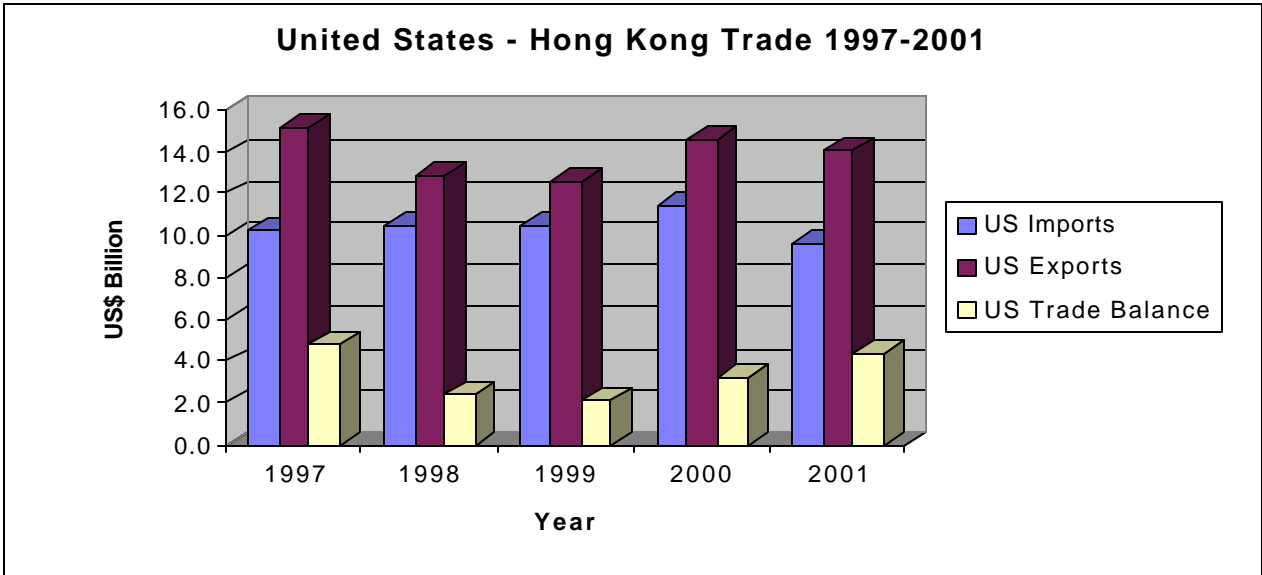
<sup>12</sup> HKSAR Census and Statistics Department

<sup>13</sup> Gross Domestic Product (GDP) is the value of all goods and services produced in one year

<sup>14</sup> Official reserve assets as of May 24, 2002 (International Monetary Fund website)

<sup>15</sup> Unadjusted percent change to April 2002 from April 2001.

## UNITED STATES – HONG KONG TRADE 1997-2001<sup>16</sup>



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<sup>16</sup> HKSAR Census and Statistics Department