

Introduction

Hong Kong is a special administrative region (SAR) of the People's Republic of China. It comprises 200 islands located in Eastern Asia bordering the South China Sea and China.

Much of Hong Kong's terrain is hilly to mountainous with steep slopes. The government system is a limited democracy; the chief of state is the president of China, and the head of government is the chief executive of Hong Kong. Hong Kong has a free market economy in which the prices of goods and services are determined in a free price system. Hong Kong is a member of the Asia-Pacific Economic Cooperation (APEC).



Location: Eastern Asia

Capital City: No Capital

Chief of State: Chief Executive Carrie Lam

Head of Govt.: Chief Executive Carrie Lam

Currency: Hong Kong dollar (HKD)

Major Languages: <p>Cantonese (official) 88.9%, English (official) 4.3%, Mandarin (official) 1.9%, other Chinese dialects 3.1%, other 1.9% (2016 est.)</p>

Primary Religions: <p>Buddhist of Taoist 27.9%, Protestant 6.7%, Roman Catholic 5.3%, Muslim 4.2%, Hindu 1.4%, Sikh 0.2%, other or non 54.3% (2016 est.)</p>

Calling Code: 852

Voltage: 220

Key Websites

Main Government Page: gov.hk

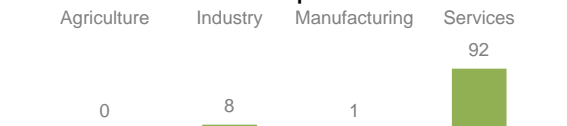
Commerce Ministry: tid.gov.hk

Investment Promotion Agency: investhk.gov.hk

Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$430.06 billion (2016)
GDP growth (annual %):	2.05% (2016)
GDP per capita, PPP (current international \$):	\$58,617.97 (2016)
Manufacturing, value added (% of GDP):	1.11% (2016)
Current account balance (BoP, current US\$):	\$12.71 billion (2016)
Inflation, consumer prices (annual %):	2.39% (2016)
Labor force, total:	3,952,213 (2017)
Unemployment, total (% of total labor force) (modeled ILO estimate):	3.17% (2017)
Imports of goods and services (current US\$):	\$594.47 billion (2016)
Exports of goods and services (current US\$):	\$601.30 billion (2016)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	13 / 178
EY Globalization Index	1 / 60
Global Competitiveness Index	6 / 137
Global Enabling Trade Index	3 / 136
Index of Economic Freedom	1 / 180
International Logistics Performance Index (LPI)	9 / 160
Inward FDI Potential Index	10 / 139
Networked Readiness Index (NRI)	12 / 139

Risk Assessment (Provided by Coface)

Country rating: A2 - The political and economic situation is good. A basically stable and efficient business environment nonetheless leaves room for improvement. Corporate default probability is low on average.

Business Climate rating: A1 - The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

Strengths

- Flexibility of the economy
- High-quality infrastructures
- First-rate financial centre, airlock between China and the rest of the world
- Healthy banking system
- Favourable business climate
- Anchoring of the currency to the US dollar
- Maintaining the “one country, two systems” principle between mainland China and Hong Kong

Weaknesses

- Vulnerability to the slowdown of the economy in mainland China
- Exposure to the US economy via the US dollar anchoring
- Industries fully relocated in mainland China
- High exposure to real estate conditions characterised by lack of housing
- Rise of inequalities
- Lack of transparency of financial information

U.S. Embassy

U.S. Consulate General Hong Kong & Macau
26 Garden Road
Central, Hong Kong
Phone: (852) 2523-9011

<https://hk.usconsulate.gov>