

Hong Kong

Overview:

Hong Kong is an island off Mainland China, had been leased to the British government since 1898, and was returned back to the People's Republic of China in 1997 after the 99- year lease. It is one of the most important world financial centers. conventional long form: Hong Kong Special Administrative Region

Territory:

Located in Eastern Asia, bordering the South China Sea and the Mainland China. Hong Kong covers Hong Kong Island, the Kowloon peninsula just the opposite, and the New Territories and numerous small islands.

Location:

Situated at the southeastern tip of the Mainland of China.

Latitude and Longitude:

21°45 ' North, 115°00' East

Time Zone:

GMT +8

Total Land Area:

1092

EEZ:

0

Climate:

The climate of Hong Kong is subtropical and governed by monsoons. Winter lasts from October to April, when the winds are from the north or north-east, while during the summer months from May to September south or south-westerly winds predominate. Average daily temperatures are highest in July with 29 degrees Celsius and lowest in January with 16 degrees Celsius. The summer is very humid. Annual rainfall averages 2,214 mm, some 80% of which falls between May and September. Devastating typhoons occasionally strike in summer.

Natural Resources:

Outstanding deepwater harbor, fisheries, feldspar

ECONOMY:

Total GDP:	
2007	293,400,000.00 USD

Per Capita GDP:	
1999	188,622.00 USD
2003	179,336.00 USD
2004	186,267.00 USD
2007	42,000.00 USD

% of GDP per Sector:			
	Primary	Secondary	Tertiary
2000	0.1%	14.2%	85.7%
2001	0.1%	13.4%	86.5%
2007	91.8%	8.1%	0.1%

% of Population Employed by Sector			
	Primary	Secondary	Tertiary
1999	0.4%	17.9%	81.7%
2003	0.3%	14.4%	85.3%
2004	0.4%	14%	85.6%
2007	89.3%	10.4%	%

External Aid/Remittances:

Hong Kong does not receive bilateral or multilateral assistance.

Growth:

Nobel Prize-winning economist Milton Friedman notes how close Hong Kong has come to equaling the U.S. in gross domestic product per capita. In 1950, he reports, the U.S. had a per capita GDP nearly six times that of Hong Kong. In 1996, ours was only 7 percent higher. GDP growth in Hong Kong

averaged a strong 5% from 1989 to 1997, but Hong Kong suffered two recessions in the past six years because of the Asian financial crisis in 1998 and the global downturn in 2001 and 2002. Although the Severe Acute Respiratory Syndrome (SARS) outbreak also battered Hong Kong's economy, a boom in tourism from the mainland because of China's easing of travel restrictions, a return of consumer confidence, and a solid rise in exports resulted in the resumption of strong growth in late 2003 and in 2004. During the period of 1994-2004, the GDP grew at an average annual rate of 3.5% in real terms, to \$1282 billion in 2004. Per capita GDP reached \$186,267 (US\$ 24,082) in money terms.

Labour Force:	
1999	3,340,000
2003	3,505,000
2004	3,555,000
2007	3,650,000

Unemployment	
Year:	Unemployment Rate (% of pop.)
1999	6.3%
2003	7.4%
2004	6.5%
2007	4%

Industry:

Hong Kong has long had a reputation for being a producer and exporter of manufactured goods. Although declining, manufacturing continues to be an important sector of Hong Kong's economy. Mechanization, automation, and the relocation of labour-intensive and lower value-added manufacturing processes to mainland China have contributed to the decline in manufacturing employment. This has facilitated Hong Kong's development of more knowledge-based and higher value-added manufacturing. Thus, manufacturing productivity (gross output per employee) significantly increased (by more than 400%) between 1983 and 1999, with a further 2% increase in 2000. Hong Kong local manufacturers relocated most of their productive capacities across the border through subcontract processing arrangements in mainland China, due to the cheaper land and labour costs. The same can be said for textile industry. The electronic industry exhibits a particular strength in the manufacture of consumer electronics, especially audio and video equipment, information technology and multi-media products. Finally, Hong Kong is a major exporter of toys. Hong Kong produces a wide range of these products, with a particular strength in plastic toys. Also, Hong Kong is one of the world's principal manufactures of watches and clocks.

Niche Industry:

Exhibition industry, audio-visual industry, film and entertainment industry, along with its important role as an international financial center provide various financial services, also tourism (shopping) and textile manufacturing are some of the Hong Kong's niche industries.

Tourism:

The tourism industry is one of the major pillars of the economy of Hong Kong. The total tourism expenditure associated to inbound tourism reached HK\$91.8 billion in 2004. Visitor arrivals showed a strong recovery throughout 2004, reaching 21.81 million, a 40.4 per cent year-on-year increase. This not only surpassed arrivals for the whole of 2003 but also topped the previous record of 16.57 million arrivals in a full year, set in 2002. Along with the strong growth in the number of Mainland visitors, most other long and short-haul markets are also performing healthily with double-digit growth over 2003. Some of the key source markets even achieved best-ever results in 2004 including the Mainland China, the USA, Canada, Japan, South Korea, Singapore, Malaysia and India. From January to April 2005, visitor arrivals continued its growing momentum with an 11.1% growth and reached 7.41 million. With the inaugurated of the Hong Kong Disneyland in September 2005 and other major tourism attractions in early 2006, the tourism industry is expected to remain buoyant in the next two years. The Hong Kong Tourism Board (HKTb) forecasts total arrivals for 2005 to reach 23.4 million. The total tourism expenditure associated to inbound tourism is also expected to reach HK\$97.8 billion in 2005.

Visitor Arrivals by Country/Territory of Residence 1999 2003 2004

The Mainland of China	3,206,000	8,467,000	12,246,000
Taiwan	2,063,000	1,852,000	2,075,000
South & Southeast Asia	1,511,000	1,360,000	2,078,000
North Asia	1,465,000	1,235,000	1,665,000
The Americas	1,155,000	926,000	1,400,000
Europe, Africa & the Middle East	1,149,000	946,000	1,380,000
Macao	417,000	444,000	484,000
Australia, New Zealand & South Pacific	362,000	306,000	483,000
Total	11,328,000	15,537,000	21,811,000

Hotel Accommodation 1999 2003 2004

Number of Hotels/Hostels/Guest Houses	91	510	541
Number of Rooms	35,420	42,936	44,362
Room Occupancy Rate	79%	70%	88%

Imports and Exports:

Imports and Exports: Total Value of Imports 1999 2003 2004

Total Imports (HK\$ billion)	1,392.7	1,805.8	2,111.1
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From EU 1999 2003 2004

From EU (HK\$ billion)	128.5	154.5	170.4
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Import Partners (EU): United Kingdom, Germany, France, Italy, The Netherlands, Belgium, Sweden, and Denmark. From Outside EU 1999 2003 2004

From Outside EU (HK\$ billion)	1,264.2	1,651.3	1,940.7
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Partners Outside EU: The Mainland of China, the United States, Japan, Taiwan, South Korea, Singapore, Malaysia, Thailand, India, Australia, Canada, the Philippines, Switzerland, Indonesia, Israel, Macao, South Africa, Brasil, Mexico, and Panama.

Total Value of Exports 1999 2003 2004

Total Exports (HK\$ billion)	1,349.0	1,742.4	2,019.1
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To EU 1999 2003 2004

To EU (HK\$ billion)	221.9	239.5	282.5
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Export Partners (EU): United Kingdom, Germany, France, Italy, The Netherlands, Belgium, Sweden, and Denmark. To Outside EU 1999 2003 2004

To Outside EU (HK\$ billion)	1,127.1	1,502.9	1,736.6
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Partners Outside EU: The Mainland of China, the United States, Japan, Taiwan, South Korea, Singapore, Malaysia, Thailand, India, Australia, Canada, the Philippines, Switzerland, Indonesia, Israel, Macao, South Africa, Brasil, Mexico, and Panama.

Main Imports: Foodstuffs, transport equipment, raw materials, semi-manufactures, petroleum; (a large share is re-exported) Main Exports: Clothing, textiles, footwear, electrical appliances, watches and clocks, toys, plastics, precious stones

Tot. Value of Imports	2,147,483,647.00 USD (2007)
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From Eu:	282500000000000
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Import Partners (EU):	United Kingdom, Germany, France, Italy, Netherlands, Belgium, Sweden and Denmark.
Partners Outside EU:	The Mainland of China, the United States, Japan, Taiwan, South Korea, Singapore, Malaysia, Thailand, India, Australia, Canada, the Philippines, Switzerland, Indonesia, Israel, Macao, South Africa, Brasil, Mexico, and Panama.
Import Partners:	United Kingdom, Germany, France, Italy, The Netherlands, Belgium, Sweden, and Denmark; Mainland of China, the United States, Japan, Taiwan, South Korea, Singapore, Malaysia, Thailand, India, Australia, Canada, the Philippines, Switzerland, Indonesia, Israel, Macao, South Africa, Brasil, Mexico, and Panama.
Tot. Value of Exports	2147483647 USD (2007)
To Eu:	1999 2003 2004 Total Imports (HK\$ billion) 1,392.7 1,805.8 2,111.1 1999 2003 2004 From EU (HK\$ billion) 128.5 154.5 170.4 1999 2003 2004 From Outside EU (HK\$ billion) 1,264.2 1,651.3 1,940.7
Export Partners:	China 47%, US 15.1%, Japan 4.9% (2006)
Partners Outside EU::	
Export Partners:	
Main Imports:	
Main Exports:	electrical machinery and appliances, textiles, apparel, footwear, watches and clocks, toys, plastics, precious stones, printed material

TRANSPORTATION/ACCESS

External:

Number of Airports: 1

Hong Kong International Airport, (Kai Tak airport was the old international airport, it opened until 1998, and the Hong Kong International Airport we know today located at Chek Lap Kok.) Hong Kong International Airport, Hong Kong is a major international and regional aviation centre. Hong Kong International Airport, one of the busiest in the world, is served by major international airlines, which provide about 3,900 scheduled passenger services and 615 freight services weekly from Hong Kong to some 130 cities world-wide. Hong Kong International Airport served more than 36 million passengers in the year 2004.

Number of Main Ports: 1

In 2003, Hong Kong handled 20 million TEUs (20-foot equivalent units) of containers, making it the world's busiest container port. The eight container terminals at Kwai Chung have 18 berths totaling about 6 000 metres of frontage with more than 200 hectares of terminal area. Up to 18 'third generation' container ships can be accommodated at these berths. During 2003, some 35 790 ocean-going vessels and about 182 270 river trade vessels called at Hong Kong. These vessels handled some 207.6 million tones of cargo and 18.6 million international passengers. To meet growing demand, Hong Kong has built a new container terminal in 2004. Container Terminal 9 has six berths with a design capacity to handle at least 2.6 million TEUs of containers a year. Port Container Throughput In TEUs 1999 2003 2004 Inward 8,027,000 10,186,000 11,121,000 Outward 8,184,000 10,263,000 10,811,000 Total 16,211,000 20,449,000 21,932,000

Internal:

Air

Numerous airlines, includes Cathay Pacific, CR Airway, Dragonair, Hong Kong Express Airways Limited, Oasis Hong Kong Airlines, and Jet Aviation Business Jets (Hong Kong) Limited and Metrojet Limited who offer non-scheduled passenger services in the region. 5 heliports.

Road:

At the end of 2003, Hong Kong had 1,934 kilometres of roads and 1,057 road structures, three immersed-tube cross-harbour tunnels, nine road tunnels through the hills and three bridges built high above sea level. These facilities provide a comprehensive road network. There were 524,253 licensed vehicles, including 338,930 private cars. Hong Kong's traffic density of 271 vehicles per kilometre of road is among the highest in the world. Despite this, traffic usually flows smoothly even in peak hours. Road 1999 2003 2004 Length of Public Roads (km) 1,855 1,934 1,943

Sea:

Ferries provide an essential mode of transport for the outlying islands. Most ferry services are provided by licensed ferry operators, which serve outlying islands, new towns, and inner-Victoria Harbour. The two routes operated by the Star Ferry, operating for over 100 years, are franchised. Additionally, 78 "Kai-to" ferries are licensed to serve remote coastal settlements. About 147,000 passengers use the ferry services daily.

Other Forms of Transportation:

Metro system, light rail system, tramway system, railway; Railways form an important part of the public transport system. They account for some 30 per cent of the total daily public transport volume. The Kowloon-Canton Railway's East Rail runs from Hung Hom in Kowloon to the Mainland boundary at Lo Wu. There are 13 stations along the 34-kilometre route and the railway carries an average of 762,000 passengers daily. The newly commissioned nine-station West Rail, connecting West Kowloon and the northwest New Territories, can serve 340,000 passengers daily. The Light Rail System serves the new towns in the northwest New Territories. The system comprises 36 kilometres of double track and 68 stops. About 291,000 passengers travel daily on the system. Tramways have been running on Hong Kong Island since 1904. More than 160 trams make up the only all double-decker tram fleet in the world and handle about 223,000 passenger trips daily. Motor Vehicles Licensed by Type 1999 2003 2004 Private Cars 322,000 339,000 345,000 Motor Cycles (including motor tricycles) 24,000 30,000 33,000 Taxi 18,000 18,000 18,000 Buses, Public and Private 12,000 13,000 13,000 Light Buses, Public and Private 6,000 6,000 6,000 Goods Vehicles 114,000 110,000 110,000 Special Purpose Vehicles + 1,000 1,000 Government Vehicles (excluding military vehicles) 7,000 7,000 6,000 Total 504,000 524,000 533,000

Economic Zones:

Due to the small size and dynamic economy of the island, there is no a single particular economic zone, rather the entire island itself is one big

economic zone.

Energy Policy:

Energy Policy: Total Energy Production 1999 2003 2004 (In terajoule) 106,185 127,822 133,663 Total Energy Production -By Type 1999 2003 2004
 Thermic Information not available Geothermic Other Total Energy Consumption 1999 2003 2004 (In terajoule) 127,566 149,262 152,313 Total Energy
 Consumption - By Sectors 1999 2003 2004 Domestic 31,400 34,365 34,134 Commercial 76,028 88,834 91,255 Industrial 17,547 14,851 15,430 Public
 Lighting 312 384 383

Year	Total Energy Production (Mwh)	Type			Total Energy Consumption (Mwh)	Sector				
		Thermic (Mwh)	Geothermic (Mwh)	Other (Mwh)		Domestic (Mwh)	Commercial (Mwh)	Public Service (Mwh)	Industry (Mwh)	Public Lighting (Mwh)
2005	36,140,000	0	0	0	37,740,000	31,400	76,028	0	17,547	0

Official Currency:
Hong Kong Dollar (HKD)

Banking and Insurance:

Number of Banks and Credit Unions:
 Number of Agricultural Credit Unions:
 Number of Insurance Companies:

Official Currency: Hong Kong dollar (HKD) is the official currency in Hong Kong. The Hong Kong dollar is linked to the U.S dollar at an exchange rate of HK\$7.8=US\$1.00. The link was established in 1983 to encourage stability and investor confidence in the run-up to Hong Kong's reversion to Chinese sovereignty in 1997. PRC officials have supported Hong Kong's policy of maintaining the link. In September 2000 the Hong Kong Monetary Authority completed phase two of the implementation of Hong Kong's U.S. dollar payment system, which allows local firms to achieve real-time settlement of U.S. dollar transactions. There are no foreign exchange controls of any sort. Under the linked exchange rate, the overall exchange value of the Hong Kong dollar is influenced predominantly by the movement of the U.S dollar against other major currencies. The price competitiveness of Hong Kong exports is therefore affected by the value of the U.S. dollar in relation to third country currencies. Exchange Rate HKD per Unit of Foreign Currency 1999 2003 2004 US Dollar 7.758 7.787 7.788 Euro 8.27 8.81 9.69
 Banking and Insurance: The international financial community has a strong presence. At the end of 2003, Hong Kong had 133 licensed banks, of which 121 were foreign-owned banks. Of the world's top 100 banks, 70 have operations in the Hong Kong Special Administrative Region of the People's Republic of China (HKSAR), while 81 subsidiaries or related companies of foreign banks operate as restricted licence banks and deposit-taking companies. A further 87 foreign banks have local representative offices. The banking sector's external assets are among the highest in the world. Number of Banks and Credit Unions: 133 licensed banks, 40 restricted license banks, and 85 local representative offices of overseas banking institutions. These institutions come from 37 countries and include 70 out of the world's largest 100 banks. Together they operated a comprehensive network of over 1,300 local branches, excluding their principal place of business in Hong Kong. (December 2004)
 Number of Agricultural Credit Unions: information not available
 Number of Insurance Companies: 180 authorized insurers, 91 of which were incorporated in Hong Kong and the remaining 89 were incorporated in 22 countries, with the US taking the lead, followed by Bermuda. (December 2004)

Financial Services:

Financial Services: Hong Kong is a major international financial center, comprising an integrated network of institutions and markets which provide a wide range of products and services to local and international customers and investors. Hong Kong's financial markets are characterized by a high degree of liquidity and operate under effective and transparent regulations, which meet international standards. There is a strong emphasis on the rule of law and fair market. There are no barriers of access to the market by foreign businesses and no restrictions on capital flows into and out of Hong Kong. There are also no exchange controls. Hong Kong offers various financial services, for example banking, foreign exchange, stock market, future market, over-the-counter market, debt market, Chinese Gold and Silver Exchange, insurance center, portfolio management activity, Mandatory Provident Fund (MPF) System, and so on. Banks in Hong Kong engage in a wide range of retail and wholesale banking business such deposit-banking, trade financing, corporate finance, treasury activities, precious metal trading and securities broking. Hong Kong has been ranked first in terms of economic freedom for eleven years (1995-2005). As at end November 2005, Hong Kong is the fifteenth largest banking center in the world in terms of external transactions, eighth largest stock market in terms of market capitalization, sixth largest financial center in terms of foreign exchange turnover and seventh largest if over-the-counter derivatives transactions are included.

Communications/E-Commerce:

Communications/E-Commerce: Telecommunications and Internet Services 1999 2003 2004 Telephone Lines (includes both business and residential) 3,839,000 3,820,000 3,780,000 Number of Fax Lines 384,000 491,000 456,000 Telephone Lines per 1,000 Population 578 558 548 Number of Licensed Internet Service Providers (ISPs) 165 201 188 Registered Customers Accounts with Dial-up Access 1,734,000 1,084,000 1,004,000 Registered Broadband Internet Access Customers Accounts - 1,231,000 1,484,000 Penetration of Information Technology in the Household Sector 2003 2004 Households with Personal Computers at Home 67.5% 71.1% Households with Personal Computers at Home Connected to Internet 60.0% 64.9%

Public Ownership:

The Hong Kong Special Administrative Region maintains the capitalist economic and trade systems previously practiced in Hong Kong. The Hong Kong Special Administrative Region Government decides its economic and trade policies on its own. Rights concerning the ownership of property, including those relating to acquisition, use, disposal, inheritance and compensation for lawful deprivation (corresponding to the real value of the property concerned, freely convertible and paid without undue delay) continues to be protected by law.

Land Use:

Land Use: arable land: 5.05% permanent crops: 1.01% other: 93.94% (2001) Stock of Permanent Living Quarters by Type 1999 2003 2004 Type Number Rate Number Rate Number Rate Public Rental Housing 682,000 32.6% 681,000 28.8% 707,000 29.3% Subsidized Sale Flats 304,000 14.5% 394,000 16.6% 391,000 16.2% Private Permanent Housing 1,105,00 52.9% 1,295,000 54.6% 1,316,000 54.5%

Agriculture/Forestry:

Agriculture in Hong Kong provides local consumers with high quality fresh food through intensive land use and production methods. Small but intensive vegetable and livestock farms have taken over from the more traditional rice farming over the past decades. Currently, there are about 2,260 farms in the territory. They employ directly about 5,010 farmers and workers. Agricultural Land Use: Market gardening crop is currently one of the most important uses of agricultural land. Major crops under cultivation comprise food crops including mainly of Brassica, and various aquatic vegetables, and ornamental crops such as Gladiolus and Chrysanthemum. By the end of 2004, the land used for vegetable, flower, field crop, and orchard are 330 ha, 200 ha, 30 ha, and 300 ha respectively. Agricultural Production: In 2004, the local agriculture industry produces \$1,120 million worth of produce. It comprises \$296 million of crop production, \$541 million of livestock production and \$287 million of poultry production. The average daily production of vegetable, live chicken and live pigs are 71 tones, 21,430 birds and 1,040 heads respectively. In 2004, local production accounted for 4 percent of fresh



vegetables, 41 percent of live poultry and 22 percent of live pigs consumed in the territory. The most common crops cultivated are leafy vegetables and high-value cut flowers. The trend of the livestock industry is towards fewer but bigger farms. Production of live pigs is the most important livestock sector and the poultry industry includes mainly production of chickens and pigeon.

Marine Activity:

Fishing:

The fishing industry makes an important contribution to Hong Kong in maintaining a steady supply of fresh marine fish to local consumers. In 2004, it produced an estimated 167,500 tonnes of fisheries produce valued at \$1,600 million with about 90% of the total catch coming from waters outside Hong Kong. The industry now consists of some 4,630 fishing vessels and some 9,500 fishermen working abroad and provides employment in ancillary sectors servicing the fishing industry, such as fish wholesale and retail marketing, fuel and fishing gear supply and ice manufacturing. Fishing activities are mainly conducted in the waters of the adjacent continental shelf in the East China Sea. The majority of the fishing vessels are manned by family members with the assistance of hired crew. Main fishing methods include trawling, long-lining, gill-netting and purse-seining with the majority of the total catch obtained through trawling. In Hong Kong, aquaculture includes pond fish culture, marine fish culture and oyster culture. In 2004 production from the aquaculture sector was 3,700 tonnes valued at \$120 million which was 2.2 percent in weight and 7.2 percent in value of the total fisheries production. Pond Fish Culture: The pond fish culture industry is centered in the north-west New Territories. Fish ponds are either freshwater or brackish. In 2004, the local inland ponds, covering an area of approximately 1,026 ha, produced 1,980 tonnes of freshwater fish amounting to \$33 million. About 96 percent of the farms are engaged in polyculture. The remaining 4 percent practice monoculture of carnivorous species such as freshwater snakehead and sea bass, as well as sea breams and spotted scat in brackish fish ponds near to the coastline. Marine Fish Culture: Marine fish culture involves rearing of marine fish from fry or fingerlings to marketable size in cages suspended by floating rafts usually in sheltered coastal areas. The species cultured changed gradually over the recent years depending on the availability of imported fry. Common species under culture include green grouper, brown-spotted grouper, giant grouper, Russell's snapper, mangrove snapper, red snapper, cobia and pampano. Fry are mostly imported from the Mainland, Taiwan, Thailand, Philippines or Indonesia. Traditionally, marine cultured fish are fed with trash fish. In recent years, with the department's extension effort, increasing number of marine fish farmers have changed over to use moist or dry pellet feed which significantly reduce pollution caused by fish feed and improves both the feed efficiency as well as fish health. The estimated production in 2004 was about 1,540 tonnes valued at \$79 million which catered about 9.1 percent of local demand for live marine fish. Oyster Culture: Culture of oyster has been practiced along the intertidal mud flat of Deep Bay in northwestern corner of Hong Kong for at least 200 years. In recent years, some farmers turned to fattening of medium size oysters imported from the Mainland. Majority of them adopt the raft culture method, i.e. oysters placed in baskets suspended from rafts. These oysters take about six to twelve months before marketing. Production in 2004 was about 210 tonnes (meat only) valued at \$9 million.

Marine Life:

Hard corals, Octocorals, Sea urchin, Jellyfish, Bristle worm, Sea snake, Cone Shell, Octopus, Sponge, Sea Anemone and Zoanthids, Sea Star/Feather Star, Sea Cucumber,

Critical Issues:

Makes strenuous law enforcement efforts, but faces difficult challenges in controlling transit of heroin and methamphetamine to regional and world markets; modern banking system provides conduit for money laundering; rising indigenous use of synthetic drugs, especially among young people.

JURISDICTIONAL RESOURCES

Capital:

Hong Kong

Political System:

Limited democracy, under the rule of British government since 1898, at the end of the 99-year lease, Hong Kong is returned to China, and now is a special administrative region of China since July 1, 1997. However, the legal system in Hong Kong is still based on English common law. Hong Kong has unicameral Legislative Council or LEGCO (60 seats; in 2004 30 seats indirectly elected by functional constituencies, 30 elected by popular vote; members serve four-year terms) elections: last held 12 September 2004 (next to be held in September 2008) election results: percent of vote by party - pro-democracy group 62%; seats by party - (pro-Beijing 34) DAB 12, Liberal Party 10, independents 11, FTU 1; (pro-democracy 25) independents 11, Democratic Party 9, CTU 2, ADPL 1, Frontier Party 1, NWSC 1; other 1

Political Parties:

Association for Democracy and People's Livelihood or ADPL [Frederick FUNG Kin-kee, chairman]; Citizens Party [Alex CHAN Kai-chung]; Democratic Alliance for the Betterment of Hong Kong or DAB [MA Lik, chairman]; Democratic Party [LEE Wing-tat, chairman]; Frontier Party [Emily LAU Wai-hing, chairwoman]; Liberal Party [James TIEN Pei-chun, chairman] note: political blocs include: pro-democracy - Association for Democracy and People's Livelihood, Democratic Party, Frontier Party; pro-Beijing - Democratic Alliance for the Betterment of Hong Kong, Hong Kong Progressive Alliance, Liberal Party

Important Legislation:

Chapter 1: General Principles, Article 1, The Hong Kong Special Administrative Region is an inalienable part of the People's Republic of China. Article 2: The National People's Congress authorizes the Hong Kong Special Administrative Region to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of this Law. Article 5: The socialist system and policies shall not be practised in the Hong Kong Special Administrative Region, and the previous capitalist system and way of life shall remain unchanged for 50 years. Chapter II: Relationship between the Central Authorities and the Hong Kong Special Administrative Region Article 12: The Hong Kong Special Administrative Region shall be a local administrative region of the People's Republic of China, which shall enjoy a high degree of autonomy and come directly under the Central People's Government. Article 13: The Central People's Government shall be responsible for the foreign affairs relating to the Hong Kong Special Administrative Region. The Ministry of Foreign Affairs of the People's Republic of China shall establish an office in Hong Kong to deal with foreign affairs. The Central People's Government authorizes the Hong Kong Special Administrative Region to conduct relevant external affairs on its own in accordance with this Law. Article 14: The Central People's Government shall be responsible for the defence of the Hong Kong Special Administrative Region. The Government of the Hong Kong Special Administrative Region shall be responsible for the maintenance of public order in the Region. Military forces stationed by the Central People's Government in the Hong Kong Special Administrative Region for defence shall not interfere in the local affairs of the Region. The Government of the Hong Kong Special Administrative Region may, when necessary, ask the Central People's Government for assistance from the garrison in the maintenance of public order and in disaster relief. In addition to abiding by national laws, members of the garrison shall abide by the laws of the Hong Kong Special Administrative Region. Expenditure for the garrison shall be borne by the Central People's Government. Article 19: The Hong Kong Special Administrative Region shall be vested with independent judicial power, including that of final adjudication. The courts of the Hong Kong Special Administrative Region shall have jurisdiction over all cases in the Region, except that the restrictions on their jurisdiction imposed by the legal system and principles previously in force in Hong Kong shall be maintained. The courts of the Hong Kong Special Administrative Region shall have no jurisdiction over acts of state such as defence and foreign affairs. The courts of the Region shall obtain a certificate from the Chief Executive on questions of fact concerning acts of state such as defence and foreign affairs whenever such questions arise in the adjudication of cases. This certificate shall be binding on the courts. Before issuing such a certificate, the Chief Executive shall obtain a certifying document from the Central People's Government. Article 22: No department of the Central People's Government and no province, autonomous region, or municipality directly under the Central Government may interfere in the affairs which the Hong Kong Special Administrative Region administers on its own in accordance with this Law. Chapter III: Fundamental Rights and Duties of the Residents Article 26 Permanent residents of the Hong Kong Special Administrative Region shall have the right to vote and the right to stand for election in accordance with law. Article 27 Hong Kong residents shall have freedom of speech, of the press and of publication; freedom of association, of assembly, of procession

and of demonstration; and the right and freedom to form and join trade unions, and to strike. Article 28 The freedom of the person of Hong Kong residents shall be inviolable. No Hong Kong resident shall be subjected to arbitrary or unlawful arrest, detention or imprisonment. Arbitrary or unlawful search of the body of any resident or deprivation or restriction of the freedom of the person shall be prohibited. Torture of any resident or arbitrary or unlawful deprivation of the life of any resident shall be prohibited. Article 36 Hong Kong residents shall have the right to social welfare in accordance with law. The welfare benefits and retirement security of the labour force shall be protected by law. Chapter VII: External Affairs Article 150 Representatives of the Government of the Hong Kong Special Administrative Region may, as members of delegations of the Government of the People's Republic of China, participate in negotiations at the diplomatic level directly affecting the Region conducted by the Central People's Government. Article 151 The Hong Kong Special Administrative Region may on its own, using the name "Hong Kong, China", maintain and develop relations and conclude and implement agreements with foreign states and regions and relevant international organizations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, tourism, cultural and sports fields. Article 152 Representatives of the Government of the Hong Kong Special Administrative Region may, as members of delegations of the People's Republic of China, participate in international organizations or conferences in appropriate fields limited to states and affecting the Region, or may attend in such other capacity as may be permitted by the Central People's Government and the international organization or conference concerned, and may express their views, using the name "Hong Kong, China". The Hong Kong Special Administrative Region may, using the name "Hong Kong, China", participate in international organizations and conferences not limited to states. The Central People's Government shall take the necessary steps to ensure that the Hong Kong Special Administrative Region shall continue to retain its status in an appropriate capacity in those international organizations of which the People's Republic of China is a member and in which Hong Kong participates in one capacity or another. The Central People's Government shall, where necessary, facilitate the continued participation of the Hong Kong Special Administrative Region in an appropriate capacity in those international organizations in which Hong Kong is a participant in one capacity or another, but of which the People's Republic of China is not a member.

Principal Taxes:

The corporate profit tax is 16 percent and personal income is taxed at a maximum of 15 percent. Property is taxed; interest, royalties, dividends, capital gains and sales are not.

Associated Power:

Mainland China

Citizenship:

Chinese, (however, Hong Kong residents have passports from Hong Kong instead of mainland China.)

Paradiplomacy:

The Asia-Pacific Economic Cooperation, (APEC), Asian Development Bank (AsDB), Bank for International Settlements (BIS), International Code Council (ICC), International Confederation of Free Trade Unions (ICFTU), International Hydrographic Organization (IHO), International Monetary Fund (IMF), The International Maritime Organization (IMO) (associate), International Olympic Committee (IOC), International Organization for Standardization (ISO) (correspondent), Universal Postal Union, (UPU), World Confederation of Labour (WCL), World Customs Organization (WCO), World Meteorological Organization (WMO), WTO (associate), World Trade Organization (WTO) Based on The Basic Law of Hong Kong, Chapter II, Article 13: The Central People's Government shall be responsible for the foreign affairs relating to the Hong Kong Special Administrative Region. The Ministry of Foreign Affairs of the People's Republic of China shall establish an office in Hong Kong to deal with foreign affairs. The Central People's Government authorizes the Hong Kong Special Administrative Region to conduct relevant external affairs on its own in accordance with this Law. Also in Chapter VII, Article 151: The Hong Kong Special Administrative Region may on its own, using the name "Hong Kong, China", maintain and develop relations and conclude and implement agreements with foreign states and regions and relevant international organizations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, tourism, cultural and sports fields.

HUMAN RESOURCES

Population: Population Year 1999 2003 2004 Resident Population 6,606,500 6,803,100 6,882,600 Age of Population: Population by Age Group 1999 2003 2004 0-14 1,154,300 1,069,200 1,039,700 15-34 2,058,000 1,955,800 1,962,300 35-64 2,684,200 2,982,600 3,061,800 65 and over 710,000 795,500 818,800

Island	Area (km sq.)	Population	% of Total Population
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Population:	
Year	Resident Population

Age of Population:	0-14	15-24	25-49	50-64	65 and up
2007	910415	0	0	5,168,178	901,819

Migration:

During the 1990s, Hong Kong has experienced massive inflow and outflow of people. The large emigration wave has attracted widespread attention. But it is not often realized that there exists a trend of increased immigration from diverse sources. This has led to a steady rate of population growth at about 2 per cent per annum in the past couple of years which cannot be accounted for by natural reproduction because Hong Kong has undergone a rapid fertility decline and its birth rate is one of the lowest in the world. Emigration from Hong Kong is mainly spurred by push factors which are political in nature. The chief force propelling is the anxiety generated by the impending reversion of the territory to China in 1997. The outflow has reached a peak of 62,000 or about 1 per cent of the population in 1990. It has fluctuated at that level since then, with 66,000 in 1992, 53,000 in 1993, and 62,000 in 1994. Though the outflow of population is substantial, it is counterbalanced by a strong inflow of immigrants. The number of immigrants to Hong Kong from the Chinese mainland was 105 in 1994, and gradually increased to 150 in 1995. Therefore at present, there is an annual inflow of about 55,000 legal immigrants from China, most of whom are actually dependents of Hong Kong residents living in the mainland and coming to the territory for family reunion. Foreign professional immigrants to Hong Kong amounted to more than 30,000 in 1993. Many of them are still drawn from Western developed societies such as Britain, the United States, and European countries. But there are increasing numbers coming from Australia and various parts of Asia such as Japan, Singapore and Malaysia. Foreign domestic workers to Hong Kong grew from less than 9,000 per year before 1987 to 28,000 in 1992 and 32,000 in 1993. The great majority of them were women from the Philippines, with an expanding minority from Thailand, Sri Lanka and Indonesia. As a consequence, the Filipinos have become the largest foreign community in Hong Kong, amounting to 130,000 by the end of March 1995. Net Migration rate: 4.72 migrant(s)/1,000 population (2007 est.)



Crude Birth Rate:	
2007	0.734%

Life Expectancy:

1999 2003 2004 Female 83.2 84.3 84.6 Male 77.7 78.5 78.6

Crude Death Rate:

2007	0.645%
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Ethnicity:

Predominantly Chinese 95%, other 5%, total foreign passport-holders 523,880 (2003)

Class Division:

The working class and white-collar class in Hong Kong are separated by a big gap. In general, the ones who possess higher education are more likely to be the higher class in society. Many of whom speak Cantonese, Mandarin and English are usually have the white-collar positions. The dynamic economy of the island has provide many opportunities to many entrepreneurs, as a result, there are a considerable percentage of the residents have their own business in Hong Kong. According to Forbes's World's Richest People report 2005, Hong Kong has 15 people are listed, amongst all, Li Ka-shing is ranked number 22, worth 13 billion of possession.

Languages:

Chinese and English are the official languages. English is widely used in the Government, the legal system and by the professional and business sectors.

Religion:

Eclectic mixture of local religions 90%, Christian 10%

Literacy:

Total population Male Female 2002 93.5% 96.9% 89.6%

Education System:

Hong Kong provides nine years of free and universal basic education. All students between the ages of six and fifteen are entitled to free school places. All Secondary three students studying in publicly funded schools who have the ability and wish to progress are provided with subsidised Secondary four places or training places. To ensure young people can grow up with the vision and capability to face the challenges of the Information Age, the Government in 1998 issued a five-year strategy on information technology (IT) in education with four key components: to enhance students access to IT and the Internet; to provide training and support for all teachers; to use IT to support teaching in the school curriculum; and, to foster a community-wide culture which helps promote IT in education. Five years down the road, the strategy has brought about tremendous changes to the education scene in Hong Kong. In March 2004, a new strategy was formulated and released for public consultation for two months. Implementation of the new strategy started in the 2004/05 school year.

Total Pre-schools:(9)	731
Total Primary Schools	
First Level:	674
Second Level:	
Third Level:	
Total Secondary Schools:	466
Total Professional Schools	
Universities:	9

Number of Schools per Island:										
	Pre-school		Elementary			High-school		Prof.	University	
	Pub	Priv	1	2	3	Pub	Priv		Pub	Priv

Students Enrolled:					
Year:	Pre-School	Elementary	High-school	Prof.	University

Teachers							
Year	Pre-School	Elementary			High-School	Prof.	University
		1	2	3			

Total Pre-Schools (2004/2005): 731 Total Primary Schools: total 674 primary schools, 610 public schools, and 64 private schools. First Level: n/a Second Level: n/a Third Level: n/a Total Secondary Schools: 466 Total Professional Schools: Professional schools include Vocational Training Council, Approved Post-Secondary College, Other Colleges, Construction Industry Training Authority, Clothing Industry Training Authority, Hospital Authority, Project Yi Jin and the Institute offering Adult Education/Tutorial/Vocational Courses. Universities: 9 universities in Hong Kong, they include: City University of Hong Kong, Hong Kong Baptist University, Lingnan University, Chinese University of Hong Kong, Hong Kong Polytechnic University, Hong Kong University of Science and Technology, University of Hong Kong, the Open University of Hong Kong, and Hong Kong Academy for Performing Arts,

Student Enrollment by Type of Educational and Training Institution 1999 2003 2004 Pre-School 171,100 136,100 130,200 Primary School 491,900 468,800 446,600 Secondary School 465,300 470,500 476,400 Special Education School 9,700 10,200 8,500 Prof. 210,100 275,700 303,500 University 119,500 218,000 228,900 Teachers by Educational and Training Institution 2002/2003 Pre-School 9,159 Elementary 22,845 High-school 25,093 Prof. 1,150 University 5,725

Medical Services:

Health care services in Hong Kong can customarily be categorized into three levels, namely, primary, secondary and tertiary health care, depending on the nature of services required. It should be noted that the boundaries between the three levels are not entirely distinct, as they could be regarded as, and should be, a continuum of services. Both the public and private sectors are involved in service provision in the three levels of services. These two sectors serve complementary roles, and together, they provide comprehensive health care services to the Hong Kong community. At the end of 2003, the number of hospital beds were about 35 000. The bed-population ratio was 5.1 beds per thousand population. There were 11 016 registered doctors, equivalent to 1.6 doctors per thousand population. There are 41 public hospitals in Hong Kong. Fees in public hospitals and clinics are heavily subsidized. Patients in general wards of public hospitals are charged \$68 a day. This covers accommodation, food, tests, medicine and surgery. There are also twelve private hospitals, with charges ranging from about \$300 a day for a bed in a general ward to \$860 or more for a first class ward. Patients have to pay for all services, such as medicine and dressings, besides the daily attendance fees of doctors. Hong Kong's health expenditure is not particularly high. The level of health expenditure has risen from 4.3% in 1991/92 to 5.7% in 2001/02 of Hong Kong's GDP. Share of public spending, which represented 57.2% of health expenditure in 2001/02, is also lower than many developed countries. However, Hong Kong's health indices compare favourably with those of most developed economies. Hospital Beds and Selected Types of Registered Healthcare Personnel (per 1000 population) 1999 2003 2004 Hospital beds 5.2 5.2 5 Doctors 1.5 1.6 1.6 Dentists 0.3 0.3 0.3 Pharmacists 0.2 0.2 0.2 Nurses 5.9 6.4 6.4

HISTORY AND CULTURE

History:

The region of Hong Kong, which had long been barren, rocky, and sparsely settled—its many islands and inlets a haven for coastal pirates—was occupied by the British during the Opium War (1839–42). The colony prospered as an east-west trading center, the commercial gateway to, and distribution center for, South China. It was efficiently governed, and its banking, insurance, and shipping services quickly became known as the most reliable in South East Asia. In 1921 the British agreed to limit the fortifications of the colony, and this contributed to its easy conquest (Dec. 25, 1941) by the Japanese. It was reoccupied by the British on Sept. 16, 1945. After several years of negotiations, on Dec. 19, 1984, Britain and the People's Republic of China agreed that Hong Kong (comprising Hong Kong Island, Kowloon, and the New Territories) would become a special administrative region of China as of July 1, 1997, when Britain's lease expired. Declaring a policy of "One Country, Two Systems," China agreed to give Hong Kong considerable autonomy, allowing its existing social and economic systems to remain unchanged for a period of 50 years.

Referenda:

Hong Kong did not have a referendum in recent years.

Recent Significant Events:

In January 2003, the Chief Executive joins Disney officials in a ground-breaking ceremony for the Hong Kong Disneyland project at Penny's Bay. Severe Acute Respiratory Syndrome (SARS) outbreak in March, 2003, as a result, the tourism industry and related sectors are increasingly hard hit. Hong Kong Disneyland opened its doors on September 12, 2005.

Music, Dance, Handicraft and Patrimony:

Hong Kong is where the East meets the West, the old meets the new. The deep roots of Chinese culture are revealed in every little bit of the life of the people of Hong Kong. Hong Kong is the heaven for food. Hong Kong people start their day with some healthy exercise and nourishing meal. Tai Chi is widely practiced. It is a graceful exercise developed from an ancient Chinese martial art that combines thought and action. It embodies Taoism - a stabilising of cosmic energy. It is followed by a nourishing dim sum meal in a local restaurant. In the morning, it is busy with people. Tea drinking is another serious business in Hong Kong. A Tang dynasty scholar devised the first definitive treatise on tea making more than 1,200 years ago, and it remains a thriving tradition today. Cantonese Opera involves much more than just traditional culture and heritage. It is a fine art that includes fluid and graceful body movements and expressions. The drama in any opera comes from the elaborate and flamboyant costumes, exquisite wigs and colourful make-up worn by the actors. Known as "The Hollywood in the East", Hong Kong has also grown itself into Asian modern entertainment center. Some of the well-known actors are Jackie Cheng, Chow Yun-fat, and Tony Leung.

Sources:

Useful Links:

IslandStudies.ca
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