

India - Hong Kong Relations

Background:

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 19th century (1840 onwards), relations today span sectors such as investment finance, services, maritime, shipping, logistics, culture, education and trade. The Commission for India in Hong Kong was set up in 1951 and it was re-designated as Consulate General of India on 15 October 1996 in advance of China's assumption of sovereignty over Hong Kong on July 1, 1997. The Consulate also has accreditation to Macau, which reverted from Portuguese to Chinese sovereignty on December 19, 1999.

Political:

Recent years have 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. Donald Tsang, the then Chief Executive of Hong Kong along with the Governor of Guangdong province led a business delegation on a visit to India in October 2010.

In order to increase the level of economic engagement between India and Hong Kong and provide boost to the business, investment and people-to-people links, Chief Executive (CE) of Hong Kong, C Y Leung paid an official visit to India from February 2-5, 2016 at the invitation of Chief Minister of Maharashtra. It was the first official visit to India of a Hong Kong Chief Executive. He led 40 strong multi-sectoral business delegation, the largest delegation accompanying Chief Executive. During his visit, CE called on Hon'ble Prime Minister, Finance Minister and External Affairs Minister. He also addressed the business events organised by Indian and Hong Kong chambers of commerce.

Hong Kong is also host to a large number of Indian professionals in banking, IT and shipping. Eleven public sector banks and three 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 and it has emerged as a major re-exporter to Mainland China of items it imports from India.

Bilateral Agreements:

Agreements concluded with Hong Kong include Agreement on Reciprocal Enforcement of Judgements (1968), [which was re-notified by Government of India in July 2012 due to a change in the nomenclature of Hong Kong courts following handover of sovereignty to China in 1997], Agreement Constituted by Exchange of Letters Between the PRC and India on matters related to the Consular Convention (December 1991), Air Services Agreement (1996), Customs Cooperation Agreement (1997), Surrender of Fugitive Offenders (1997), and Agreement on Mutual Legal Assistance in Criminal Matters (September 2009), MoU on Air Services Agreements pursuant to the Air Services Agreement signed in October 1996 (February 2012).

An Agreement for Mutual Recognition Arrangement in respect of Authorized Economic Operation (AEO) programs between Central Board of Excise and Customs (CBEC) of Government of India and the Customs and Excise Department of the HKSAR Government was signed in November 2013. Currently, the arrangement for its implementation is being worked out. An MoU between Hong Kong Monetary Authority (HKMA) and Reserve bank of India (RBI) on Supervisory Cooperation and Exchange of Information was signed on July 17, 2014 during the visit of Harun R. Khan, Deputy Governor, Reserve Bank of India (RBI). Agreement on Transfer of Sentenced Persons was signed on January 20, 2015 and has since come into effect. The third round of negotiations for a Comprehensive Double Taxation Avoidance Agreement (DTAA) between India and Hong Kong were held in Hong Kong from December 21-23, 2015. Negotiations achieved lot of substantial progress over the last round held in April 2011. Other agreements under consideration are Bilateral Investment Promotion & Protection Agreement (BIPPA) and MoU for Exchange of Information pertaining to drug trafficking and drug abuse (between the Narcotics Control Bureau of India and the Narcotics Bureau of Hong Kong), and are under negotiation.

Bilateral Trade:

India is Hong Kong's 4th largest export market destination (after China, US, Japan) and Hong Kong is India's 3rd largest export market (after US, UAE). India-Hong Kong trade in 2014 was US\$ 24.4 billion (growth of 11.5 %), nearly evenly poised with a small surplus (USD 239 million) in our favor. Exports from India to Hong Kong during this period were worth US\$ 12.3 billion, an increase of 10%. Of this, goods worth US\$ 11 billion were re-exported to other countries from Hong Kong. Imports from Hong Kong to India totaled US\$ 12 billion (13.1% increase over the previous year). India's share in Hong Kong's total trade during the year 2014 was 2.4%.

About 90% of our exports are gems and jewellery related (value addition in India, since 42 % of imports are also from this sector). During the period January to November 2015, India continued to retain its position as the 7th largest trading partner of Hong Kong.

Indian exports to Hong Kong primarily include Pearls, precious & semi-precious stones, Leather, Electrical Machinery, Cotton, Fish & crustaceans, Machinery, Articles of apparel, Organic chemicals, , Optical & medical instruments and Plastics while Indian imports from Hong Kong include Pearls, precious and semi-precious stones, Electrical machinery, Machinery, Optical & medical instruments, Clocks & watches, Plastic and articles thereof, Special woven fabrics, Miscellaneous manufactured articles, Organic Chemicals and paper.

India - Hong Kong Trade: Table

[Amount in US \$ million]

Exports/ Imports	2011		2012		2013		2014		Jan- 2015	Nov
	Total	Growth %	Total							
Indian Exports to Hong	11,103	+20.6	10,491	-5.5	11,195	+6.7	12,319	+10.0	9,896	

Kong									
Indian Imports from Hong Kong	11,989	+25.6	9,895	-17.5	10,680	+7.9	12,080	+13.1	12,022
Total Bilateral Trade	23,092	+23.2	20,386	-11.7	21,785	+7.3	24,399	+11.5	21,918
Trade Balance (for India)	-886		596		515		239		-2,126

(Source: Census and Statistics Department, Hong Kong)

Cultural relations:

Year of Friendly Exchanges (YoFE): A number of cultural programmes were organized by the Consulate under the gamut of 'Glimpses of India' in the Year of Friendly Exchanges between India and China. An 'Indian Film Festival' was organized in collaboration with Hong Kong Polytechnic University in from December 17-23, 2014. Seven movies (6 highly acclaimed Bollywood movies along with a Malayalam movie) reflecting contemporary Indian culture and society as well as stories from our historical past were shown during the film festival. In addition to events under 'Glimpses of India', Consulate co-organised a number of other cultural activities which included inauguration of an exhibition of recent works of Anjolie Ila Menon on March 26, 2014; inauguration of contemporary art exhibition "Kalasutra" comprising of art works by renowned Indian contemporary artists on September 19, 2014.

As part of 'Visit India Year, 2015 and to promote cultural exchanges and people – to – people contacts, a festival of Indian Art & Culture named '**India By the Bay**' was organized in Hong Kong February 10 – 13, 2015 in collaboration with the Asia Society of Hong Kong. The aim of the festival was to bring diversity and vibrancy of India to Hong Kong with a mix of programming from the fields of music, dance, literature and film.

To mark the United Nations General Assembly's adoption of a resolution at its 69th session to dedicate June 21 as the International Day of Yoga, the 1st UN International Day of Yoga was organized by the Consulate on June 21, 2015 at Sun Yat Sen Memorial Park. It turned out to be the biggest yoga event in Hong Kong with more than 2,000 Hong Kongers gathering to know the benefits of yoga for health and well-being and also to follow a simple Common Yoga Protocol.

Apart from above, the consulate conducts and supports many other cultural events from time to time. A fairly large variety of cultural activities are held through local cultural impresarios and institutions.

Indian Community:

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. Members of the Indian community established well known institutions in Hong Kong such as the Hong Kong University, the Ruttonjee Hospital and the famous Star Ferry.

Increasingly, a large number of Indian professionals are coming into Hong Kong, working in the service industry, banking and finance, information technology, shipping, etc. The Indian community in Hong Kong is estimated to be more than 45,000 and approximately half of them hold Indian passports. Sindhis, Gujaratis and Punjabis (Sikh) form the largest component of the community.

So far, four Hong Kong based persons of Indian origin have been awarded the Pravasi Bhartiya Samman Award: Dr. Hari Harilela (2003), Mr. M. Arunachalam (2005), Mr Rusy M Shroff (2006) and Mr. Harindarpal Singh Banga (2011).

India-Macau Bilateral Relations

The mainstay of Macau's economy is tourism and gambling industry. Macau has become a major tourist destination for Indians (India is amongst the top ten source of tourism to Macau) and the number of Indians who visited Macau last year was approx. 1,67,000. There is a small Indian community in Macau, majority of whom are of Goan origin. These include professionals, people in Government Departments and those working in hotels and restaurants and in the gaming industry.

India has signed two bilateral agreements with Macau. These are the Air Services Agreement signed in February 1998 and the Agreement for the Exchange of Information with Respect to Taxes signed in January 2012.

Bilateral trade with Macau is growing. In 2015, the total trade was worth US\$ 17.69 million, wherein India's exports to Macau were valued at US\$ 13.19 million and Macau's exports to India were valued at US\$ 4.52 million. Major products of export from India are sheath contraceptives, articles of apparel of leather or composition of leather, fish heads, black tea and medicaments.

India - Macau Trade: Table

[Amount in US \$ million]

Export/Import	2011		2012		2013		2014		2015	
	Total	Growth %	Total	Growth %	Total	Growth %	Total	Growth %	Total	Growth %
Indian Exports to Macau	5.88	+1.6 %	7.13	+21.2%	12.20	+70.5%	9.81	-19.6%	13.19	+34.4%
Indian Imports from Macau	0.13	- 86.7 %	0.40	+204.7 %	1.81	+351.6 %	2.54	+40.3%	4.52	+77.9%
Total Bilateral	6.01	- 11.2	7.53	+25.2%	14.01	+85.4%	12.35	-11.8%	17.69	+43.23%

Trade		%							
Trade Balance (for India)	5.75		6.73		10.39		7.27		8.67

(Source: Census and Statistics Department, Macau)

Useful Resources:

Consulate General of India, Hong Kong website:

<http://www.cgihk.gov.in/>

Consulate General of India, Hong Kong Facebook page:

<https://www.facebook.com/pages/>

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