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**COUNTRY
REPORT**

Hong Kong



March 2023

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For further information

Division, International Relations & Regional Policy

SEV Hellenic Federation of Enterprises

T. +30 211 5006 121

E. ir@sev.org.gr

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1. General information: Hong Kong

Geography

- Hong Kong is on China's southern coast, 60 km (37 mi) east of Macau, on the east side of the mouth of the Pearl River estuary. It is surrounded by the South China Sea on all sides except the north, which neighbors the Guangdong city of Shenzhen along the Sham Chun River. The territory's 1,110.18 km² (428.64 sq mi) area (2754.97 km² if the maritime area is included) consists of Hong Kong Island, the Kowloon Peninsula, the New Territories, Lantau Island, and over 200 other islands. Of the total area, 1,073 km² (414 sq mi) is land and 35 km² (14 sq mi) is water. The territory's highest point is Tai Mo Shan, 957 meters (3,140 ft) above sea level. Urban development is concentrated on the Kowloon Peninsula, Hong Kong Island, and in new towns throughout the New Territories. Much of this is built on reclaimed land; 70 km² (27 sq mi) (6% of the total land or about 25% of developed space in the territory) is reclaimed from the sea. Undeveloped terrain is hilly to mountainous, with very little flat land, and consists mostly of grassland, woodland, shrubland, or farmland. About 40% of the remaining land area is country parks and nature reserves. The territory has a diverse ecosystem; over 3,000 species of vascular plants occur in the region (300 of which are native to Hong Kong), and thousands of insect, avian, and marine species
- Capital city: Hong Kong

Population

- Total Population: 7,660,671 million (2023)
- Population growth annual: 0.04%
- China, Hong Kong SAR population is equivalent to 0.1% of the total world population
- The median age in China, Hong Kong SAR is 44.8 years.
- The population density in China, Hong Kong SAR is 7140 per Km² (18,492 people per mi²). Urban Population: 88.2 % of the population is urban (552,328 people in 2020)
- Population of main cities: Hong Kong (7,012,738), Kowloon (2,019,533), Tsuen Wan (288,728), Yuen Long Kau Hui (141,900), Tung Chung (45,000) Sha Tin (21,559)

Ethnic Origins: 92.0% Chinese, 2.5% Filipino, 2.1% Indonesian, 1.1% Indian, 0.8% White, 0.3% Nepalese, 1.6% Others

Religion: 73.2% Christianity, 63.8% Catholicism, 9.4% Other Christian, 23.4% No religion, 3.2% Other

Language

- Official Language: Cantonese
- Business Language(s): English, Traditional Chinese

Government

- Type: Devolved executive-led government within a unitary one-party state
- Chief Executive: John Lee
- Chief Secretary: Eric Chan
- Council President: Andrew Leung
- Chief Justice: Andrew Cheung
- **Currency:** National Currency: Hong Kong dollar (HK\$) (HKD)

Overview

Hong Kong, officially the Hong Kong Special Administrative Region of the People's Republic of China is a city and special administrative region of China on the eastern Pearl River Delta in South China. With 7.5 million residents of various nationalities[e] in a 1,104-square-kilometre (426 sq mi) territory, Hong Kong is one of the most densely populated places in the world. Hong Kong is also a major global financial centre and one of the most developed cities in the world.

Hong Kong was established as a colony of the British Empire after the Qing Empire ceded Hong Kong Island from Xin'an County at the end of the First Opium War in 1841 then again in 1842. The colony expanded to the Kowloon Peninsula in 1860 after the Second Opium War and was further extended when Britain obtained a 99-year lease of the New Territories in 1898. British Hong Kong was occupied by Imperial Japan from 1941 to 1945 during World War II; British administration resumed after the surrender of Japan. The whole territory was transferred to China in 1997. As one of China's two special administrative regions (the other being Macau), Hong Kong maintains separate governing and economic systems from that of mainland China under the principle of "one country, two systems".

Originally a sparsely populated area of farming and fishing villages, the territory has become one of the world's most significant financial centres and commercial ports. It is the world's tenth-largest exporter and ninth-largest importer. Hong Kong has a market economy characterised by a focus on services, low taxation and free trade, its currency, the Hong Kong dollar, is the eighth most traded currency in the world. Hong Kong is home to the third-highest number of billionaires of any city in the world, the second-highest number of billionaires of any city in Asia, and the largest concentration of ultra high-net-worth individuals of any city in the world. Although the city has one of the highest per capita incomes in the world, severe income inequality exists among the population. Most notably, housing in Hong Kong has been well-documented to experience a chronic persistent shortage, the extremely compact house sizes and the extremely high housing density are the effects of Hong Kong's housing market being the least affordable and the most expensive housing market in the world.

Hong Kong is a highly developed territory and ranks fourth on the UN Human Development Index. The city has the largest number of skyscrapers of any city in the world, and its residents have some of the highest life expectancies in the world. The dense space has led to a highly developed transportation network with public transport rates exceeding 90%. Hong Kong is ranked 3rd in the Global Financial Centers.

2. Economy

2.1. Economic and Political Overview

As the tenth largest trading power and the third largest financial centre in the world in 2023, Hong Kong is often cited as a model of liberal economics. However, the economy has been experiencing a slowdown in recent years, with a GDP growth of -6.1% in 2020, against -1.2% in 2019. This slowdown results largely from the impact of the COVID-19 pandemic, but also from the cooling Chinese economy, trade tensions with the United States, decreased FDI, and tighter credit conditions forcing the Hong Kong Monetary Authority (HKMA) to imitate rate increases. According to Financial Times, Hong Kong's economy has also suffered from the many protests in 2019 and 2020. Positive GDP growth came back in 2021 with +6.3% (IMF, October 2022). According to the latest IMF forecasts growth is expected to decline at -0.8% in 2022 and come back in positive territory at 3.9% in 2023, subject to the post-pandemic global economic recovery.

Due to the impact of the global economic context of 2020, the Hong Kong Government closed the year 2020 with a -5.2% budget deficit from -3.3% in 2019. It recorded a Budget deficit equal to 3.60% of the country's Gross Domestic Product in 2021 (Hong-Kong Government, 2023). The protests and the export pressure from the US-China trade war also affect the government balance. Hong Kong continues to have solid public finances despite a public debt increasing from 1% of GDP in 2020 to 2.1% in 2021 and 3.3% in 2022. According to the IMF, the inflation rate was 1.6% in 2021 and 1.9% in 2022. Inflation rate should increase to 2.4% in 2023 and 2.5% in 2024 according to the latest World Economic Outlook of the IMF (October 2022). Credit expansion and a tight housing supply have caused Hong Kong property prices to rise rapidly in recent years. Lower and middle-income segments of the population are increasingly unable to afford adequate housing. Tourism is largely affected by the ongoing protests and pandemic and tourism from China (75% of total visitors) is also expected to remain weak because of slower economic growth in mainland China and the depreciation of the RMB in relation to the HKD.

The unemployment rate increased from 2.9% in 2019 to 5.8% in 2020 and 5.6% in 2021 but started to decline at 4.5% in 2022. The IMF expects a reduction in the unemployment rate to 4% in 2023 and 3.7% in 2024. Risks and opportunities coexist for Hong Kong. There are dawning signs of an end to the pandemic, and Hong Kong is resuming customs clearance with the outside gradually. In 2023, the country's most immediate challenge remains related to the economic, social and public health impacts of the COVID-19 pandemic.

Table 1: (Hong Kong Economic Forecasts - 2021-2023 Outlook)

Main Indicators	2020	2021	2022	2023	2024
GDP (billions USD)	344.92	369.16	368.37	387.46	406.74
GDP (Constant Prices, Annual % Change)	-6.5	6.3	-0.9	3.9	3.0
GDP per Capita (USD)	46,444	49,865	49,700	52,132	54,494
General Government Balance (in % of GDP)	-5.2	0.8	-1.6	-0.3	-0.1
General Government Gross Debt (in % of GDP)	1.0	2.1	3.3	4.3	4.7
Inflation Rate (%)	0.3	1.6	1.9	2.4	2.5
Unemployment Rate (% of the Labour Force)	5.8	5.2	4.5	4.0	3.7
Current Account (billions USD)	24.09	41.59	31.77	23.03	17.49
Current Account (in % of GDP)	7.0	11.3	8.6	5.9	4.3

Source: IMF – World Economic Outlook Database, October 2021

2.2. SWOT Analysis

Strengths

- Hong Kong, China is among the safest locations in the world, with a low crime rate
- Hong Kong is virtually free of corruption, with a strong police probity culture.
- Financial auditing framework is robust and there is a high level of market transparency
- Very low public debt and fiscal balance in surplus
- High productivity levels and a well-educated, multilingual workforce

Weaknesses

- Criminal Triad gangs with thousands of members are present in the market, posing serious risks to businesses (extortion, fraud, monopolies)
- Protection of foreign workers in low-skilled and domestic sectors is weak
- A reliance on Mainland China for defence and security limits local production capabilities
- An increase in cyberattacks leaves Hong Kong's public institutions vulnerable

Opportunities

- The special administrative region (SAR) relies on Beijing's military, it will benefit from Beijing's efforts to modernise its military capabilities, having a goal of possessing a world-class military by 2050

- Declining crime rates and effective anti-corruption measures could lead to the SAR gaining pioneer status as the safest megacity in the world
- There is a low threat from terrorism, and comprehensive counter-terrorism strategies and forces are in place

Threats

- High data-reliance of the economy and infrastructure system makes the SAR vulnerable to cybercrime and cyberterrorism

2.3. Structure of the Economy

Hong Kong relies heavily on financial services, production of electronics, and tourism as its main industries. The agricultural sector is almost non-existent since Hong Kong possesses no natural resources and is completely reliant on raw material and energy imports. The contribution of agriculture to the economy was practically null at 0.1% of GDP in 2022 and 0.1% of the workforce employed (World Bank, 2022). Hi-tech vertical farming is being adopted as an alternative to traditional farming (South China Morning Post). Concerns over food safety from Chinese products, have also been a factor in the boom of local farming initiatives (EcoWatch).

The manufacturing industry represents a larger, albeit still small share of GDP (6% in 2022) and employment with 11.5% of the workforce (World Bank, 2023). Main industries include electronics, electrical appliances, informatics and telecommunications. In 2022, the industrial sector stagnated.

The tertiary sector is the heart of Hong Kong's economy. Financial services, trading and logistics, tourism, import/export, air transport, professional and producer services are traditional key industries in Hong Kong. The services sector contributes around 89.6% of GDP and employed over 88% of the workforce in 2022 (World Bank, 2023). Hong Kong acts as a service centre for Asian companies, particularly for those trading with China. According to figures published by the Commercial Register, there are over 900 thousand companies registered in Hong Kong.

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023, the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024 (International Monetary Fund - IMF, 2023). The impact of the 2022 world events appears to have affected both sides of most sectors and markets in this country for the third year in a row - demand disruptions having run up against supply problems - making the short-term outlook uncertain for agriculture, industry and service sectors.

Table 2: Breakdown of Economic Activity By Sector

Breakdown of Economic Activity By Sector	Agriculture	Industry	Services
Employment By Sector (in % of Total Employment)	0.2	11.1	88.8
Value Added (in % of GDP)	0.1	6.0	89.6
Value Added (Annual % Change)	-2.8	2.1	5.8

Source: World Bank, Latest available data (2022)

2.4. Investment

Global foreign direct investment (FDI) flows in 2021 were USD 1.58 trillion, up 64 per cent from the exceptionally low level in 2020. The recovery showed significant rebound momentum, with booming merger and acquisition (M&A) markets and rapid growth in international project finance because of loose financing conditions and major infrastructure stimulus packages. However, the global environment for international business and cross-border investment changed dramatically in 2022. The war in Ukraine – on top of the lingering effects of the pandemic – is causing a triple food, fuel and finance crisis in many countries around the world. Investor uncertainty could put significant downward pressure on global FDI in 2022. The 2021 growth momentum is unlikely to be sustained. Indeed, world flows in the second quarter of 2022, the latest data available, were down 31% from the first quarter and 7% less than the quarterly average of 2021 (UNCTAD Global Investment Trends Monitor, October 2022). The negative trend reflects a shift in investor sentiment due to the food, fuel and finance crises around the world, the Ukraine war, rising inflation and interest rates, and fears of a coming recession. Expectations for the full year are for a marked slowdown. In developing Asia, despite successive waves of COVID-19, FDI rose to an all-time high for the third consecutive year, reaching \$619 billion. Asia is the largest recipient region, accounting for 40 per cent of global FDI. However, inflows remain highly concentrated; six economies account for more than 80 per cent of FDI to the region (UNCTAD, October 2022).

According to the 2022 World Investment Report released by UNCTAD, Hong Kong received USD 134.71 billion of FDI in 2020, over 82.7% more than in 2019 (USD 73.71 billion), driven mainly by an increase in intracompany loans and reinvested earnings. This amount topped USD 140.69 billion in 2021. While representing a small share of FDI, the rebound in cross-border M&A sales to USD 11 billion (from USD 1 billion in 2019) also contributed to this increase, thanks to many cases of Chinese MNEs consolidating affiliates in Hong Kong. Given the economy's sizeable intra-company flows and its close ties with China, which contributes 28% of its FDI stock, the rise in FDI in Hong Kong reflects corporate restructuring, particularly by Chinese multinationals, rather than new investment. It ranks 6th in terms of FDI inflows in 2021. It was also the seventh largest country in the world in terms of FDI outflows, registering USD 87.45 billion in 2021. The stock of FDI reached USD 1 851 billion in 2020 and over 2 022 billion in 2021. Hong Kong is a hub for foreign MNEs' regional headquarters, inflows were mostly invested in services sector operations (including regional headquarters and finance functions that facilitate indirect FDI flows). The

main investing countries are China, the British Virgin Islands, the United Kingdom, Bermuda and Japan. The vast majority (around three-quarters) of investments are intended for financial activities: holding, real estate, finance, insurance, banking, etc. Hong Kong is attractive due to several strong factors: its strategic position (it is a gateway to the Chinese market), its status as a free port; its simple tax system that provides many incentives, good infrastructure and judicial security. Hong Kong has one of the world's best regulatory systems for paying taxes.

The latest United Nation Asia-Pacific Trade and Investment Trends Report provides additional information on FDI in Hong Kong and Asia-Pacific in 2022 and 2023.

Table 3: Foreign Direct Investment - UNCTAD, 2022

Foreign Direct Investment	2019	2020	2021
FDI Inward Flow (million USD)	73,714	134,710	140,696
FDI Stock (million USD)	1,867,697	1,851,464	2,022,195
Number of Greenfield Investments*	195	88	100
Value of Greenfield Investments (million USD)	4,373	2,228	3,828

Source: UNCTAD, Latest available data

Strong points for FDI in Hong Kong:

Hong Kong is an international leader in terms of international trade, a services centre with high added value and the bridgehead to one of the largest production bases in the world, China. Hong Kong has a sound economy and a stable and efficient financial and banking system. Key strong points for FDI in Hong Kong include:

- Favorable tax measures
- The transparency of local institutions
- Freedom of information
- Availability of qualified human resources
- Its advantageous geographical location in Asia

Weaknesses for FDI in Hong Kong include:

Disadvantages for FDI in Hong-Kong include:

- High cost of property and work space (offices, shops, etc.)
- High cost of salaries, compared to other Asian countries such as Mainland China and India
- The excessive importance of the financial sector in national economy

Government Measures to Motivate or Restrict FDI:

Hong Kong is a free territory for investments, which are in fact encouraged by the government with a favourable taxation policy and light legislation. Foreign companies can be set up freely, register their brands and the director of the company doesn't have to be a citizen nor a resident of Hong Kong. The government has also put in place numerous initiatives to support business innovation.

2.5. Taxation

Company Tax: A two-tiered profits tax rate is introduced in Hong Kong

Tax Rate for Foreign Companies. Income tax is territorial and assessable profit is the net profit originating in Hong Kong for the basis period. As a result, both resident and non-resident companies receive similar tax treatment.

Capital Gains Taxation: Long term capital gains are not taxed in Hong Kong. Nevertheless, capital gains deriving from the disposal of assets may be subject to profits tax if the disposal constitutes a transaction in the nature of trade (especially in the real estate industry).

Main Allowable Deductions and Tax Credits: Deductible expenses must be wholly, exclusively and necessarily included in the production of taxable income, including depreciation, debts, repairs to plants, trademark rights registration costs, etc. Other deductions that are allowed include mandatory pension contributions (up to 15% of the employee's total emoluments) and donations of more than HKD 100 (capped at 35% of the assessable profits). Special deductions are provided for R&D expenditure (100%; or 300% deduction on the first HKD 2 million and 200% on the excess, according to the type of investment), purchases of patent rights, rights to know-how, copyrights, registered designs and trademarks, capital expenditure on the provision of prescribed fixed assets including manufacturing machinery and computer software, etc. Capital expenditure, start-up expenses, internal expenditure and any other spending that is not incurred to earn income are not tax-deductible. Net operating losses can be carried forward indefinitely, whereas loss carryback is not allowed. Capital losses are not tax-deductible.

Other Corporate Taxes: Stamp duties and special stamp duties are levied: 0.26% of the value of the shares transferred; maximum 4.25% on the sale and conveyance of non-residential property; 15% on residential property (exemptions apply), plus a special stamp duty ranging from 5% to 20% if the residential property is sold within 36 months.

A buyer's stamp duty at a flat rate of 15% is payable on the acquisition of Hong Kong residential properties by any person (including Hong Kong and foreign corporations) except a Hong Kong permanent resident.

A property tax is charged annually to the owner of any land or buildings in Hong Kong at the standard rate of 15% on the net assessable value of such land or buildings (minus a statutory allowance of 20% on the net assessable value for repairs and maintenance). The government also levies indirect taxes as privately owned land in Hong Kong is normally held by way of a government lease: the rate is generally 3% of the rateable value of the property.

Under the Mandatory Provident Fund scheme, employers are required to make a mandatory contribution for their employees that is equal to 5% of their monthly income (the relevant minimum and maximum income levels are HKD 7,100 and HKD 30,000, respectively).

3. Buying and Selling

3.1. Marketing opportunities

Consumer Profile: The population of Hong Kong enjoys the world's longest life expectancy, with men living on average 80.9 years and women 86.5 years. However, Hong Kong also has one of the world's lowest birth rates (0.8% in 2022) (CIA), with the median age of the population being 47.3 years (Census and Statistics Department, 2021). 21.6% of the population is below 25 years of age, 42.6% is between 25 and 54, 17.2% is between 55-64 and 18.5 is 65 or older. Additionally, there are 86 male every 100 female (CIA). The population is mainly ethnically Chinese (91.6%), and non-Chinese ethnic groups representing less than 9% of the population. Of these minorities, Filipinos are the biggest group (2.7%), followed by Indonesians (1.9%) (Census and Statistics Department, 2021). According to the Census and Statistics Department of Hong Kong, households tend to be small, comprising 2.7 persons in average in 2022. In 2021, 19.6% of households were made up of one person, 29.4% of two people, and 23.8% of three people. On the other hand, households with four people only represented 17.6% of all households, while those with 5 people represented 6.7%, and houses with over 6 people accounted for a mere 2.9%. Only 31.3% of women and 36.9% men have post-secondary education. Public administration, social and personal services accounts for 30.1% of the workforce. They are followed by financing, insurance, real estate and professional and business services (23.6%); construction (8.8%); import/export trade (8.2%); transport and storage (7.4%); retail (7.2%); and accommodation and food services (6.5%) (Census and Statistics Department, Q1 2022).

Consumer Behaviour: Hong Kong has the world's most connected consumers. As such, e-commerce has been growing exponentially, and further growth is expected in the coming years. Not only does technology change how products are being sold, but also influencing and changing how products are researched, manufactured and marketed - affecting how consumers in Hong Kong shop and chose what they are buying. Additionally, e-commerce represents a notable facet of the overall consumer experience, especially among Millennials. Empowered by rising disposable incomes, consumers have become increasingly savvy and expect higher quality and first-rate customer service. Purchases are usually determined by the price, quality and technical specifications of the product, as well as after-sales service. Consumers look for high-quality products and competitive prices. Hong Kong consumers tend to prefer foreign products to domestic ones, given that they are highly influenced by Western trends. The Hong Kong market is particularly favourable to brands that are endorsed by Western celebrities, as well as Asian fashion icons. Consumers tend to be price sensitive but brand conscious, and they are particularly fond of luxury brands. In Hong Kong, face and social status are important, so brands that signal a high social and economic status are extremely popular, and consumers are happy to pay a premium. However, the retail and consumer products sectors are changing. Whereas previously flagship luxury stores dominated the shopping landscape in Hong Kong, fast fashion and lifestyle stores are increasingly prevalent. Additionally, the economic slowdown in China is rippling through the region causing a change in consumers' choices and expectations, emphasizing value and functionality of

products. The purchasing power of millennial shoppers is increasing, shifting demand to new products that promote life experiences and healthy lifestyles, as well as shopping experiences that are more convenient. Rising health awareness is increasingly informing consumers' shopping habits, particularly among the younger generations, so there is an increased demand for healthy and organic food. Hong Kong receives huge numbers of visitors from China every day, many of whom spend large amounts of money on the Island's many luxury stores. However, lately, the number of mainland tourists that go to Hong Kong to shop has been decreasing. For that reason, Hong Kong loosened its 'one-trip-per-week' cap on individual visits by Chinese tourists, invested on new tourist attractions, with the intention of drawing more visitors, and subsequently boost retail sales.

3.2. Internet and Ecommerce

Internet access: With almost 5.5 million internet users, Hong Kong has internet penetration rate of 74%. Hong Kong consistently ranks as one of the countries with the fastest online connections worldwide. Hong Kong is one of the most smartphone-friendly markets in the world. In 2017: 5.08 million people accessed the internet through their mobile phones. In 2022, the number of mobile phone internet users is projected to reach 5.71 million (Statista). The search engines market in Hong Kong is dominated by Google with a market share of 83.8%, followed by Yahoo with 13.6%. Bing has only a limited share of the market (1,4%).

E-commerce market: E-commerce is developing rapidly in Hong Kong as more retailers set up their online presence and shoppers change their consumption patterns and lifestyles. With more than 4.5 million e-shoppers, the e-commerce penetration rate in Hong Kong is at 59.8% in 2018 and is expected to hit 72.6% in 2022. E-commerce sales in Hong Kong have been steadily increasing, passing from US\$ 2.9 billion in 2015 to an estimated US\$ 3.7 billion in 2017 (+27%). E-commerce sales are forecast to continue rising with an annual growth rate of 10.2% to reach US\$ 5.4 billion by 2021 (Statista). In 2017 there was a significant drop in the number of Hong Kong-based companies that do not have an omnichannel business strategy, with the rate passing from 21% in 2016 to 9%. Many traditional stores have established online purchasing platforms, such as Watsons, Wing On Department Stores and Chow Sang Sang. On the other hand, e-commerce platform HKTVmall has opened some concept stores in an experiment to find out the most applicable online-to-offline retail model in Hong Kong. These shops mainly serve as interactive billboards aimed at showcasing products available on HKTVmall's website. Among the most popular online stores/marketplaces in Hong Kong are Alibaba's Tmall, WeChat, Taobao, Amazon, JD, Alibaba and eBay. The boom in cross-border e-commerce with mainland China also offers huge growth opportunities for Hong Kong's e-commerce sector.

3.3. Distribution: Hong Kong is a major trading hub where buyers make purchasing decisions for a vast range of consumer-oriented products that are destined for Hong Kong and transshipped to Macau, Mainland China and other markets in Asia. Total supermarkets' retail sales reached around HKD 53.6 billion in 2021, and when including supermarket sections of department stores, they

reached HKD 60.7 billion (Census and Statistics Department). Supermarkets sales were down 8.4% in 2021, from a high base in 2020, which was driven by higher-than-usual supermarket shopping because of the milder pandemic situation (PwC).

To meet their food needs, traditional street (wet) markets are popular for daily shopping for fresh grocery products in Hong Kong. Some, but not all, stalls in wet markets have freezers and chilling equipment to maintain food quality. Street markets competition with modern grocery retail outlets has intensified in recent years: supermarket sales erosion of traditional street markets market share is expected to continue as consumers seek convenience and high-quality options in larger stores. Convenience stores, such as 7-Eleven and Circle K are very popular in Hong Kong with more than 1,300 outlets that offer drinks and snacks and some hot food options. There are nearly 800 supermarkets, 1,300 convenience stores and nearly 100 traditional markets in Hong Kong (USDA).

Innovative products that offer sustainable production and nutritional value at a reasonable cost with convenient preparation are in demand. Busy schedules and dual income families are driving the search for ready-to-cook and frozen options for home preparation and premium, healthy options in food service outlets. Consumers are increasingly interested in food's provenance and production background both at retail and restaurant levels and consider these aspects when making purchasing decisions.

Market share: Hong Kong's supermarkets' landscape is dominated by two chains, Wellcome (over 280 outlets) and ParknShop (over 260 outlets), who have a combined market share of around 70% (USDA, 2020 - latest data available). Both chains expanded their premium and upscale outlets recently as consumers continue to seek high-quality, imported gourmet products.

Other supermarkets include DCH Food Mart (more than 50 outlet), U-Select (71 outlet), CitySuper (4 stores), CR Vanguard (17 outlet), AEON (9 department stores with supermarkets and 2 separate supermarkets), YATA (3 department stores with supermarkets and 9 separate supermarkets), SOGO and APITA.

Major convenience stores are 7-Eleven (more than 960 outlets) and Circle K (around 340 outlets).

E-commerce is fastly growing in the food retail sector, with platforms such as HKTV Mall providing a modern and alternative shopping experience.

3.4. Customs

International Conventions: Member of World Trade Organisation

International Economic Cooperation: Hong Kong is a member of the following international economic organisations: IMF, Asia-Pacific Economic Cooperation (APEC), ICC, World Customs Organization (WCO), WTO, among others.

Non-Tariff: Despite Hong Kong's transfer of sovereignty from Britain back to China on 1 July 1997, the Special Administrative Region of Hong Kong (HKSAR) has maintained its customs regulation. Thus, the territory of Hong Kong keeps its free port status and remains a customs area separate from the rest of China,

preserving its participation in international bodies and its international trade agreements.

Import licenses are needed for the following products:

- Some chemical products defined in the Chemical Products Control Ordinance. The requests for license should be made at Controlled Chemicals Group of the Customs and Excise Department.
- Pharmaceutical Products: licenses should be requested from Trade licensing Branch Non-Textiles Licensing Section of the Trade Department.
- Live Animals: a prior license should be requested from Licensing Unit of Agriculture, Fisheries and Conservation Department.
- Plants are also subjected to a license issued by the Plant and Pesticides Regulatory Division of the Agriculture, Fisheries and Conservation Department.
- Textiles: if they are not registered with the Textile Traders Registration Scheme, the importers should make a request for license at Non-Restrained Textiles, Trade Department.
- "Reserved Commodities" (rice, frozen meat, frozen poultry): import licenses issued by Reserved Commodities Unit of Trade Department, are only issued to companies registered with the Trade Department. In addition, imported goods should be accompanied by a health certificate issued by the country of origin.
- Meat and Poultry: import should be authorized by the Hygiene Division of the Department of Health.
- Telecommunication equipment is also subject to the control of Inspection and Licensing Subsection of the Office of the Telecommunications Authority.
- Import of vehicles.
- Alcoholic beverages.
- Tobacco.
- Petroleum products.

Licenses for these 4 categories are obtained from the Customs and Excise Department.

Customs Duties and Taxes on Imports: In line with the status of a Free Port, Hong-Kong does not impose customs duty on entry of general goods in its territory. Only some goods (such as tobacco, alcohol, hydrocarbon oil) are subject to excise duties.

Customs Classification: Hong-Kong applies the Harmonised Customs System.

Import Procedures: When a cargo arrives at the port, even before the importer has taken possession, the products are inspected and occasionally sampled by the customs authorities. Once approved, the importer collects a "release" letter. It is to be noted that the importer should file an "import declaration" with the "Customs and Excise Department", within 14 days from the import.

Documents required to facilitate Customs clearance are:

- manifests
- import / export licence or removal permit (if required)
- copy of detention notice (if applicable)
- other supporting documents such as bill of lading, airway bill, invoice, packing list etc.

3.5. Transport

Main Useful Means of Transport: Hong Kong is one of the most important centres for logistics in Asia. Its airport is ranked globally as the best for freight and has the seventh largest container port in the world. Hong Kong International Airport has been the world's busiest airport for 10 consecutive year since 2010. In 2019, it handled 4.8 million tonnes of total cargo throughput, which accounted for 42% of the total value of Hong Kong's external trade.

However, rapid growth has placed severe demands on this infrastructure. Thus, there is a need for major new investments over the next few years, particularly in transportation and shipping facilities. Significant developments include a planned expansion of container terminal facilities, additional roadway and railway networks.

Hong Kong's port is the seventh most significant container port in the world, and it handled 19,600 TEU (twenty feet equivalent unit) in 2018 (data World Shipping, latest data available). Its strategic position makes it the port of access to the Chinese market as well as an unavoidable transit point for international trade. Ship owners from Hong Kong control around 6% of the world's fleet.

Ports: Hong Kong Port

Airports: Hong Kong Airport

Sea Transport Organisations: Marine Department

Air Transport Organisations: Hong Kong Airport Authority

Road Transport Organisations: Transport Department, Highways Department

Rail Transport Organisations: Transport Department

3.6. Suppliers

Type of Production: The industry contributes around 6.5% of the GDP (World Bank, 2019). Textiles and electronic components industries are the most important.

Due to a pattern of government disinterest in the electronics industry, Hong Kong has not been able to compete with other tech markets like Taiwan, Singapore and South Korea. However, a renewed interest in high-tech electronics by the current Government suggests potential for improvement. The present administration aims to make Hong Kong a center for software and information technology industries.

Multi-sector Directories:

- Expat.com - Hong Kong business directory
- Express Business Directory - Hong Kong business directory
- HKG Business - Hong Kong business directory
- HKTDC Sourcing - Database of Hong Kong services providers.
- HKTDC Sourcing - Database of wholesale suppliers.
- Hong Kong Exporter Directory - Hong Kong's suppliers directory
- Hong Kong General Chamber of Commerce - Hong Kong business directory
- Search engine of Hong Kong General Chamber of Commerce - Hong Kong business directory.
- Zipleaf - Business directory for several countries in the world

4. International Trade (doing business)

4.4. Imports - Exports

Hong Kong's economy is considered a model of capitalism due to its commitment to free trade, with foreign trade representing 402% of its GDP (World Bank, 2023). Top exports include Electrical and electronic equipment (56% of all export) as well as machinery (13%) and gold, business services, travel, transportation and financial services. Main imports include electronic equipment (53%), machinery (11%), gold, transportation and business services (WTO, 2023). The International Monetary Fund (IMF) is forecasting an increase of 1.6% in the volume of exports of goods and services of the territory in 2023, after a fall of 7.3% in 2022 due to the COVID-19 pandemic, and an increase of 1.8% of its imports, after a fall of 7.1% in 2022.

Export destinations include China (57% of all export in 2022), the U.S. (7.5%), India (3%) and Japan (3%) while imports come from China (49%), Singapore (7%), Japan (6.3%), South Korea (5.3%) and the US with 5.1% (World Bank, 2023). Hong Kong was the world's 6th exporters and 7th importers in 2021 (WTO, 2023). The greatest threat to Hong Kong's trade involves tensions and tariffs between the U.S. and China (Nikkei Asian Review). The continued effects of the COVID-19 pandemic may be affecting the economy (Fitch) in particular through tourism and air traffic.

In 2021, the total value of exported goods and services reached 203% of GDP while imports of goods and services closed at 198.7% of GDP. Hong Kong trade deficit widened to USD 27.1 billion in November 2022, from USD 11.1 billion in the same period a year earlier. Exports fell by 24.1% to \$360 billion, amid dropped in sales for most commodities, led by electrical machinery, appliances and parts (-20.1%), telecommunications, sound recording and reproducing equipment (-34%), and office machines and automatic data processing machines (-35.7%). Meanwhile, imports also fell by 20.3% to \$387.1 billion, as arrivals considerably decreased for electrical machinery, appliances and parts (-18.8%), telecommunication, sound recording and reproducing equipment (-34%), and office machines and automatic data processing machines (-29%). Considering January to November, the trade deficit widened to USD 343.7 billion from USD 314.4 billion in the same period of 2021, as exports dropped by 6.4% and imports by 5.4%. source: Census and Statistics Department, Hong Kong

Hong Kong is an externally oriented economy. In 2021, the value of Hong Kong's total exports of goods amounted to 669.9 billion USD, while that of imports of goods was 712.35 billion USD. With regards to services, Hong Kong registered for the same year 76.65 billion USD for export and 61.55 billion USD for import. Foreign trade has slowed down in 2022 with a decrease of -7.1% for imports and -7.3% for exports. Hong Kong has no tariffs on imported goods. It levies excise duties on only four commodities which are imported or produced locally: hard alcohol, tobacco, hydrocarbon oil and methyl alcohol. There are no quotas or dumping laws.

Table 4: Hong Kong's Foreign Trade Indicators

Foreign Trade Indicators	2017	2018	2019	2020	2021
Foreign Trade (in % of GDP)	376.8	376.9	353.8	350.7	402.2
Trade Balance (million USD)	-22,927	-32,272	-15,362	-5,315	2,730
Trade Balance (Including Service) (million USD)	3,430	-765	5,645	6,631	17,801
Imports of Goods and Services (Annual % Change)	6.6	4.5	-7.2	-6.9	16.0
Exports of Goods and Services (Annual % Change)	5.9	3.7	-6.2	-6.7	17.0
Imports of Goods and Services (in % of GDP)	187.9	188.6	176.1	174.4	198.7
Exports of Goods and Services (in % of GDP)	188.9	188.3	177.7	176.3	203.5

Source: World Bank; Latest available data (2021)

Table 5: Hong Kong's Foreign Trade Values

Foreign Trade Values	2017	2018	2019	2020	2021
Imports of Goods (million USD)	588,913	626,616	577,834	569,769	712,358
Exports of Goods (million USD)	549,864	568,456	534,887	548,773	669,903
Imports of Services (million USD)	77,516	81,480	80,773	50,921	61,695
Exports of Services (million USD)	104,216	113,049	101,864	63,731	76,763

Source: World Bank; Latest available data (2021)

Table 6: Hong Kong's Foreign Trade Forecasts

Foreign Trade Forecasts	2022	2023 (e)	2024 (e)	2025 (e)	2026 (e)
Volume of exports of goods and services (Annual % change)	-7.3	1.6	2.9	3.8	3.6
Volume of imports of goods and services (Annual % change)	-7.1	1.8	3.2	3.6	3.8

Source: IMF, World Economic Outlook; Latest available data (2021)

4.5. Greece – Hong Kong Trade Relations

In 2022 Greek exports reached €85M, slightly decreased from 2021 (€90M), with the “Mineral fuels, lubricants, and related materials” being the main exporting category, as in 2021 and 2020 as well.

Imports from Hong Kong in 2022 reached €35M, maintaining almost the same levels as 2021 (€34M) with the main importing category being “Machinery and transport

equipment". It is worth noting that during the last three years there has been no importing activity in the category "Animal and vegetable oils, fats and waxes".

Table 7: Value of Greek Imports from Hong Kong (Eurostat, 2022)

IMPORTS - Value in Euro (€)	2020	2021	2022
Food and Live Animals	63,992	76,869	197,469
Beverages and Tobacco	1,764		
Crude Materials, Inedible, Except fuels	106,826	180,640	244,088
Mineral Fuels, Lubricants and Related Materials		91,864	150
Animal and Vegetable, Oils, Fats and Waxes			
Chemical and Related Products, N.E.S.	1,903,372	1,959,374	2,118,370
Manufactured Goods Classified Chiefly by Material	5,320,484	2,604,039	4,107,109
Machinery and Transport Equipment	10,224,422	16,518,178	15,627,151
Miscellaneous Manufactured Articles	11,213,601	12,688,849	13,391,989
Commodities and Transactions not Classified Elsewhere in the SITC	63,992	16,285	
Total	28,834,461	34,136,098	35,686,326

Table 8: Value of Greek Exports to Hong Kong (Eurostat, 2022)

EXPORTS - Value in Euro (€)	2020	2021	2022
Food and Live Animals	3,756,221	4,504,883	6,070,984
Beverages and Tobacco	297,682	406,988	478,186
Crude Materials, Inedible, Except fuels	1,636,285	3,480,624	1,239,654
Mineral Fuels, Lubricants and Related Materials	25,404,738	31,032,335	30,888,867
Animal and Vegetable, Oils, Fats and Waxes	135,916	280,606	160,116
Chemical and Related Products, N.E.S.	19,656,047	23,370,992	15,680,165
Manufactured Goods Classified Chiefly by Material	2,278,636	2,457,064	2,845,146
Machinery and Transport Equipment	7,137,039	6,288,661	9,526,504
Miscellaneous Manufactured Articles	15,332,297	19,079,308	18,033,253
Commodities and Transactions not Classified Elsewhere in the SITC	1,095,420	4,526	365,075
Total	76,730,281	90,905,987	85,287,950

4.6. Leading Sectors for Exporters

Agriculture: In Hong Kong, the agriculture sector produces fresh vegetables, pigs and poultry for local consumption. Agricultural activities in Hong Kong are mainly conducted in the rural New Territories and urban fringes. At present, there are some 2400 farms employing 4300 farmers and workers in Hong Kong. In recent years, there has been a protracted decrease in local production of vegetables, due mainly to an increase in produces and shrinkage in active farmland.

Most food and beverage products enter duty-free. A rules-based import regime and sophisticated infrastructure for trade servicing, including financing and logistics, facilitates Hong Kong's role as a trade destination and regional hub to China and other regional markets.

An affluent consumer base, with per capita income of over US\$49,600 in 2021, among the highest in Asia, that spends a significant portion of income on food. Hong Kong consumers appreciate the quality and safety of foreign foods and are willing and able to pay for higher-quality goods.

Hong Kong remains an important gateway to mainland China and the region.

Cosmetics: Hong Kong is a dynamic market for cosmetics, toiletries, and skincare products. It is one of the largest export markets for foreign companies. Prior to the pandemic and associated travel restrictions, 60 million travelers visited the special administrative region each year. This gave Hong Kong the advantage of being the ideal platform for brands to launch into Asia, especially China where 44 million Chinese consumers used to cross through its borders annually. Korea, the U.S., Japan and France are major suppliers in this sector.

Hong Kong consumers are savvy, discerning, and are willing to pay for high-quality products. With a growing ageing population, older consumers splurge heavily on expensive anti-ageing and corrective products, whereas millennials and generation-Z are more experimental and responsive to products that align well to their personal values and causes.

As Hong Kong is a duty-free port, cosmetics sold in Hong Kong are typically 20-25 percent less expensive than those sold on the mainland. This price difference, combined with the fact that mainland consumers still perceive Hong Kong as the destination to shop for quality, authentic, and reliable products, will likely maintain the attractiveness of the territory for mainland purchases.

Design & Construction Industry: Many foreign construction companies are attracted to the Hong Kong market as the city also serves as a springboard to gain access to the vast Chinese mainland market and the greater Asia-Pacific region.

As one of the most densely populated cities in the world, Hong Kong's construction industry is characterized by compact high-rise residential buildings and office towers. Leading construction companies and developers are interested in engaging with foreign companies that understand the most cutting-edge construction

and design practices. Currently, European construction and design firms are more dominant than U.S. firms.

The total gross value of construction works performed by main contractors in 2021 was recorded at US\$16 billion, down from US\$16.3 billion in 2020.

Over the next 5 years, the Hong Kong Government plans to spend US\$65 billion on several hospital development programs to provide about 90 operating theatres and other hospital supplies to meet projected service demand. In addition, to tackle the city's chronic land shortage and housing problem, the government has announced plans for the Northern Metropolis Development Strategy (NMDS), alongside the Lantau Tomorrow Vision plan. Both are mega-project initiatives designed to increase land supply and to drive innovation and technology development. The government will spend at least US\$12.8 billion on the first batch of infrastructure works under NMDS, covering 4 new towns and 6 new development areas. While the Lantau Tomorrow Vision includes the creation of a third core business district with an estimated US\$80 billion to be spent on housing, transportation links and other infrastructure.

Foreign construction design and engineering firms can partner with local developers and construction firms to bid for various projects associated with these two initiatives. Please note that either the foreign construction professionals such as architects, engineers and surveyors or local partners must register with the Development Bureau to be on the approved list for works. Aside from government spending as a driver of construction in Hong Kong, Mainland Chinese investors are also active in the market. Most investments from Mainland China are in commercial and residential property, financing and banking, import/export trade, and wholesale and retail trade.

Environmental Technologies: Hong Kong relies heavily on imports to satisfy its environmental technology needs. In recent years, the Hong Kong government has been allocating significant resources toward tackling environmental issues like waste treatment, air pollution, and water pollution. The COVID-19 outbreak has also led to demand for clinical waste management solutions. As a regional business hub, Hong Kong also plays a strong role as a trading platform for environmental products for mainland China and the region.

The four major decarbonization strategies in Hong Kong's Climate Action Plan 2050 cover: net-zero electricity generation, energy saving and green buildings, green transport and waste reduction. Overall, the Hong Kong government is in the process of exploring innovative solutions to a wide variety of climate resilience challenges.

Healthcare: Healthcare services in Hong Kong are provided by both the private sector and the government-funded public sector. Public medical services are provided by the Department of Health and the Hospital Authority (HA). Services are delivered through 43 public hospitals, 48 specialist clinics, and 73 general outpatient clinics. Hong Kong's total expenditure on healthcare amounted to US\$22.7 billion or 6.2 percent of GDP in 2020, which is among the highest in Asia.

The HA is the largest end-user of goods and services in Hong Kong's healthcare sector. In the government's 2021-22 budget, an increase of US\$480 million was allotted to the HA to meet increasing demand for healthcare services. As a result of heavy government subsidies, the HA can offer relatively high-quality services at minimal charge.

To cope with a rapidly aging population, the Hong Kong Government has increased its funding for public healthcare. Since 2010, both women and men in Hong Kong have led the world in life expectancy (82.9 years for males and 88.0 years for females in 2020). In the fiscal year 2021-22, US\$14.8 billion was allocated to pay for recurrent healthcare expenditures, accounting for 15.9 percent of total government recurrent expenditures. Other resources devoted to enhancing government medical services include expediting the upgrading or acquisition of medical equipment, the introduction of advanced medical devices, and the promotion of primary healthcare services.

Hong Kong has started two back-to-back 10-year hospital development plans, amounting to US\$64 billion, to enable the Hospital Authority to expand and upgrade healthcare facilities. The first 10-year plan is estimated to cost US\$25.6 billion and will be completed by 2027. The second 10-year plan is budgeted at US\$38.4 billion. Projects will include providing 15,000 additional hospital beds, over 90 operating theatres, the redevelopment and expansion of 11 hospitals, and construction of a new acute general hospital to meet projected service demand by 2036. This new hospital will house the first neuroscience center in Hong Kong.

The Hong Kong medical equipment market was worth US\$841 million in 2020. Hong Kong's medical equipment imports in 2020 amounted to US\$3.02 billion.

Medicines and pharmaceutical products must be registered with the Department of Health's Pharmacy and Poisons Board prior to their sale in Hong Kong. The registration process takes approximately 9-15 months and costs between US\$5,000-\$10,000. The Medical Device Control Office (MDCO) regulates the use of medical devices in Hong Kong. Though registration is currently voluntary, both private and government hospitals generally prefer to use approved devices that have a MDCO listing number.

Financial Services & Fintech:

Financial Services: The financial services sector remains one of Hong Kong's most important economic pillars and accounts for 21.3 percent of the city's GDP. According to Invest Hong Kong, 78 of the world's top 100 banks call Hong Kong home. With over 163 licensed banks and 8 virtual banks Hong Kong has large financial infrastructure. There is no control over capital movement, no capital gains and tax on dividends. Hong Kong hosts the largest pool of RMB liquidity outside Mainland China. Hong Kong serves as a springboard for foreign firms seeking access to Mainland China and for Mainland companies going global.

Fintech: Hong Kong is an advanced city with high penetration of mobile phone usage and internet accessibility, which provides a good platform for Hong Kong's fintech ecosystem. According to Invest Hong Kong, there are over 600 fintech companies and 3,700 startups operating in Hong Kong. It is home to over 10 unicorn companies. In addition, Hong Kong has one of the highest consumers fintech adoption rates of 67 percent in the world, which is significantly above countries including France, the United States, and Japan. Hong Kong also has a high business to business adoption rate of fintech with 66 percent of fintech companies focusing on the B2B market. The city was ranked in the top 5 among the world's developed markets for consumer fintech adoption. Over US\$1.1 billion of venture capital has been raised by Hong Kong fintech companies since 2014. Some of the best fintech prospects in Hong Kong include digital payments, securities settlement, electronic Know Your Customer (KYC) and digital identification utilities, wealthtech, insurtech, data analytics, blockchain, and regtech.

ICT & Digitalization: Hong Kong has a world-class information technology (IT) network infrastructure and Hong Kong's telecommunications sector has no restrictions on foreign ownership or limits to the number of market operators. According to the Hong Kong government, the mobile subscriber penetration rate is 320 percent, with the average peak internet connection speed at 1261.9Mbps. The Hong Kong government continues to invest millions of dollars annually in developing its IT infrastructure and provides incentive programs for enterprises in Hong Kong through organizations, such as the Innovation and Technology Fund (itf.gov.hk), the Office of the Government Chief Information Officer (ogcio.gov.hk), the Hong Kong Productivity Council (hkpc.org), etc.

5. Accessing to the local market

Hong Kong's geographical position benefits from international access to diverse marketplaces in Asia. With a robust infrastructure, and reputable telecommunications systems, this creates an attractive environment for any business owner who seeks to expand their business.

To start a business in Hong Kong you must go through a company registration procedure, which is straightforward and designed to be executed easily. These steps can be done online or in person. The necessary steps to start a business in Hong Kong include:

Decide on the company type that suits the nature of your business, your business goals and matches your own capabilities to meet establishment requirements. Common company types include:

- The Private Limited Company
- The Public Limited Company
- The Company Limited by Guarantee
- a branch office
- a representative office

- Choose a company name – can be in English (must end in Limited), traditional Chinese, or an English and Chinese name (but the combination of English and Chinese characters is prohibited).
- Appoint a company secretary
- Obtain a business address in Hong Kong
- Prepare the appropriate registration documents and have them translated to Chinese or English
- Notarize and legalize the registration documents at a notary's office
- Confirm your company name and register your company at the Company Registry
- Receive a Certificate of Incorporation
- Register with the Inland Revenue Department and obtain a Business Registration Certificate, which includes the company's Tax Identification Number
- Open a corporate bank account
- Apply for any additional permits or licenses (if required), within a month of incorporation

6. Business Culture and Communication

Business relationship: Business culture in Hong Kong is characterised by highly hierarchical structures, and people tend to be hard-working and career-oriented. Relationships (or Guanxi) are generally important in the Hong Kong business world, but they play a less prominent role than they do in China and Taiwan. Saving face is generally crucial in business.

Hierarchy is usually vertical. Decisions take time to be made and are often pragmatic. Decisions are made by people on the top of the hierarchy structure, and subordinates are not expected to express their opinion. Therefore, it's important to keep the hierarchical structure in mind when negotiating.

Hong Kongers often take a long-term approach to business relationships and often want to know their partners well in order to build mutual trust and loyalty. Therefore, many personal questions might be asked, and it's advised to answer them, as that will help solidify the business relationship. Business meals are often helpful to strengthen the relationship.

First Contact: It is often easier to make contact through a third party, who will serve as a basis and a support for all counterparts. Appointments are necessary and should be scheduled between one and two months in advance. It should be confirmed by phone or email a day before. It is preferable to not schedule meetings on Christmas, Easter or around the Chinese New Year, which are common vacation periods.

Time Management: Punctuality is usually paramount. You should arrive at meetings on time. If you are late, you should inform your counterparts about your delay and offer an apology. Business negotiations usually happen at a slow pace. Meetings

with the larger Hong Kong firms and local offices of multi-nationals tend to follow a standard meeting style with set agendas and minutes, while smaller local organizations can be much more informal and relaxed.

Greetings and Titles: Greetings consist of a light handshake, eventually combined with a slight tilt of the head. People in Hong Kong often lower their eyes as a sign of respect. It is advised to avoid physical contact beyond handshakes. When introduced to a group of people, the most senior member should be greeted first. Business partners should be addressed by their title and surname. Several people in Hong Kong use a Western name to make it easier for their Western counterparts to address them correctly.

Gift Policy: Gifts are very common in business in Hong Kong. As its symbolic value exceeds its cost, expensive gift should be avoided. The gifts given to the members of a group should all be approximately of the same value or the gift for the chief executive should be more valuable. It is recommended to give the gift to the head of the group. Gifts should be given and received with both hands. One should be prepared for the gifts to be refused at several attempts before being accepted. Lastly, gifts should be beautifully wrapped.

Dress Code: Hong Kong business attire tends to be rather conservative. Men usually wear dark suits, ties, and dress shirts. Women commonly wear skirts, blouses, dresses and suits. It is important to note that colours have various meanings in Hong Kong, so extra attention must be paid when choosing work clothes. White is normally a sign of mourning, while red is considered a lucky colour. Carrying a good quality briefcase should be considered as elegant and prestigious for both men and women.

Business Cards: A handshake is usually followed by an exchange of business cards, preferably done in neutral colour scheme. One side of the card should be in English, and the other one in Chinese. It is worth the effort to look for expert advice on the Chinese characters to be used because some ideograms have a more favourable connotation than others. Cards should be given and received with both hands, holding each corner of the card between the thumb and the index finger. It is important to take some time to examine the card received. Showing respect for the message of the card also demonstrates respect for the person it represents.

Meetings Management: Business meetings are often long and will take place several times to establish a sustainable relationship. During a business discussion, it is common to have small talk before getting to the heart of the negotiation. Also, it's important to keep in mind that people enter a meeting in order of importance, with the highest ranking person going in first and so on. It is important to be well-prepared for the meeting and to support everything you present with facts and figures. Negotiations tend to take time, as everything is discussed in detail and considered thoroughly. Pressuring your business partners into making their decisions quickly is seen as rude. So, it is recommended to always remain calm, patient and modest during negotiations.

Business people in Hong Kong are usually indirect communicators. Therefore, it is just as important to choose your words wisely. When refusing something or disagreeing with someone, it is advised to not simply say 'no', and instead try to find a different phrasing. Moments of silence are expected during negotiations, as such moments are usually meant for contemplation of what has been said, so it's advised not to interrupt them. Additionally, body language is not widely used, so displaying signs of anger might cause you to lose face, and even the deal.

Tea is served at meetings, but it's advised to not drink until the host takes the first sip. Business meals are very common in Hong Kong, and it is generally considered rude to refuse an invitation to dinner. If unable to attend the dinner, you should suggest an alternate date rather than refusing it. Sitting arrangements are important, and the host always sits across from the guest of honour and close to the entrance. Make sure that you leave some food on your plate after you've finished eating.

7. Useful contacts

Consulate General of Greece

Room 1208, 12th Floor, Harcourt House,
39 Gloucester Road, Wan Chai, Hong Kong.

Tel.: +852 277 41682

Fax: +852 270 59796

E-mail: grgencon.cg@mfa.gr

Website: www.mfa.gr/hongkong

Closest MTR stations:

Wan Chai, Exit C

Admiralty, Exit E2

Emergency Tel. no. (outside office hours) +852 9120 0768

8. Sources

- European Commission
- Euromonitor International
- Fitch Solutions: BMI Research
- IMF
- OECD
- Societe Generale
- Statista
- The World Bank Group
- TradingEconomics
- UNCTAD
- StandardTrade
- Doingbusiness
- U.S. Department of Commerce, International Trade Administration

- World Economic Forum
- Wolters Kluwer

Financial Institutions

- Eurobank: Export Gate

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