

**Consulate General of India
Hong Kong**

India - Hong Kong SAR Bilateral 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.

Political Relations and visits

2. The Commission for India, set up in 1951, was re-designated as Consulate General of India on October 15, 1996, in advance of China's assumption of sovereignty over Hong Kong, which took place on July 1, 1997. The Consulate also has accreditation to Macau, which reverted from Portuguese rule to China on December 19, 1999.

3. The early 2000s 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.

4. In October 2010, Donald Tsang, the then Chief Executive (CE) of Hong Kong along with the Governor of Guangdong province led a business delegation on a visit to India. During the visit, he met Governor of Maharashtra, MOS for External Affairs & Finance Minister during his visit.

5. In February 2016, at the invitation of Chief Minister of Maharashtra, the then Chief Executive (CE) of Hong Kong CY Leung visited India 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. It was the first official visit to India by a Hong Kong CE. He led a 40 strong multi-sectoral business delegation, the largest one accompanying CE amongst his official overseas visits. 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.

6. Hong Kong has always acted as a "Gateway to China" for the companies in rest of the world. With the rapid growth in engagement between the Chinese and Indian economies, Hong Kong presents

a great opportunity to act as a “Gateway to India” for the mainland companies and become an important stakeholder and a beneficiary of this huge opportunity.

7. The period between 2015-2018 witnessed a series of High Level visits:
 - a. May 2015: visit of Gujarat Chief Minister Smt. Anandiben Patel
 - b. September 2015: visit of Finance Minister Shri Arun Jaitley
 - c. September 2015: visit of Telangana Chief Minister Shri K. Chandrashekhar Rao
 - d. May 2016: visit of Haryana Chief Minister Shri Manohar Lal Khattar
 - f. May 2018: visit of MoS (Tourism) Sh. K. J. Alphons
 - g. May 2018: visit of MoS (H&FW) Sh. Ashwani Kumar Choubey
 - e. September 2018: visit of Jharkhand Chief Minister Shri Raghubar Das
8. With effect from January 2017, Hong Kong government made Pre-Arrival Registration a compulsory requirement for all Indian nationals who intend to visit Hong Kong visa-free for 14 days.
9. There have been no visits since 2020 due to the COVID-19 related travel restrictions.

Bilateral Agreements

9. Agreements signed between India and Hong Kong include:
 - a. 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],
 - b. Agreement Constituted by Exchange of Letters Between the PRC and India on matters related to the Consular Convention (December 1991),
 - c. Air Services Agreement (1996), and an MoU on Air Services Agreements pursuant to the Air Services Agreement (February 2012),
 - d. Customs Cooperation Agreement (1997),
 - e. Surrender of Fugitive Offenders (1997),
 - f. Agreement on Mutual Legal Assistance in Criminal Matters (September 2009),
 - g. 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 (November 2013)

- h. Agreement on Transfer of Sentenced Persons (January 2015), and
- i. Double Taxation Avoidance Agreement (DTAA) (March 2018)

Commercial relations

10. There has been considerable growth in the commercial relations between India and Hong Kong. Hong Kong companies also have been increasingly looking at India as an investment destination. Many Hong Kong companies have huge presence in India. This includes China Light and Power (CLP), Li & Fung, Shangri La, Kerry Logistics and PeakRe, to name a few.

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

12. Hong Kong is a major hub for exhibitions and conferences. Trade fairs in Hong Kong are an important opportunity as they provide a platform for the buyers and sellers across the globe to come together and interact. More than 60 fairs are held in Hong Kong annually. Before the outbreak of COVID-19, India participated in many of these exhibitions to promote its strengths, mainly through export promotion councils and sectoral promotion boards. Hong Kong Trade and Development Council (HKTDC) had made India as its focus point for promoting business and trade linkages, and conducted regular field trips to various parts of India. In 2019 (last year before COVID-19), the Indian Export Promotion councils organised an Indian Pavillion for over 26 different trade fairs.

Bilateral Trade

13. India was Hong Kong's 4th largest export market destination (after the Mainland of China, USA and Taiwan) in 2021. The value of exports of goods from Hong Kong to India increased by 36.6% over a year earlier to \$17.1 billion. On the other hand, India was Hong Kong's 11th largest import market destination (after mainland China, Taiwan, Singapore, Korea, Japan, USA, Malaysia, Vietnam, Thailand, Philippines). The value of imports of goods from India to Hong Kong increased by 41.9 % over a year earlier to \$10.4 billion. India was the 8th largest trading partner of Hong Kong in 2021. India-Hong Kong bilateral trade was US\$ 27.5 billion in 2021, with a year-on-year increase of 38.6 %. The balance of trade during this period was in Hong Kong's favor amounting to US\$ 6.6 billion.

14. Indian exports to Hong Kong primarily include Pearls, precious & semi-precious stones, mineral fuels, Electrical Machinery, Leather, Iron & Steel, Fish & crustaceans, Cotton, Organic Chemicals, Machinery and Articles of apparel 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, edible fruits & nuts and paper.

India - Hong Kong Trade

[Amount in US \$ million]

Trade Type	2017		2018		2019		2020		2021	
	Total	Growth %								
Indian Exports to Hong Kong	13,771	+15.8%	11,846	-14.0%	9,590	-19.0%	7,357	-23.3%	10,438	+41.9%
Indian Imports from Hong Kong	20,338	+35.9%	17,223	-15.3%	15,152	-12.0%	12,486	-17.6%	17,059	+36.6%
Total Bilateral Trade	34,109	+27.0%	29,069	-14.8%	24,742	-14.9%	19,843	-19.8%	27,496	+38.6%
Trade Balance (from India)	(6,567)	-	(5,377)	-	(5,562)	-	(5,129)	-	(6,621)	-

(Source: Census and Statistics Department, Hong Kong)

Trade and Investments

15. Hong Kong occupies the 14th position in FDI equity inflows into India with cumulative FDI amount of US \$ 4.6 billion (April 2000 to March 2022).

Cultural relations

16. Indian Council of Cultural Relations and the Chinese University of Hong Kong signed an MoU on “Establishment of the ICCR visiting professorship of Indian Studies” in 2015. The MoU was renewed in April 2019.

17. The International Day of Yoga is celebrated in Hong Kong every year since its inception. The event is well-attended, including by members of Consular Corps, Indian Diaspora, expatriates and locals. In 2022, the event was held at the Hong Kong Convention and Exhibition Centre, which was attended by around 400 persons.

18. Film festivals, exhibitions, competitions, and art workshops to help promote Indian art and culture are held on a regular basis. Support is extended to Indian artists based in Hong Kong by giving them a platform to showcase their talent. Local associations celebrate Indian festivals like Diwali, Durga Puja, Onam etc. with great enthusiasm.

Indian Community in Hong Kong

19. 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.

20. 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 nearly 42569 (including Indian nationals and People of Indian origin) and approximately 32796 hold Indian passports. Sindhis, Gujaratis and Punjabis (Sikh) form the largest component of the community. There are more than 40 Indian associations present in Hong Kong that are run by diaspora/ people of Indian origin.

21. So far, four Hong Kong based persons of Indian origin have been awarded the Pravasi Bhartiya Samman Award: Dr. Hari Harilela (2003), Mr Rusy M Shroff (2006), Mr. Harindarpal Singh Banga (2011), and Mr. Lal Lokumal Chellaram (2021).

22. There has also been an increase in the number of Indian students in Hong Kong universities. In 2021, the number of Indian students was 815, despite COVID-19 related travel restrictions. The trend is likely to increase due to a host of factors including competitive fee structure, high ratings among world institutes, efforts by Hong Kong Universities to reach out to the Indian students etc.

India- Macau SAR Bilateral Relations

23. The mainstay of Macau's economy is tourism and gambling industry. Macau has become a major tourist destination for Indians.

24. There is a small Indian community in Macau, majority of who are of Goan origin. These include professionals, people in Government Departments and those working in hotels and restaurants and in the gaming industry.

25. 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.

India - Macau Trade: Table

[Amount in US \$ million]

	2017		2018		2019		2020		2021	
	Total	Growth %								
Indian Exports to Macau	12.5	+19.2	22.4	+79.5	15.1	-32.5	10.5	-30.3	38.4	+263.7
Indian Imports from Macau	9.4	+123.1	6.7	-28.7	4.3	-36.1	11.0	+157.5	7.6	-30.7
Total Bilateral Trade	21.9	+49.0	29.1	+33.1	19.4	-33.1%	21.6	+11.0	46.0	+113.4
Trade Balance (for India)	3.1	-	15.7	-	10.9	-	-0.5	-	30.7	-

29. The total trade between India and Macau was worth US\$ 46.0 million in 2021, wherein India's exports to Macau were valued at US\$ 38.4 million and Macau's exports to India were valued at US\$ 7.6 million. Indian products accounted of 0.2% of Macau's total imports from all destination in 2021. On the other hand, Macau's exports to India accounted of 0.5% of Macau's total exports to all destination in the same period. Major products of export from India are Electrical machinery and equipment and parts, Natural or cultured pearls, precious or semi-precious stones, Articles of apparel, Articles of leather, pharmaceutical products while imports from Macau included Articles of apparel, Electrical machinery and equipment and parts.

Useful Resources:

* Consulate's website : www.cgihk.gov.in

* Consulate's Facebook page: <https://www.facebook.com/CGIHongKongChina>

* Consulate's Twitter account: <https://twitter.com/CGIHongKong>