Understanding the Close Connection Between Our Country and Hong Kong Through Economic Data

Objectives:

(1). Cultivate data literacy and understand how to obtain trade-related statistical data from reliable sources (e.g. the Census and Statistics Department).

(2). Understand the close economic ties between the Mainland and Hong Kong by interpreting official trade statistics.

Key Learning Stage: 3

Prior knowledge:

(1)   At the primary level, students have acquired a basic understanding of the major characteristics and development of the Hong Kong economy. Relevant learning contents in General Studies include "different occupations in the local community", "major economic activities in Hong Kong", "factors affecting the economic development in Hong Kong", "major and emerging industries in Hong Kong", and trade between Hong Kong, the Mainland and other parts of the world.

(2)   Students have learned to collect and process data, known how to use appropriate charts to show the data and extract information from charts.

Understanding the Close Connection Between Our Country and Hong Kong through Economic Data

The economies of the Mainland and Hong Kong are closely tied. Since the reform and opening-up of our country, the Mainland and Hong Kong have grown together and benefited each other. The flow of goods, services, people and capital between the Mainland and Hong Kong, and between the Mainland and the rest of the world through Hong Kong, has increased significantly.

What information can we refer to in order to understand the economic ties between the Mainland and Hong Kong?

There is a lot of relevant information from government's publications (such as the Hong Kong Yearbook) and government websites (such as the website of the Trade and Industry Department).

In addition, the website of the Census and Statistics Department and the annual publication "Hong Kong Annual Digest of Statistics" have a lot of useful relevant data and information! (Please refer to the appendix for details).

Census and Statistics Department
The Government of the Hong Kong Special Administrative Region

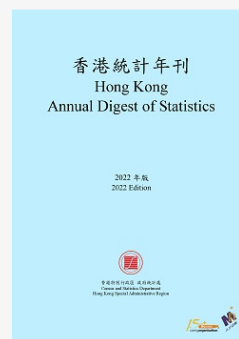| Statistics | News and Media | Participating in Surveys | Trade Documents Matters | Understanding Statistics | Service Desk | About Us |

> Statistics > By Subject > Snapshot of Hong Kong > Hong Kong Annual Digest of Statistics

Hong Kong Annual Digest of Statistics

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Details

Type	Statistical Reports
Title	Hong Kong Annual Digest of Statistics
Latest Issue	2022 Edition
Frequency	Annual
Language	Bilingual (Trad. Chinese and English)
Enquiry	Tel: (852) 2582 5073 Fax: (852) 2827 1708 Email: gen-enquiry@censtatd.gov.hk
Download	PDF (10.8MB)
Accompanying Files	File Listing ▾

香港統計年刊
Hong Kong
Annual Digest of Statistics

2022 年版
2022 Edition

香港特別行政區 政府統計處
Census and Statistics Department
Hong Kong Special Administrative Region

Activity 1 Ranking of Hong Kong in the World Merchandise Trade (by Total Trade Value)

Visit the website of Census and Statistic Department (https://www.censtatd.gov.hk/en/web_table.html?id=410-51041), search for the relevant data and fill in the blanks below.

Selected Economies	World Merchandise Trade (Total trade)^ ranking			
	2019	2020	2021	2022
The mainland of China	1	1	1	1
USA	2	2	2	2
Germany	3	3	3	3
Netherlands	5	5	4	4
Japan	4	4	5	5
France	6	7	7	6
Korea	9	9	8	7
United Kingdom	7	8	10	8
Italy	10	10	9	9
Hong Kong, China*	8	6	6	10
Belgium	13	11	11	11
Mexico	11	13	12	12
Canada	12	12	13	13
India	14	15	14	14
United Arab Emirates	17	19	19	15
Singapore	15	14	15	16

^ Total trade includes exports and imports   * Include domestic exports and re-exports

In 2022, the total value of world merchandise trade is US$50,526 billion, and the value of Hong Kong's total merchandise trade is US$1,277 billion. The value of Hong Kong's total merchandise trade ranks the __10th__ among the world's major trading nations / territory, accounting for __2.5__ % of the world's total merchandise trade.

Activity 2 Hong Kong's major trading partners

Read the appendix carefully and answer the following questions.

1. **According to the information on the Census and Statistics Department website, find the total merchandise trade value of Hong Kong with its top three major trading countries / regions in 2021.**

Ranking	Country / Region	Total merchandise trade value (HK$ million)
First	The mainland of China	5,385,446
Second	Taiwan, China	691,346
Third	USA	516,306

2. **Find Hong Kong's total external merchandise trade value in 2021.**
 Hong Kong's total external merchandise trade value in 2021 is HK$10,268,448 million

> "The Mainland has long been Hong Kong's largest trading partner, contributing to more than half of the city's total merchandise trade value in 2021."
>
> **Extracted from "Hong Kong Yearbook 2021"**

3. **According to the official statistic data, justify the above statement.**
 The Mainland's share of Hong Kong's total merchandise trade value
 = (HK$5,385,446 million / $10,268,448 million)×100% = 52.5% (i.e. more than a half)

Cross-curricular learning: The learning content about percentage in Mathematics not only helps us to understand the percentage share of the Mainland in Hong Kong's total merchandise trade, but also enables us to compare data from different years and calculate the percentage change in the share of Mainland and other countries / regions in Hong Kong's total merchandise trade, in order to understand the trend of Hong Kong's trade development. The formula for calculating percentage change is:

$$\text{Percentage Change} = \frac{\text{New Value} - \text{Original Value}}{\text{Original Value}} \times 100\%$$

4. **Download the total trade figures of Hong Kong with its top ten major trading countries / regions in 2021 from the website of the Census and Statistics Department of Hong Kong. Use a spreadsheet to draw a bar chart and paste it in the box below.**

Hong Kong's total merchandise trade with its top ten major trading countries / regions in 2021
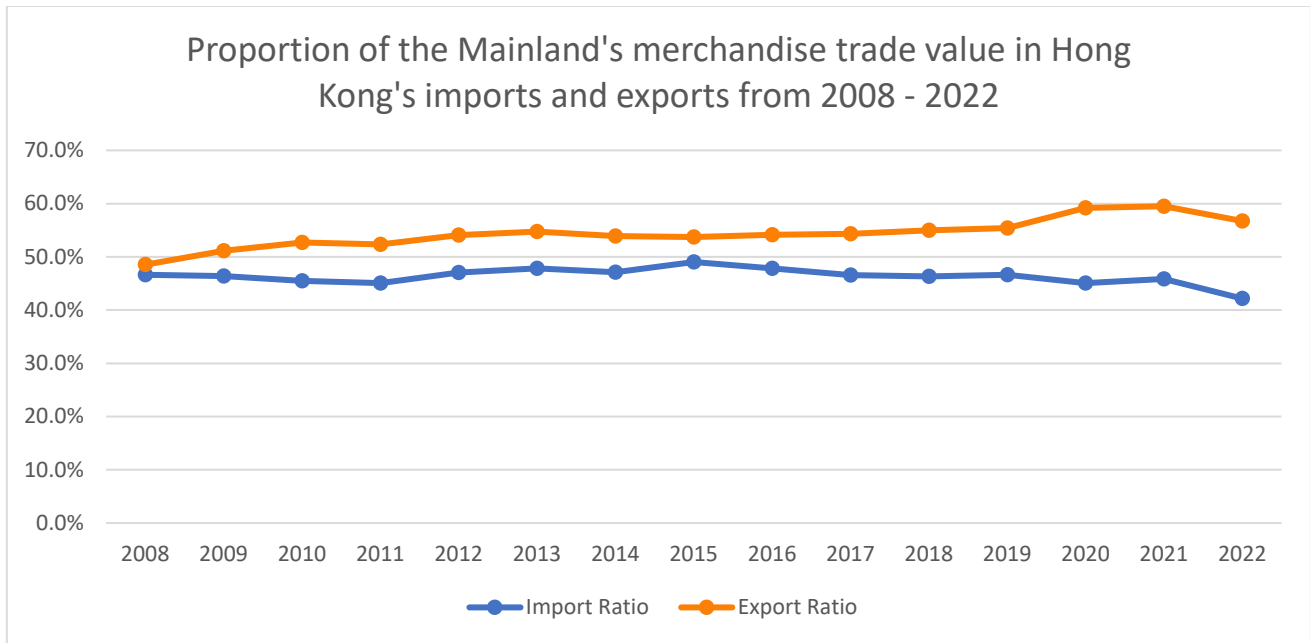
Cross-curricular learning: From the statistical charts learned in Mathematics (aside from bar charts), can you name another type of statistical chart that can also show the comparison of Hong Kong's total merchandise trade with its major trading countries / regions? How does this type of statistical chart differ from a bar chart in terms of the information it conveys?

Answer: Pie chart. A bar chart mainly compares the actual figures of Hong Kong's total merchandise trade with different countries / regions, while a pie chart mainly compares the percentage share of different countries / regions in Hong Kong's total merchandise trade.

Activity 3 Trade relationships between the Mainland and Hong Kong

Source 1:

Proportion of the Mainland's merchandise trade value in Hong Kong's imports and exports from 2008 - 2022

Source of information:

"External Merchandise Trade Statistics – Imports from ten main suppliers" and "External Merchandise Trade Statistics – Exports to ten main suppliers" from the Census and Statistics Department of the Government of the Hong Kong Special Administrative Region

1. Based on Source 1, describe the importance of the Mainland to Hong Kong's foreign trade.

Based on Source 1, from 2008 to 2022, the proportion of the value of goods imported from and exported to the Mainland has maintained at 42% to 55%.
In other words, about half of the value of the imported or exported goods comes from or is shipped to the Mainland.

Cross-curricular learning: Applying what you have learned regarding the application and misuse of statistics in Mathematics, based on the line chart in Source 1, can we conclude that the Mainland's total export value to Hong Kong was greater than its total import value from Hong Kong during the period from 2008-2022? Why?

Answer: No, the line chart only compares the percentages. We need to know the actual amount of Hong Kong's total exports and imports in each year so as to make the comparison mentioned in the question.

Source 2: Advantages of Hong Kong as the center of trade entrepot

Hong Kong contributes to our country's economy in many ways, among which it provides important re-export services for our country's foreign trade. According to the description of the Trade and Industry Department of the Government of the Hong Kong Special Administrative Region, Hong Kong has a superior geographical location, excellent infrastructure and a sound international network. These three reasons make Hong Kong a center for supporting our country's entrepot trade. In 2021, the value of Hong Kong's total merchandise trade reached HK$4,373 billion, accounting for 89.5% of Hong Kong's total re-exports.

Reference: Trade and Industry Department of the Government of the Hong Kong Special Administrative Region "Hong Kong and the mainland of China: Some important facts" (Year 2022)

2. Below are some descriptions about Hong Kong. Categorize them and tick the appropriate boxes.
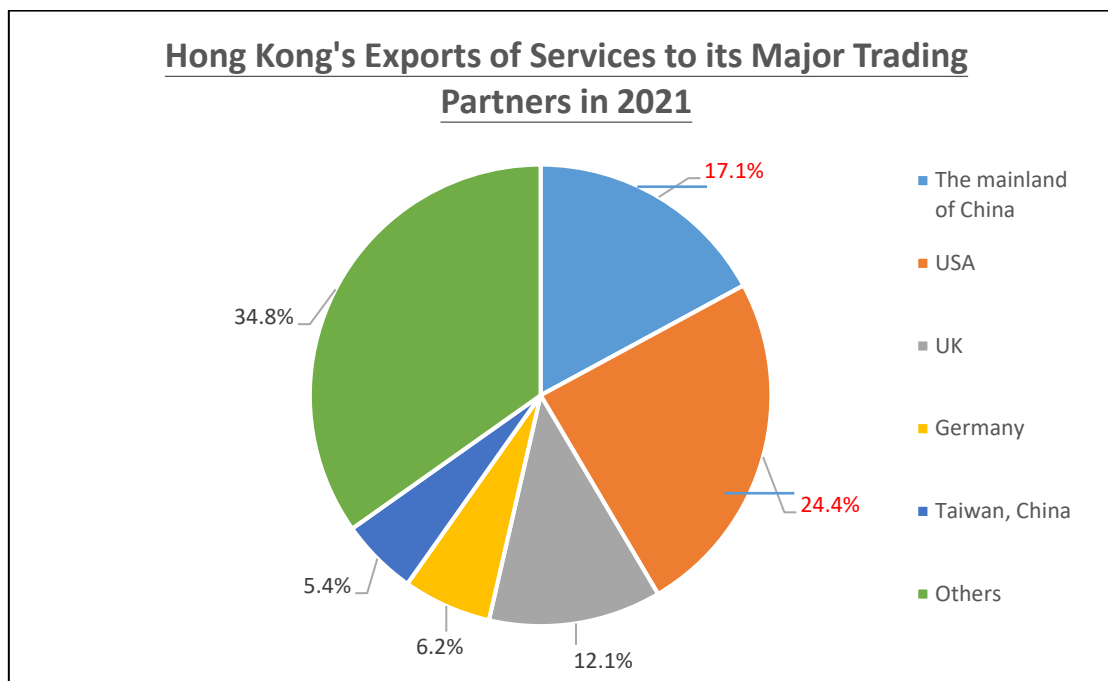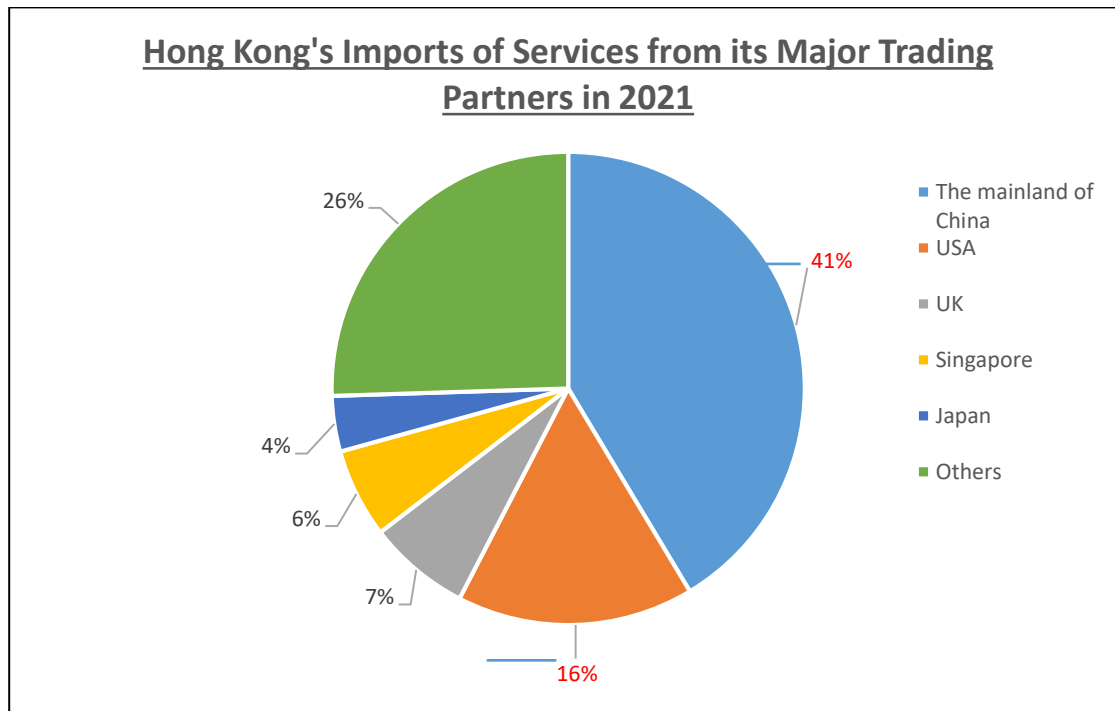
	Strategic geographical location	Well-developed infrastructure	Good international communication network
Hong Kong's well-developed transportation infrastructure allows the city to connect with the world smoothly.		✓	✓
Hong Kong International Airport has five first-tier air cargo handling facilities, with over 7 million tonnes of annual handling capacity.		✓	
Endowed with a deep-water natural harbour (Victoria Harbour) strategically located along a major sea route and with the Mainland providing a huge cargo base, Hong Kong has become a sea transport hub in Asia.	✓		
As one of the regional hubs for Asia, Hong Kong has good connections with most Asian urban centres and half of the world's population is within 5 hours' flight time.	✓		
There are 10 land boundary control points in Hong Kong. Six of them (Shenzhen Bay, Lok Ma Chau, Man Kam To, Sha Tau Kok, *Hong Kong-Zhuhai-Macao Bridge* and Heung Yuen Wai) are road-based land crossings, while the other four (Lo Wu, Lok Ma Chau Spur Line, Hung Hom Intercity Through Train Station and Hong Kong West Kowloon High Speed Rail Station) are rail-based.		✓	
Hong Kong has nine container terminals for sea transport, comprising 24 container berths capable of handling over 20 million TEUs a year in total.		✓	

Source：Corey To "Logistic Industry in Hong Kong" (Year 2023)

Activity 4 Trade in Services of Hong Kong

Refer to P.15-18 of the report "Hong Kong Trade in Services Statistics in 2021" published by the Census and Statistics Department

(https://www.censtatd.gov.hk/en/data/stat_report/product/B1020011/att/B10200112021AN21B0100.pdf), and fill in the correct answer on the blanks provided.

Hong Kong's Imports of Services from its Major Trading Partners in 2021

- The mainland of China: 41%
- USA: 16%
- UK: 7%
- Singapore: 6%
- Japan: 4%
- Others: 26%

Hong Kong's Exports of Services to its Major Trading Partners in 2021

- The mainland of China: 17.1%
- USA: 24.4%
- UK: 12.1%
- Germany: 6.2%
- Taiwan, China: 5.4%
- Others: 34.8%

Cross-curricular learning: If you want to present both the values of imports and exports of services of Hong Kong with its major trading partners in 2021 on the same statistical chart, which type of statistical chart should you choose and what data should you identify to effectively present the data and make meaningful comparisons?

Answer: We can use a composite bar chart to compare the total values of imports and exports of services between Hong Kong and different countries / regions. We need to gather information about Hong Kong's total imports of services and total exports of services in 2021. In addition, we need to gather data for individual countries / regions that are not listed in the pie chart, such as the percentage of service exports to Singapore and the percentage of service imports from Germany in Hong Kong, to facilitate a more comprehensive comparison.

1. The Mainland is Hong Kong's most important trading partner in services. As shown in the figure above, in year 2021, the mainland of China and the United States were the main destinations of Hong Kong's service exports, and also the two main sources of Hong Kong's service imports.

2. Among Hong Kong's *service exports* to the Mainland in year 2021, transportation was the largest component, accounting for 38.2% (HK$38,216 million/HK$100,110 million=38.2%) of the total service exports to the Mainland.

3. Among Hong Kong's *service imports* from the Mainland in year 2021, manufacturing services was be the largest component, accounting for 48.1% (HK$94,768 million/ HK$196,904 million=48.1%) of the total service imports from the Mainland.

Activity 5 Tourism in Hong Kong

Read the Appendix carefully, find Table 11.20 "Visitors to Hong Kong by Country / Territory of Residence" in the 2022 edition of the "Hong Kong Annual Digest of Statistics", and answer the following questions.

1. **Fill in the blanks with the number of visitors to Hong Kong:**

Country of residence / Year	2019	2020	2021
The mainland of China	43,775,000	2,706,000	66,000

2. **Fill in the blanks with the number of visitors to Hong Kong:**

Year	2019	2020	2021
All countries / area in total	55,913,000	3,569,000	91,000

3. **Calculate the percentage of visitors from the Mainland out of the total number of visitors to Hong Kong before the pandemic (in 2019).**

   The percentage of visitors from the Mainland out of the total number of visitors to Hong Kong
   $= (43,775,000 / 55,913,000) \times 100\% = 78.3\%$

4. **According to question 2, what are the changes in the total number of visitors to Hong Kong from 2019 to 2021? Explain.**

   The total number of visitors to Hong Kong declined continuously from 55,913,000 in 2019 to 91,000 in 2021. This is because of the negative impact of the COVID pandemic. The number of visitors to Hong Kong has dropped significantly.

5. **List three industries affected by the incident mentioned in the answer to question (4).**

   Hotel industry, catering, retail trades, tourism (or other related answers)

6. **As the pandemic subsides, Hong Kong has fully resumed convenient travel with the Mainland and the world, and the number of tourists visiting Hong Kong has gradually increased. Please browse the website of the Census and Statistics Department and find the figures for the total number of visitor to Hong Kong from the Mainland and all countries / regions after 2022.**

   (Students can answer based on the latest information from the Census and Statistics Department)
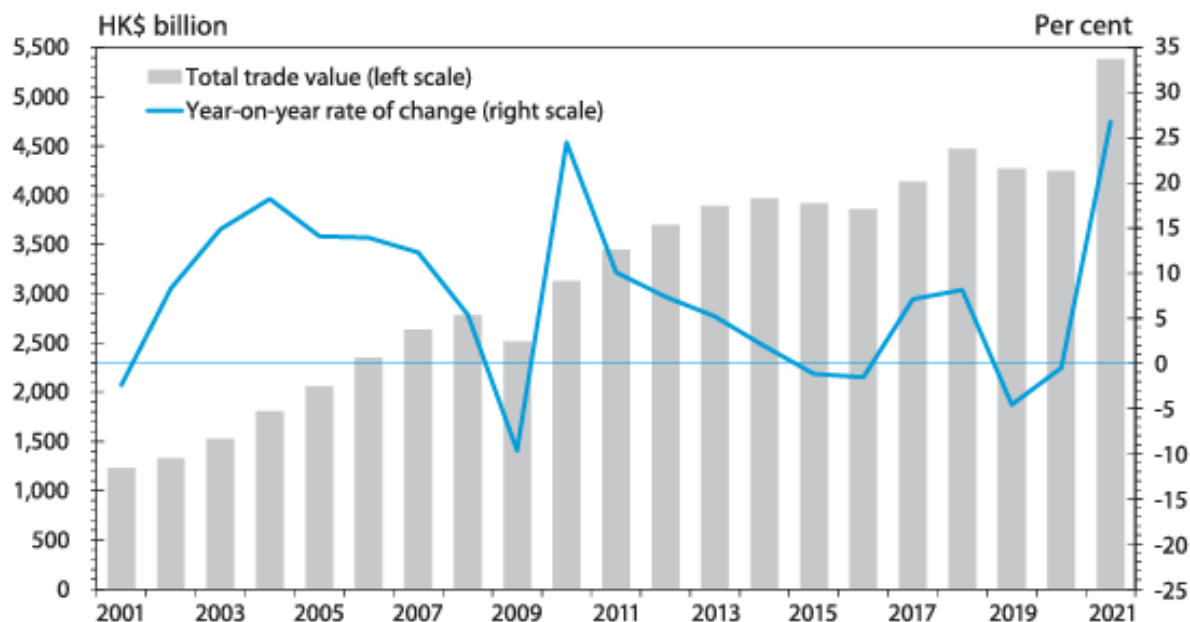
Conclusion activity: Fill in the blanks

Economic ties between Hong Kong and the Mainland

(Extracted from "Hong Kong Year Book 2021" https://www.yearbook.gov.hk/2021/en/pdf/E03.pdf)

Economic ties between Hong Kong and the Mainland are stronger than ever. The flow of goods, services, people and capital between the two places, and between the Mainland and the world through Hong Kong, have been flourishing alongside the continued reform and opening up of the Mainland. The vibrant activities have brought significant mutual benefits to both Hong Kong and the Mainland.

With its total merchandise trade surging from **US$510 billion** in 2001 to **US$6.1 trillion** in 2021, the Mainland plays a prominent role in driving global economic growth. Hong Kong has benefited substantially from the Mainland's remarkable external trade growth. In 2021, visible trade between Hong Kong and the Mainland was more than **four times** that of 20 years ago.

Goods Trade between Hong Kong and Mainland

The Mainland has long been Hong Kong's largest trading partner, contributing to more than half of the city's total merchandise trade value in 2021. At the same time, Hong Kong was the Mainland's fourth-largest trading partner in 2021 after the United States, Japan and Korea, accounting for about 6 per cent of the Mainland's total trade value. More than 60 per cent of Hong Kong's exports to the Mainland, which were mainly **re-exports**, involved raw materials and semi-manufactures, reflecting the Mainland's role as a production hinterland and the highly integrated production network within Asia. Meanwhile, the rise of the Mainland as the world's second-largest economy with increasing emphasis on high-quality development has brought about an ever-growing market, providing enormous opportunities for various services. Hong Kong, being highly competitive in many high-end services, has risen with the tide. The Plan for Comprehensive Deepening Reform and Opening Up of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone was promulgated by the Central Government on 6 September.

The area of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone will be expanded significantly from 14.92 square kilometres to 120.56 sq km. Hong Kong will capitalise on its own advantages to assist in promoting full liberalisation of trade in services in Qianhai, greater mutual access of financial markets, and a higher level of opening up in legal matters, thereby expanding the room for development for enterprises and professionals in different sectors.

Hong Kong has always been a principal gateway to and from the Mainland. While the flow of people between Hong Kong and the Mainland was severely disrupted by the pandemic, capital flow continued to thrive. In 2021, foreign visitors made around **3,000** trips through Hong Kong to the Mainland, and Mainland residents made only **66,000** trips to or through Hong Kong, both figures representing less than 1 per cent of their pre-pandemic levels. Meanwhile, Hong Kong remains the largest external investor in the Mainland. According to the Mainland's statistics, the cumulative value of realised direct investment in the Mainland from Hong Kong exceeded US$1 trillion as at end-2020, more than half of the total.

> Cross-curricular learning: In Mathematics, we also encounter and interpret this kind of statistical graph that simultaneously represents two different sets of data. We can explore the possible relationship between the two sets of data in the statistical graph.