

Hong Kong Commissioner Discusses Economy, Trade with CalChamber

Hong Kong is the “window of China and door to the world,” Hong Kong Commissioner Margaret Fong told attendees at a California Chamber of Commerce-hosted international luncheon forum on February 14.

Fong specifically discussed Hong Kong’s strong economic ties with California with the more than 80 luncheon guests. Government officials and businesspeople from California and Hong Kong, including representatives of finance, agriculture, transportation, manufacturing and technology, all were present.

Vibrant Economy

Compared to California, Hong Kong is small, with a population of 7 million, whereas California’s population is more than 38 million people. To better illustrate her point, Fong noted that Hong Kong is only 400 square miles, easily fitting into the border of any California county. As a result, the commissioner said, “From day one, we knew we would have to reach out to the rest of the world.”

Fong identified a set of core values that has allowed the Hong Kong economy to flourish: “Hong Kong is very proud to be an open market and free trade supporter,” she said. “The best way to make the rest of the world feel welcome is to have no trade barriers, quotas or tariffs, so that when businesses come, they will feel very welcome and become a part of Hong Kong.”

Hong Kong’s values system offers a level playing field for all businesses, practicing common law, offers an educated workforce that is fluent in several languages, as well as an entrepreneurial flair, the commissioner said.

Hong Kong is a special administrative region (SAR) of the People’s Republic of China, Fong explained.

On July 1, 1997, Hong Kong ceased to be a colony after more than 150 years of British rule, becoming a part of the People’s Republic of China. Hong Kong is able to continue to operate because Hong Kong is a “very special part of Mainland China,” Fong said.

Hong Kong practices the belief of “one country, two systems,” and still retains full and separate membership with the World



Hong Kong Commissioner Margaret Fong presents California Chamber of Commerce President Allan Zaremborg with a paperweight using a stylized orchid representing the spirit, strength and resilience of the people of Hong Kong following her remarks at a CalChamber International Luncheon Forum.

Trade Organization and Asia-Pacific Economic Cooperation.

California-Hong Kong Relationship

California and Hong Kong’s financial stability is strongly interconnected. Fong called Hong Kong and California “natural partners.”

Hong Kong has a very stable and convertible Hong Kong dollar, which is pegged to the U.S. dollar, Fong said.

“When the U.S. dollar goes up, the Hong Kong dollar goes up. In fact, where the U.S. dollar is right now, you are in for a bargain. One U.S. dollar is 7.8 Hong Kong dollars, so whatever you can spend here, you can be eight times more efficient in Hong Kong,” she said.

“You must be thinking about visiting us tomorrow,” the commissioner teased.

Hong Kong continues to be California’s eighth largest export market. California accounts for more than 27 percent of all U.S. exports to Hong Kong. California’s exports to Hong Kong are driven by computers and electronic products, which account for 65 percent of all California exports to Hong Kong. Key exports to Hong Kong showing growth in 2006 include chemicals and crop production.

In 2006, California’s exports to Hong

Kong totaled more than \$4.8 billion.

Hong Kong is the second largest recipient for foreign direct investment (FDI) in Asia after Mainland China, and is the seventh largest recipient of FDI in the world.

Fong reeled off these statistics: On a per capita basis, Hong Kong imports twice as much as Mexico, three times as much as Australia, four times as much as South Korea, five times as much as Japan and six times as much as the European Union. Fong highly recommended that businesses wishing to sell goods in Hong Kong do so because “we are small, but we love to consume, just like Americans.”

Trading Partner Portal

On February 14, the CalChamber launched a web portal for information about Hong Kong. The portal is one of a new series of online international portals featuring California’s top trading partners.

The new Hong Kong portal links to key country contacts, including business resources and cultural and educational references. Also available for easy reference are trade statistics and information on foreign direct investment in California.

The trading partner portal for Hong Kong is in the international section of the CalChamber website at www.calchamber.com/international.

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