

HK – the gateway to China

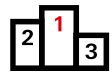
The banker's view: where are the numbers (trade and investment volumes) heading, what trends do we see?



- HK continues to be an international financial hub and the gateway to China.
- HK continues to be the largest source of FDI for China, contributing 73.2% of total FDI in 2020 (USD105.8bn), increasing its share from 69.7% in 2019 and 66.6% in 2018.¹



- ODI from China to HK amounted to USD90.6bn in 2019, which is 66.1% of China's total ODI, increasing its share from 60.73% in 2018.¹



- HK is the global leading IPO center in 7 of the past 12 years, raising a total of HKD398bn in 2020. CNBC reported that HK hosted the most overseas China IPOs and above the rest of the world in terms of no. of IPO issuance.²



- HK is the world's leading offshore Renminbi hub and has the world's deepest RMB liquidity pool, with total RMB deposits at RMB757.2bn at end of 2020, increasing 15.1% year-on-year.³



- As the regional treasury center of APAC, HK has a large number of regional headquarters and offices of companies based overseas, reported at 3,983 as of 2020.⁴



- HK is an important entrepôt for merchandise trade between the EU and mainland China. Around 9% (EUR33bn) of mainland China's exports to the EU, and around 4% (EUR11bn) of mainland China's imports from the EU were routed through HK.⁵



- HK continues to invest in Europe, with more than 1400 subsidiaries in the EU, with the most in UK (629), followed by Germany (152), Netherlands (99) and France (83).⁶

Notes:

1. National Bureau of Statistics of China
2. Hong Kong Exchanges and Clearing 2021
3. HKSAR Government – Hong Kong Economy
4. Census and Statistics Department HKSAR Survey 2020
5. Trade and Industry Department HKSAR
6. FactSet data