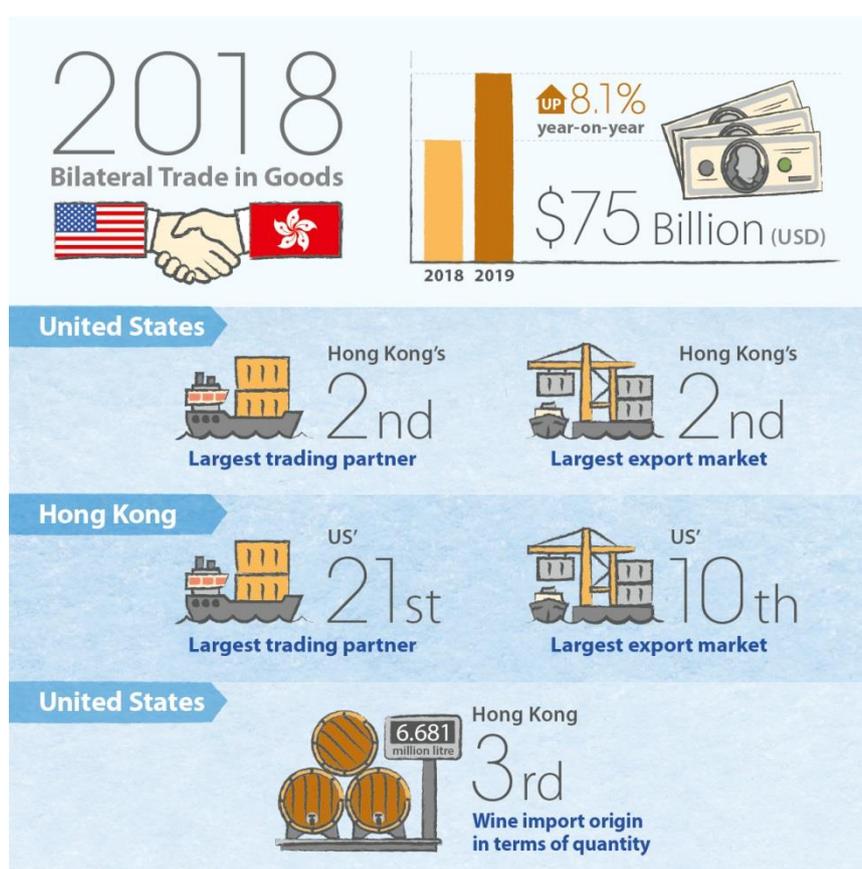


Hong Kong and the United States – Strong Connections

The United States and Hong Kong have enjoyed long and deep ties in many spheres – commerce, people-to-people links, culture and extensive government-to-government co-operation on various fronts.



Strong business links

Trade has always played a major role. Last year, bilateral merchandise trade grew to US\$75 billion, up 8.1 per cent compared to 2017. In 2018, the US was Hong Kong's second-largest trading partner and second-largest market for domestic exports.

Last year, Hong Kong was the 10th-largest export market of the US. Hong Kong was also its third-largest market for US\$130 million worth of wine, fourth-largest market for US\$1 billion of beef and beef products and seventh-largest market for US\$4 billion consumer-oriented agricultural products.

The trade balance is, in fact, heavily in favour of the US, with America enjoying its highest surplus in goods and services with Hong Kong (among all economies), valued at US\$33.8 billion in 2018. According to US data, over the decade from 2009 to 2018, the aggregate merchandise trade surplus the US enjoyed over Hong Kong was US\$297 billion.

Prime base for US companies

Hong Kong's prime location, unrivalled connections with Mainland China, business friendly environment, low and simple tax system and the rule of law are among the city's major draws for business.

In Hong Kong, tax on the first HK\$2 million (approx. US\$255,000) of profits of corporations is 8.25 per cent. Above that amount, profits are taxed at 16.5 per cent. Salaries tax is capped at 15 per cent and there is no inheritance tax, no capital gains tax. Hong Kong is a free port, which includes zero duties on wine imports.

Currently, some 1,400 US companies operate in Hong Kong, including 290 which serve as regional headquarters.

The American Chamber of Commerce in Hong Kong is celebrating its 50th anniversary this year, attesting to the longstanding confidence and support of our US trade and business partners.

Unique status

Hong Kong's unique status and advantages as a Special Administrative Region (SAR) of China are guaranteed under the "one country, two systems" principle.

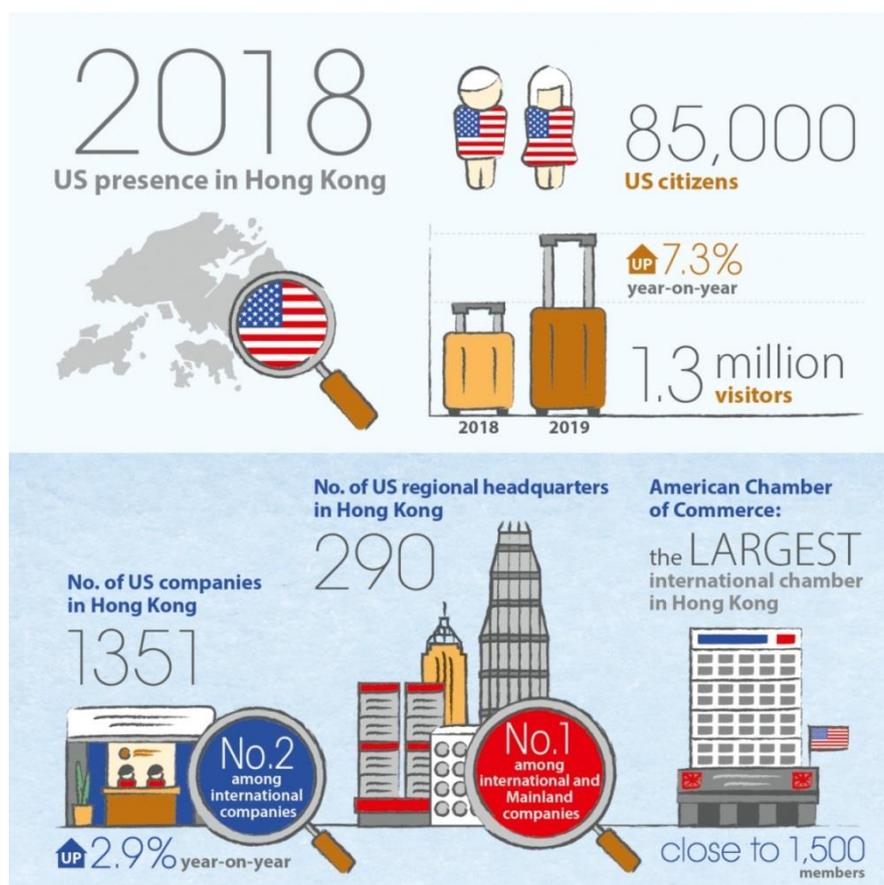
Under this arrangement, Hong Kong is able to establish mutually beneficial relationships with economies around the world, including the US, at bilateral and multilateral international trade and economic levels. It is also the pivot of Hong Kong's success as a business and financial hub.

As "Hong Kong, China", the SAR can participate in international organisations such as the World Trade Organization and the Asia-Pacific Economic Cooperation as a separate member and maintain economic and trade relationships with the other members of the World Trade Organization. The Hong Kong SAR is a separate customs territory and maintains its status as a free port.

Hong Kong is a staunch supporter of the free market. That is why the Washington-based Heritage Foundation has named Hong Kong the world's freest economy for 25 years in a row.

Surveys by the World Economic Forum and World Bank have also endorsed Hong Kong's firm adherence to the rule of law and judicial independence, guaranteed under the Basic Law, the constitutional document for the Hong Kong SAR.

Hong Kong will continue to thrive as a free, secure, vibrant and attractive international metropolis where people and businesses from around the world can connect and excel in their chosen fields.



Quality lifestyle

Asia's world city offers much more than business opportunities. It is also a great place to live. Companies, talent, students, food and festivals from around the world add to Hong Kong's cosmopolitan flair. In this creative, dynamic, secure place, innovation, arts and culture flourish. Magnificent country parks, interesting islands, a world heritage geopark make it easy to take a break from busy city life.

Hong Kong is home to a large American expatriate community of about 85,000 people. Hong Kong also has one of the clusters of international schools in Asia, including the American International School, established in 1986.

Hong Kong is, of course, a popular travel destination for Americans. In 2018, the US was Hong Kong's fourth-largest source of visitors and largest long-haul visitor market, with 1.3 million arrivals.

With over 150 flights connecting Hong Kong and various US cities every week, travel between the two places is easy.

Given common interests and shared values, Hong Kong and the US will continue to be strong partners in the years ahead.

Ends