

EU-HONG KONG

TRADE & INVESTMENT

2011



THE EUROPEAN UNION



501 MILLION CITIZENS

27 MEMBER STATES

Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom

23 OFFICIAL LANGUAGES

7 EUROPEAN UNION INSTITUTIONS

European Parliament, European Council, Council of the European Union, European Commission, Court of Justice of the European Union, European Central Bank, Court of Auditors

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EU-HONG KONG TRADE & INVESTMENT 2011

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MESSAGE FROM THE HEAD OF OFFICE OF THE EUROPEAN UNION TO HONG KONG AND MACAO

The European Union (EU) currently has 27 Member States, more than 500 million residents and the largest GDP in the world.

The EU consistently seeks, wherever possible, to improve conditions for trade and investment, including with Hong Kong SAR. While our priority for trade liberalisation is through multilateral arrangements, and our main focus continues to be working with our partners at the World Trade Organization (WTO), we recognise that there is scope for deeper cooperation between the EU and key partners such as Hong Kong to complement the multilateral agenda and to pursue issues of common interest.

The EU and Hong Kong, both open, transparent and liberal economies, share many priorities and common interests in the trade and economic sphere. This is also evidenced by our bilateral economic and commercial relations which have continued to develop and deepen over the years, including through the annual Structured Dialogue meetings between the EU and the Hong Kong Government.

This Trade and Investment Booklet offers an overview of the economic and commercial relations between the EU and Hong Kong, and in particular of:

- the EU's global standing in economic terms; and
- EU trade and investment relations with Hong Kong

As it can be seen in the Booklet, EU-Hong Kong trade has rebounded robustly following the global financial downturn, with trade in goods growing by 28.6% to reach €37.5 billion in 2010. In terms of foreign direct investment (FDI), the EU was the third largest foreign investor in Hong Kong after Mainland China and the British Virgin Islands, contributing to 9.9 % of Hong Kong's total foreign direct investment (FDI) in 2009.

The EU has a considerable presence in Hong Kong with more than 1,600 European companies operating in the Special Administrative Region, and frequently using Hong Kong as a platform for activities in Mainland China and Asia. Among others, EU companies are key players in the banking, insurance and securities sectors. Of the 148 licensed banks in Hong Kong, 31 are EU incorporated. EU companies ranked first in number among overseas insurers operating in Hong Kong. The commercial presence and activities of European companies are supported by the European Chamber of Commerce as well as Member States national chambers of commerce.

I hope that this Booklet will serve to provide a better understanding of the significance of the economic and commercial relations between the EU and Hong Kong.

Maria Castillo Fernandez

Head of Office

THE EU IN THE WORLD

- 26% of global GDP—the world's largest economy
- 501 million consumers—the world's most lucrative market
- 17% of global cross-border trade in goods and services—the world's largest trading bloc
- 25% of global FDI inflows—the world's prime investment destination
- 31% of global FDI outflows—the world's largest investor
- A single market, a single tariff, a single set of rules



EU – THE WORLD'S No. 1 ECONOMY

The EU is the world's largest economy with a 26% share of world GDP

The rise of emerging Asian countries as manufacturing centres in the global market has been remarkable. Increasingly sophisticated supply chains, cheap and efficient communication technologies, and the availability of vast amounts of relatively cheap but skilled labour have made most Asian countries undeniable beneficiaries of globalisation. The EU has also benefited from these developments.

The EU comprises 27 Member States who enjoy a single market: the free movement of goods, services, capital, and labour. Its trading partners benefit greatly from such a large open market, in which a single set of trade rules, a single tariff, and a single set of administrative procedures apply across the area, making it easier for companies to do business with the EU.

Based on IMF data, **in 2010 the EU was the world's largest economy with a 25.9% share of world GDP**, and its **501 million inhabitants** make it the **world's most lucrative consumer market**. It is also the **world's largest trading entity**. According to the World Trade Organization (WTO), in 2010 the EU accounted for 15.8% of global trade in goods and 23.3% of global trade in services (excluding trade between EU Member States).

Merchandise Trade: Leading Exporters and Importers in the World 2010

Rank	Exporters	Value (US dollars Billion)	Share (%)	Rank	Importers	Value (US dollars Billion)	Share (%)
1	Extra-EU	1,787	15.0	1	Extra-EU	1,977	16.5
2	China	1,578	13.3	2	United States	1,968	16.4
3	United States	1,278	10.8	3	China	1,395	11.6
4	Japan	770	6.5	4	Japan	693	5.8
5	Korea, Republic of	466	3.9	5	Hong Kong	442	3.7
					-retained imports	116	1.0
6	Hong Kong	401	3.4	6	Korea, Republic of	425	3.5
	-domestic exports	18	0.2				
	-re-exports	383	3.2				
7	Russian Federation	400	3.4	7	Canada	402	3.3
8	Canada	387	3.3	8	India	323	2.7
9	Singapore	352	3.0	9	Singapore	311	2.6
	-domestic	183	1.5		-retained imports	142	1.2
	-re-exports	169	1.4				
10	Mexico	298	2.5	10	Mexico	311	2.6
11	Taipei, Chinese	275	2.3	11	Taipei, Chinese	251	2.1
12	Kingdom of Saudi Arabia	254	2.1	12	Russian Federation	248	2.1
	(excl. intra-EU 27)	11,878	100		World (excl. intra-EU 27)	12,016	100

Source: WTO World Trade Report 2011, WTO Secretariat

Commercial Services: Leading Exporters and Importers in the World 2010

Rank	Exporters	Value (US dollars Billion)	Share (%)	Rank	Importers	Value (US dollars Billion)	Share (%)
1	Extra-EU	684	24.5	1	Extra-EU	598	22.1
2	United States	515	18.4	2	United States	358	13.2
3	China	170	6.1	3	China	192	7.1
4	Japan	138	4.9	4	Japan	155	5.7
5	Singapore	112	4.0	5	India	117	4.3
6	India	110	3.9	6	Singapore	96	3.5
7	Hong Kong	108	3.9	7	Korea, Republic of	93	3.4
8	Korea, Republic of	82	2.9	8	Canada	89	3.3
9	Switzerland	76	2.7	9	Russian Federation	70	2.6
10	Canada	66	2.4	10	Brazil	60	2.2
11	Australia	48	1.7	11	Hong Kong	51	1.9
12	Russian Federation	44	1.6	12	Australia	51	1.9
	World (excl. intra-EU 27)	2,795	100		World (excl. intra-EU 27)	2,705	100

Source: WTO World Trade Report 2011, WTO Secretariat

The EU's global standing and strength is further supported by the findings of the World Economic Forum's most recent Global Competitiveness Report for 2010-2011. The Report shows that **six out of the twelve most competitive countries in the world are EU Member States**. It is also worth noting that Hong Kong is in eleventh place in this ranking.

Country competitiveness 2010-2011

Country	Global Competitiveness Index (GCI) 2010-2011 rank	GCI 2010-2011
Switzerland	1	5.63
Sweden	2	5.56
Singapore	3	5.48
United States	4	5.43
Germany	5	5.39
Japan	6	5.37
Finland	7	5.37
Netherlands	8	5.33
Denmark	9	5.32
Canada	10	5.30
Hong Kong SAR	11	5.30
United Kingdom	12	5.25

Source: World Economic Forum, Global Competitiveness Report 2010-2011

European companies are world champions of globalisation

According to the United Nations Conference on Trade and Development (UNCTAD), eight out of the world's top ten financial transnational corporations and seven out of the world's top ten non-financial corporations ranked by the size of foreign assets are from the EU.

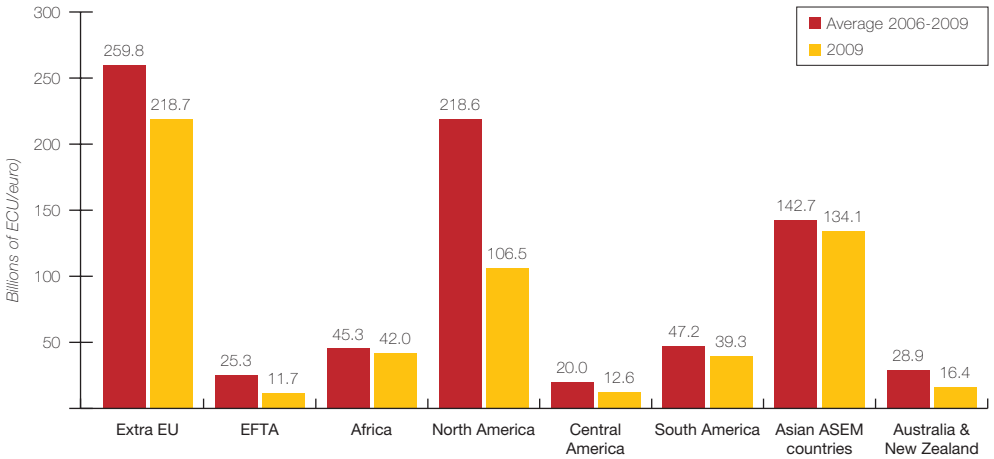
The EU is the world's largest investor

According to the World Investment Report 2011 published by UNCTAD, the FDI outward stock of EU origin amounted to around US\$8.9 trillion in 2010. This corresponds to 43.8% of the world's total outward FDI stock. The EU is the most active investor in the world, being the source of 30.8% of the world's yearly FDI outflows in 2010 (US\$407 billion).

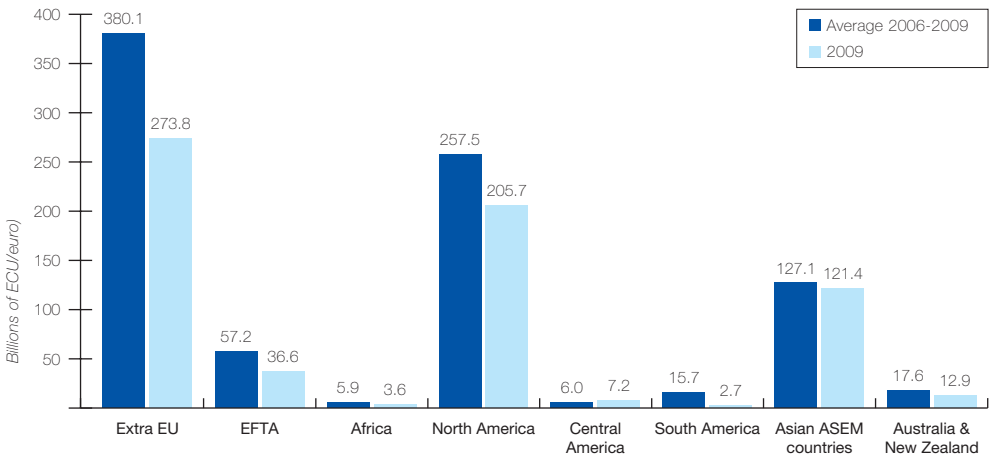
The EU remains the world's number one location for FDI

The fact that European companies are the world's most active investors overseas does not mean that there are no opportunities for growth in their home market. On the contrary, the EU remains the world's number one location for FDI. In 2010, the EU was host to foreign investments worth US\$6.9 trillion, which corresponds to around 36% of the world's total inward FDI stock. In terms of annual FDI inflows, the rest of the world is still lagging behind: in 2010, inflows to the EU amounted to US\$305 billion (24.5% of world FDI inflows), far ahead of the US receiving US\$228 billion and China with US\$106 billion.

World FDI Inflows by Destination 2006-2009



World FDI Outflows by Origin 2006-2009



Sources: UNCTAD, Eurostat; compiled by DG TRADE, European Commission

TRADE & INVESTMENT
RELATIONS WITH
HONG KONG



1. TRADE IN GOODS

EU-Hong Kong trade has resumed significant growth after the global financial crisis

1.1 Bilateral trade in goods between the EU and Hong Kong rebounded by 28.6% to €37.5 billion, along with a recovery in both economies in 2010. Merchandise trade declined 10.5% in 2009 when the impact of the global financial crisis was most significant. The EU recorded a trade surplus of €16.3 billion in 2010. Hong Kong was the 16th largest trading partner of the EU in 2010.

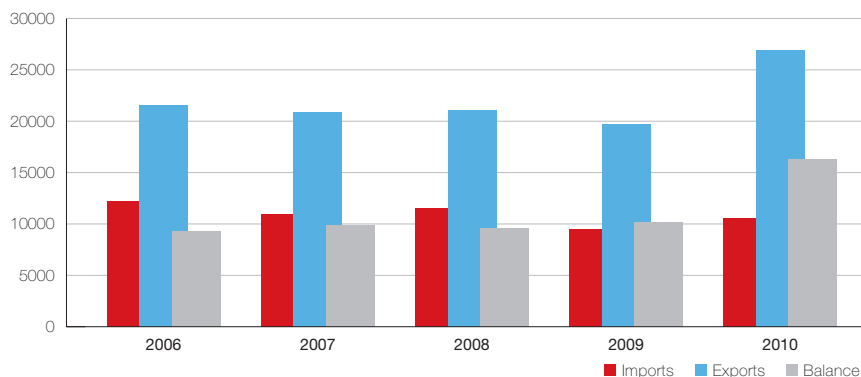
Trade in Goods between the European Union and Hong Kong € million

Period	Imports	Growth (% y-o-y)	Exports	Growth (% y-o-y)	Balance	Total Trade	Growth (% y-o-y)
2006	12,239	14.3	21,559	5.4	9,321	33,798	+8.8
2007	10,973	-10.3	20,846	-3.3	9,873	31,819	-5.7
2008	11,503	4.8	21,106	1.2	9,603	32,610	+2.3
2009	9,535	-17.1	19,664	-6.8	10,129	29,199	-10.5
2010	10,601	11.2	26,941	37.0	16,340	37,541	+28.6

Source: Eurostat

(As at June 2011)

Evolution of the EU's Trade with Hong Kong (€million)



Source: Eurostat

Trade in goods between the EU and Hong Kong in 2010: Main product categories

SITC Rev.3 product groups	EU exports to Hong Kong	Value (€ million)	Share of total (%)
	Total, from which	26,940.5	100.0
1100	Agricultural products	3,288.4	12.2
2200	Chemicals	3,177.0	11.8
2300	Other semi-manufactures	3,255.7	12.1
2410	Office & telecom equipment	3,448.5	12.8
2420	Transport equipment	2,279.2	8.5
2430	Other machinery	4,519.4	16.8
2500	Textiles	647.3	2.4
2600	Clothing	970.9	3.6
	EU imports from Hong Kong	Value (€ million)	Share of total (%)
	Total, from which	10,600.6	100.0
1200	Fuels and mining products	536.8	5.1
2300	Other semi-manufactures	971.0	9.2
2400	Machinery and transport equipment	5,539.0	52.2
2600	Clothing	469.8	4.4
2700	Other manufactures	2,619.5	24.7

Source: Eurostat



The EU's Top Trading Partners in 2010

The Major Imports Partners				The Major Exports Partners				The Major Trade Partners			
Rk	Partners	Mio euro	%	Rk	Partners	Mio euro	%	Rk	Partners	Mio euro	%
Extra EU27 1,501,843.9 100.0%				Extra EU27 1,348,792.4 100.0%				Extra EU27 2,850,636.3 100.0%			
1	China	282,011.1	18.8%	1	United States	242,095.1	17.9%	1	United States	411,562.5	14.4%
2	United States	169,467.4	11.3%	2	China	113,117.7	8.4%	2	China	395,128.8	13.9%
3	Russia	158,384.9	10.5%	3	Switzerland	105,433.4	7.8%	3	Russia	244,893.7	8.6%
4	Switzerland	84,126.2	5.6%	4	Russia	86,508.8	6.4%	4	Switzerland	189,559.5	6.6%
5	Norway	79,179.4	5.3%	5	Turkey	61,189.7	4.5%	5	Norway	121,039.5	4.2%
6	Japan	64,898.1	4.3%	6	Japan	43,730.1	3.2%	6	Japan	108,628.2	3.8%
7	Turkey	42,088.0	2.8%	7	Norway	41,860.2	3.1%	7	Turkey	103,277.7	3.6%
8	South Korea	38,651.6	2.6%	8	India	34,798.8	2.6%	8	India	67,946.1	2.4%
9	India	33,147.3	2.2%	9	Brazil	31,282.9	2.3%	9	South Korea	66,636.4	2.3%
10	Brazil	32,320.4	2.2%	10	South Korea	27,984.8	2.1%	10	Brazil	63,603.3	2.2%
11	Libya	28,779.9	1.9%	11	United Arab Em	27,709.3	2.1%	11	Canada	46,642.4	1.6%
12	Taiwan	24,135.7	1.6%	12	Hong Kong	26,940.5	2.0%	12	Singapore	42,747.7	1.5%
13	Algeria	20,886.7	1.4%	13	Australia	26,752.3	2.0%	13	South Africa	39,418.7	1.4%
14	Malaysia	20,701.2	1.4%	14	Canada	26,589.2	2.0%	14	Saudi Arabia	38,956.3	1.4%
15	Canada	20,053.3	1.3%	15	Singapore	24,043.3	1.8%	15	Taiwan	38,895.5	1.4%
16	Singapore	18,704.4	1.2%	16	Saudi Arabia	23,006.6	1.7%	16	Hong Kong	37,541.2	1.3%
17	South Africa	17,912.1	1.2%	17	South Africa	21,506.6	1.6%	17	Australia	36,602.9	1.3%
18	Thailand	17,212.3	1.1%	18	Mexico	21,389.8	1.6%	18	Algeria	36,423.4	1.3%
19	Saudi Arabia	15,949.7	1.1%	19	Ukraine	17,334.7	1.3%	19	Libya	35,534.2	1.2%
20	Kazakhstan	15,870.8	1.1%	20	Algeria	15,536.6	1.2%	20	Mexico	34,501.4	1.2%
21	Nigeria	14,636.0	1.0%	21	Egypt	14,802.8	1.1%	21	United Arab Em	33,433.1	1.2%
22	Iran	14,328.6	1.0%	22	Taiwan	14,759.9	1.1%	22	Malaysia	31,944.6	1.1%
23	Indonesia	13,729.2	0.9%	23	Israel	14,470.5	1.1%	23	Ukraine	28,731.6	1.0%
24	Mexico	13,111.6	0.9%	24	Morocco	13,625.0	1.0%	24	Thailand	27,204.7	1.0%
25	Ukraine	11,396.9	0.8%	25	Iran	11,333.8	0.8%	25	Iran	25,662.4	0.9%
26	Israel	11,112.9	0.7%	26	Malaysia	11,243.4	0.8%	26	Israel	25,583.4	0.9%
27	Hong Kong	10,600.6	0.7%	27	Tunisia	11,071.1	0.8%	27	Nigeria	25,370.8	0.9%
28	Australia	9,850.6	0.7%	28	Nigeria	10,734.7	0.8%	28	Egypt	22,007.4	0.8%
29	Azerbaijan	9,763.5	0.7%	29	Croatia	10,331.3	0.8%	29	Morocco	21,352.5	0.7%
30	Tunisia	9,510.8	0.6%	30	Thailand	9,992.4	0.7%	30	Kazakhstan	21,102.3	0.7%

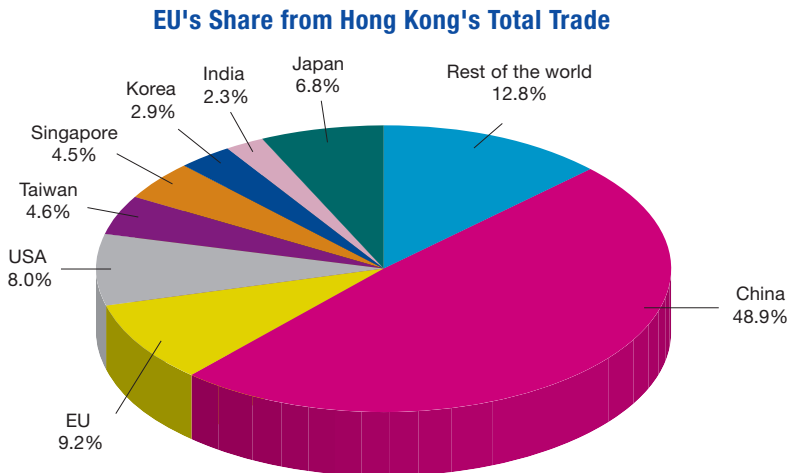
Source: Eurostat (as at June 2011)

The EU is Hong Kong's key trading partner

1.2 The EU is Hong Kong's second largest trading partner after China. According to Hong Kong trade statistics, bilateral trade between Hong Kong and the EU accounted for 9.2% of Hong Kong's total trade in 2010, totalling HK\$587 billion. Total trade value grew 13.4% in 2010.

The EU was Hong Kong's second largest export market, after China and followed by the U.S.. According to Hong Kong trade statistics, Hong Kong's total exports to the EU rose notably by 11.2% to HK\$339 billion as demand from the EU recovered in 2010.

The EU was Hong Kong's third largest import supplier after China and Japan, contributing to 7.3% of Hong Kong's imports. Imports of EU origin increased sharply by 19% to HK\$247 billion in 2010.



Source: HK Census and Statistic Department, HKSAR Government

Hong Kong's Top 10 Merchandise Trading Partners in 2010

Rank	Country	(HK\$ billion)	% Share
1	China	3,128	48.9 %
2	EU	587	9.2 %
3	USA	511	8.0 %
4	Japan	436	6.8 %
5	Taiwan	293	4.6 %
6	Singapore	288	4.5 %
7	Korea	187	2.9 %
8	India	146	2.3 %
9	Thailand	111	1.7 %
10	Malaysia	110	1.7 %
	Rest of the world	599	9.4 %
	Total	6,396	100 %

Source: HK Census and Statistic Department, HKSAR Government

Hong Kong is a key conduit for EU-Sino trade

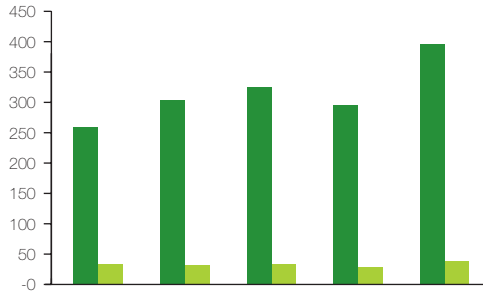
1.3 China is currently the world's largest exporter and the world's second largest national economy. The country now accounts for about 11% of world trade in goods. Bilateral trade with the EU has gone from €4 billion in 1978 to €396 billion in 2010. That means that the EU and China trades more than €1billion a day. The EU continues to be China's main export market. In 2010 the EU imported goods worth €282 billion from China. At the same time, China is Europe's fastest growing export market.

Hong Kong is an important entrepot for trade between the EU and China. According to the Hong Kong Trade and Industry Department, re-exports of EU origin goods through Hong Kong to China has grown by an annual average rate of more than 30% since China adopted its open door policy in 1978. In 2010, €8.5 billion of China's import of goods from the EU was routed through Hong Kong. On the other hand, re-exports of Chinese origin goods to the EU through Hong Kong during the same period soared by an annual average rate of around 25% and reached nearly €30 billion in 2010.

EU (as well as other foreign) companies established in Hong Kong and which meet the criteria set out in the Closer Economic Partnership Arrangement (CEPA) between the People's Republic of China and Hong Kong may enjoy additional advantages in terms of trade with China and access to its markets. Under CEPA, certain Hong Kong goods and services enjoy preferential access over and above China's WTO accession commitments.

EU's Total Trade with China and Hong Kong 2006-2010

Billion euro



	2006	2007	2008	2009	2010
■ EU trade with China	259	304	326	296	396
■ EU trade with Hong Kong	34	32	33	29	38

Source: Eurostat



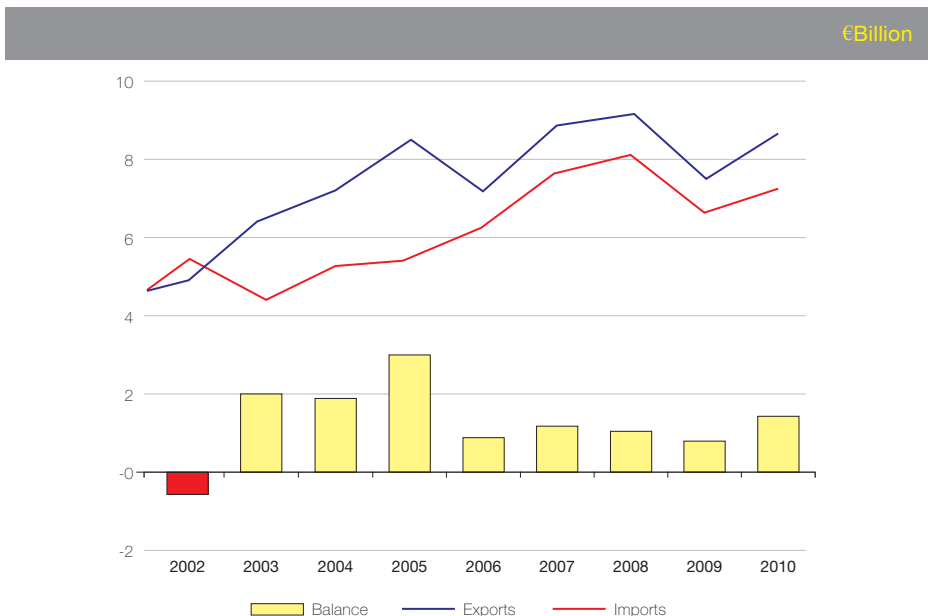
2. TRADE IN SERVICES

Hong Kong is among the top ten trading partners in commercial services with the EU.

In 2010, the EU exported €8,693 million of commercial services to Hong Kong, and imported €7,246 million of services from Hong Kong, recording a trade surplus of €1,447 million. Bilateral trade in commercial services between the EU and Hong Kong amounted to €15,939 million, equivalent to 43% of the value of their trade in goods.

Over 40% of EU exports of commercial services to Hong Kong were related to transportation, followed by other business services and financial services. On the other hand, EU imports of commercial services from Hong Kong tracked the same pattern closely.

EU's Trade in Services with Hong Kong



Source: Eurostat

EU's Trade in Commercial Services with Hong Kong

(€million)	EU Exports				EU Imports			
Code/categories	2008	2009	2010	Share (2010)	2008	2009	2010	Share (2010)
200 - Services	9,175	7,464	8,698	-	8,113	6,615	7,259	-
201 - Branding, Quasi-transit adjustment	0	0	#N/A	#N/A	0	0	#N/A	#N/A
205 - Transportation	4,148	2,924	3,522	40.5%	3,540	2,310	2,987	41.2%
<i>206 - Sea transport</i>	2,698	1,842	#N/A	#N/A	1,976	1,226	#N/A	#N/A
<i>210 - Air transport</i>	1,374	1,021	#N/A	#N/A	1,028	803	#N/A	#N/A
<i>214 - Other transport</i>	80	59	#N/A	#N/A	533	281	#N/A	#N/A
236 - Travel	455	492	430	4.9%	499	399	381	5.3%
981 - Other services	4,570	4,042	4,741	-	4,073	3,897	3,854	-
<i>245 - Communications</i>	163	174	199	2.3%	177	194	187	2.6%
<i>249 - Construction</i>	34	20	57	0.7%	61	68	29	0.4%
<i>253 - Insurance</i>	120	81	137	1.6%	81	23	19	0.3%
<i>260 - Financial services</i>	1,272	935	1,004	11.5%	786	675	602	8.3%
<i>262 - Computer and information services</i>	202	192	199	2.3%	41	52	49	0.7%
<i>266 - Royalties and license fees</i>	217	256	206	2.4%	122	167	141	1.9%
<i>268 - Other business services</i>	2,475	2,345	2,883	33.2%	2,736	2,658	2,783	38.4%
<i>287 - Personal, cultural and recreational services</i>	83	35	51	0.6%	56	43	30	0.4%
<i>291 - Government services</i>	5	5	5	-	14	17	14	-
982 - Services not allocated	4	5	6	0.1%	1	8	38	0.5%
983 - Commercial services	9,170	7,459	8,693	100.0%	8,099	6,598	7,246	100.0%

* "Commercial services" is defined as being equal to "Services" minus "Government services, n.i.e."

2010: EU: provisional and partial results

Source: Eurostat (As at May 2011)

3. FOREIGN DIRECT INVESTMENT

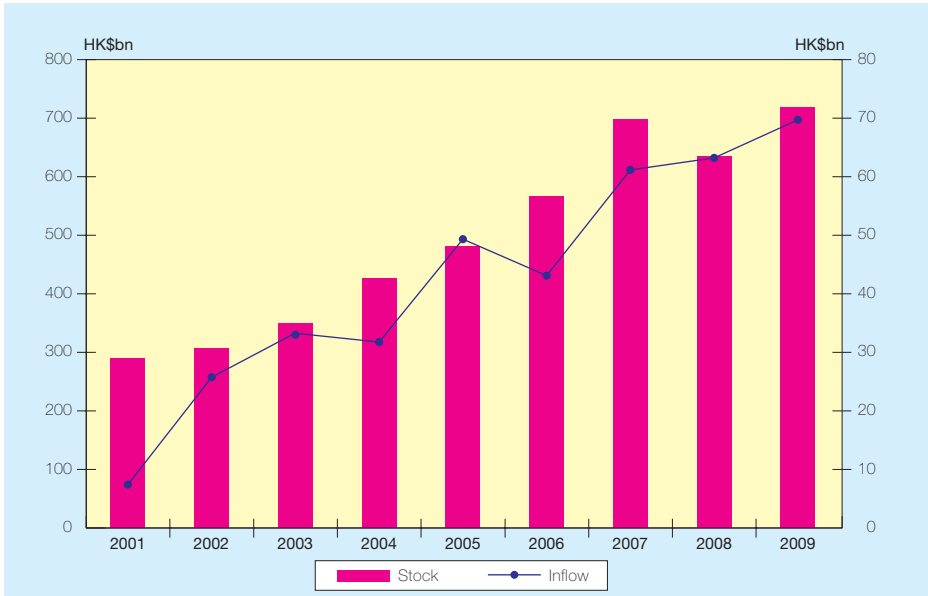
The EU is Hong Kong's largest foreign investor after China and BVI

- 3.1 The EU was the third largest foreign investor in Hong Kong after China and the British Virgin Islands, contributing to 9.9 % of the total foreign direct investment (FDI) stock or HK\$716.1 billion in 2009. Among the EU Member States, the Netherlands was the largest investor (HK\$496.4 billion and 66% of the EU total), followed by the United Kingdom (HK\$126.7 billion and 17.7% of the EU total), Germany (HK\$37.9 billion and 5.3% of the EU total) and France (HK\$24.1 billion and 3.4% of the EU total).

The EU is well represented in various sectors of the Hong Kong economy. According to an investment survey by the Hong Kong Census and Statistics Department, the EU was the largest source of foreign companies in Hong Kong with 423 regional headquarters, 654 regional offices and 590 local offices as of June 2010, outnumbering those of the US and Japan.

The EU's business presence covers a wide variety of sectors, mainly financial and business services, trading, logistics, construction and retailing. Among others, EU companies are key players in the banking, insurance and securities sectors of Hong Kong. As at July 2011, 31 of the 148 licensed banks in Hong Kong are EU incorporated, and EU companies ranked first in number among overseas insurers operating in Hong Kong. Thirty out of 164 insurance companies are EU companies (as at August 2011).

EU Direct Investment in Hong Kong 2001-2009



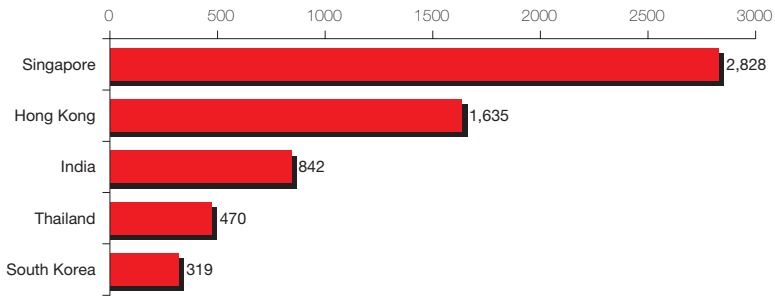
Source: Hong Kong Census and Statistics Department



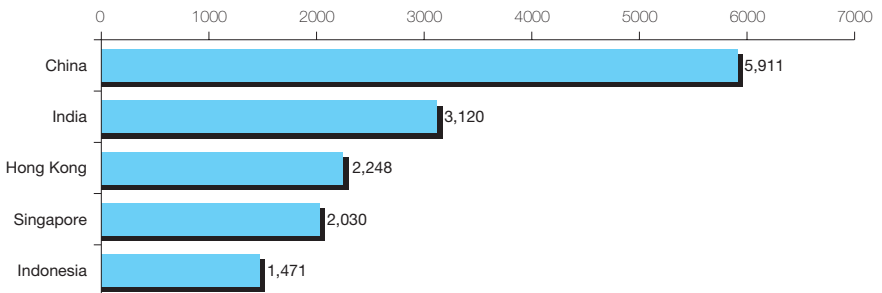
Hong Kong is EU's second largest investor from Asia

3.2 Hong Kong investment into Europe has been developing, with Hong Kong now among the top ten external investors in the EU. Direct inflows from Hong Kong to the EU in 2009 amounted to €1.6 billion, the second largest investor from Asia after Singapore. The total stock of Hong Kong's FDI in the EU reached €26.9 billion at the end of 2009. Over 2006-2009, the annual average FDI inflows from Hong Kong to the EU amounted to €2.4 billion.

EU Inflows from Asia in 2009 Unit: €million



EU Outflows to Asia in 2009 Unit: €million



Source: Eurostat

LIST OF DATA RESOURCES

- European Commission, DG Trade
- Eurostat
- Census and Statistics Department of the Hong Kong SAR Government
- The Hong Kong Trade and Industry Department
- United Nations Conference on Trade and Development (UNCTAD): World Investment Report 2011
- World Economic Forum: Global Competitiveness Report 2010-2011
- World Trade Organization (WTO): WTO World Trade Report 2011
- International Monetary Fund (IMF) : World Economic Outlook Database, April 2011

Unless otherwise indicated, all data in the text is based on statistics from Eurostat.



ABOUT THE EUROPEAN UNION OFFICE TO HONG KONG & MACAO

The European Union Office to Hong Kong & Macao was established in 1993.

As a diplomatic mission of the European Union, the Office seeks to foster closer cooperation with Hong Kong in terms of political, trade and economic relations. The Office also works to enhance the visibility of the EU and provides an efficient and reliable communication channel between the EU and the Hong Kong SAR Government.

Outside of the EU, the Union is represented by a network of 136 EU Delegations which, following the entry into force of the Treaty of Lisbon, are part of the European diplomatic service (called European External Action Service or EEAS) which is headed by Catherine Ashton – High Representative of the European Union for Foreign Affairs and Security Policy.

The core tasks of the EU Office to Hong Kong and Macao are:

- to enhance bilateral political, economic and commercial relations;
- to represent the European Union in the execution of its competencies;
- to promote and defend the values and interests of the European Union; and
- to pursue an information and communication policy in line with the EU's overall strategy in East Asia.



The EU citizens are getting increasingly mobile. The EU allows its citizens to travel, live and work in any EU country: in 2010, around 12 million European citizens lived in a different EU country to the one in which they were born. Many more have cross-border experiences when travelling, studying, working, receiving medical treatment or shopping. There are 16 million marriages with a cross-border dimension and some 12 million European students have studied in another EU Member state since the launch of the studying abroad Erasmus programme.



The EU is a leader in the promotion of cross-border higher educational cooperation. Europe has around 4,000 higher education institutions, with over 19 million students and 1.5 million staff. The Erasmus programme enables 200,000 students to study and work in a different Member State each year. In addition, the Erasmus Mundus programme supports the higher educational cooperation with third countries including Hong Kong and Macao.



The EU facilitates easier travelling. Since 2010, travellers on EU trains and ferries get guarantees of information, assistance and compensation for delays, as is already the case for air passengers. Foreign visitors also benefit from the Schengen visa arrangement, which extends to 25 countries in Europe. If you get a visa for any Schengen country, it automatically allows you to travel to all the countries within that zone.



The EU is a leader in combating climate change. The EU has a key role in increasing world efforts to preserve the environment and promote sustainable development. The funding of climate-related actions in developing countries has gained increasing attention in the EU budget and the European Development Fund (EDF).



The EU and its Member States are the biggest donors of development aid in the world. In 2010 the EU and its 27 Member States increased their official development assistance to a total of €53.8 billion, which confirms the EU's position as the largest and most generous donor of development aid, providing more than half of global official aid.



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