

Hong Kong CEP Initial Analysis

For the year ending June 2008, Hong Kong was New Zealand's 16th largest export destination, with exports valued at NZ\$615.7 million. It was also New Zealand's 22nd largest trading partner, with bilateral trade valued at NZ\$819.9 million. New Zealand has a significant trade surplus valued at NZ\$411.5 million.

Over recent years the trading relationship has been growing strongly. Since June 2005 New Zealand's exports to Hong Kong have grown 15.8%, and total trade has grown 12.5%.

The bilateral merchandise trading profile is relatively diverse. New Zealand's 20 largest exports at the four digit level account for just less than 70% of trade, while New Zealand's 20 largest import products account for just over 55%.

New Zealand's key exports to Hong Kong include: live crustaceans; live horses; prepared crustaceans; fresh fruit; and frozen beef. Hong Kong is New Zealand's largest export market for crustaceans, with just over 68% of New Zealand's live and prepared crustaceans heading there. Hong Kong is also New Zealand's second largest market for live horses, behind Australia.

Hong Kong is an important source of imports for New Zealand. It is New Zealand's fifth largest supplier of telephone parts, behind China, Korea, the US, and Malaysia. Hong Kong is also a significant supplier of computers, machinery parts, microphones, and books.

Visitor numbers from Hong Kong to New Zealand have been gradually declining since 2001. In 2008, just less than 21,000 people visited New Zealand, making Hong Kong the 16th largest source of visitors for New Zealand.

In terms of Investment, Hong Kong is the 8th largest source of direct investment in New Zealand, with a stock of investment worth NZ\$917 million. According to Statistics New Zealand, Hong Kong is New Zealand's fourth largest destination for outward direct investment. New Zealand's direct investment stock in Hong Kong has been growing incredibly strongly, with the stock increasing from NZ\$102 million in 2006 to NZ\$506 million for the year ending March 2008.

New Zealand's stock of total investment (including direct, portfolio, and other investments) in Hong Kong fell 10% in the year to March 2008 to NZ\$1,332 million. Hong Kong's stock of total investment in New Zealand grew to NZ\$3,383 million, and is New Zealand's seventh largest source of investment.