

Issue: Hong Kong's Economy

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## Can it regain its luster?

### Executive Summary

Hong Kong provided much of the economic muscle that has transformed China into a global financial powerhouse over the past three decades. The city of 7.3 million, which has been a special administrative region of China since the United Kingdom relinquished control in 1997, is increasingly intertwined with the mainland. But while Hong Kong remains relatively prosperous and is still a regional financial center, its recent growth rate is well below that of the People's Republic. The territory has failed to diversify to mitigate its reliance on trade services and finance and faces a host of problems that will be difficult to overcome, according to economic experts. "Hong Kong has gone sideways," says one.

Key takeaways include:

- Hong Kong's economic growth rate has fallen from more than 7 percent in the 1980s to about half of that late last year, while China has expanded to become the world's second largest economy.
- China now accounts for more than half of Hong Kong's goods exports and 40 percent of its service exports.
- Hong Kong was the world's busiest port in 2004; it has since slipped to number five while Shanghai has moved into the top spot.

### Full Report



Pro-democracy demonstrators depicted Hong Kong Chief Executive Carrie Lam as Pinocchio in a Jan. 1 march. As China has tightened its grip, Hong Kong has slipped behind the mainland economically. (Anthony Wallace/AFP/Getty Images)

Long before Great Britain lowered the Union Jack on its colony of Hong Kong in 1997, the city was already entwined with China's emerging market-based economy. The ruling Chinese Communist Party had decided in the late 1970s to use capitalism as the vehicle to overhaul its underdeveloped economy, and it welcomed Hong Kong tycoons as they moved their operations to the mainland.<sup>1</sup>

Manufacturers that once spit out radios, umbrellas and housewares in post-World War II Hong Kong began in the 1980s to make clothing, shoes and electronics in China's nearby Guangdong province, where land was plentiful and labor was cheap.<sup>2</sup> Goods trucked to Hong Kong for export worldwide made the city one of the world's busiest ports and a global center for banking, finance and trade support.<sup>3</sup> If Chinese manufacturing powered the nation's growth, Hong Kong was the turbine of money and ideas.

Three decades later, Hong Kong's boom times may be over. The city of 7.3 million, situated on a group of peninsulas and islands in the South China Sea, depends heavily on China's economy, a nation where GDP rocketed from \$962 billion in 1997 to \$11 trillion in 2016.<sup>4</sup> That represents more than 18 percent of the world's economy.<sup>5</sup>

Yet there is little evidence of that growth in Hong Kong, which became a "special administrative region" of the People's Republic after the British handover in 1997. The modern neon-bathed city that enjoyed annual average GDP growth of 9 percent in the 1970s and 7.4 percent in the 1980s has floundered under China's leadership.<sup>6</sup> For example, in the third quarter of 2017, the territory's economy grew just 3.6 percent year-on-year.<sup>7</sup>

Hong Kong's economy is hardly in danger of failing – and some knowledgeable economists argue that it is fundamentally sound and well-positioned for growth. "It's always going to be the financial hub and the gateway. You're never going to get rid of it," said Stephen Innes, the Singapore-based head of trading for Asia Pacific with Oanda Corp., a foreign exchange firm.<sup>8</sup> Nonetheless, the city's financial picture is marred by problems that may take a long while to fix. After years of complaints by analysts, even Hong Kong cheerleaders acknowledge that the city's free-market system relied too much and for too long on trade services, banking and finance, and failed to diversify and join the digital revolution, according to economic experts.

Democracy advocates fault a government that has favored stability and obedience to Beijing over moves that would make the city fairer and ultimately more prosperous for all. These pessimists assert that Hong Kong has lost its innovative edge through a combination of missed chances, crony capitalism, constrained competition and government mismanagement and mistrust.

"Hong Kong is stuck, with remarkably little change to show for the last two decades," wrote Simon Cartledge, former editor-in-chief for Asia of the Economist Intelligence Unit, a research and consulting firm in London. "It's not a place that has failed, but it is one of lost opportunity, of diminished expectations and modest ambition. Despite living on the doorstep of the world's most dynamic economy of the last two decades, and despite having played a role in that economy's initial opening and development, Hong Kong has gone sideways."<sup>9</sup>

## Ties That Bind to China

In 1978, when China's paramount leader, Deng Xiaoping, set out to rebuild an economy that had been devastated by Mao Zedong, Deng took advantage of Hong Kong's openness to the world. The city, originally built up by the British as a trading center for opium in the 19<sup>th</sup> century, had open markets and a transparent court system based on legal precedents. These assets provided a path for Communist officials to rebuild a nation broken by decades of war and poverty.<sup>10</sup>

To convince the world's markets that Hong Kong would remain stable after Britain relinquished control, Chinese leaders created a governance system called "one country, two systems" that guaranteed that capitalism and Hong Kong's "way of life" would remain until 2047.<sup>11</sup> That political and economic arrangement preserved Hong Kong's markets and legal system while working with China's partially market-based, partially state-controlled economy.

The marriage has worked for many. Some of the British and U.S. firms established there more than a century earlier to service the opium trade mushroomed into giant trading and financial services corporations, while many other global companies opened offices there.<sup>12</sup> Those companies include a major U.K. overseas bank, [HSBC](#), and U.S. financial service companies [Merrill Lynch](#), [Citibank](#), [Goldman Sachs](#) and [JPMorgan Chase](#).

***"Hong Kong is part of China, whether you like it or not. It's done."***

By establishing a reliable banking industry, Hong Kong developed in the second half of the 20<sup>th</sup> century into a growing financial center that serviced trade in East Asia and assisted China's growth through loans to individuals or syndicates, wrote historian Steve Tsang.<sup>13</sup>

The capital provided by these bankers helped to finance shipbuilding, cement making and houseware manufacturing in Hong Kong, until Hong Kong entrepreneurs decided to invest in the special economic zone in Shenzhen, created in 1980 as China's first step in opening its economy. These owners closed factories in Hong Kong and poured their resources into mainland endeavors, maneuvering through a quasi-command economy "where bureaucratic corruption and the party machine distorted the market forces," Tsang wrote. "Their successes, which attracted more attention than those who failed, encouraged others to invest."<sup>14</sup>

By the time of the handover in 1997, those Hong Kong companies employed 5 million people, and Hong Kong was the mainland's "key trading partner, middleman, financier and facilitator," according to Tsang.<sup>15</sup>

That relationship has deepened in the years since. "Hong Kong doesn't really exist anymore as a separate state," says Andrew Clarke, director of trading at the Hong Kong brokerage firm Mirabaud Asia Ltd. "Hong Kong is part of China, whether you like it or not. It's done."

China accounts for more than 50 percent of Hong Kong's goods exports, 40 percent of its service exports and 75 percent of its tourists, according to Moody's Investors Service.<sup>16</sup> New programs connecting the Shanghai and Hong Kong stock markets aim to bring more liquidity, but also more risk of "contagion" between the financial markets in the mainland and the city, Moody's said.<sup>17</sup>

Amid these ever-tighter connections with the mainland's economy, Hong Kong still relies on trade services and finance. Its departed manufacturing sector was never fully replaced. Once the world's busiest port, Hong Kong lost that title to Singapore in 2005 and soon after slipped behind Shanghai, then Shenzhen and even Ningbo-Zhoushan in Zhejiang province.<sup>18</sup> While Hong Kong's total port tonnage rose a scant 11 percent from 2001 to 2016, Shanghai's increased fivefold during the same period.<sup>19</sup>



Historian Steve Tsang

The government's unwillingness to address long-standing problems has contributed significantly to the port's decline, according to Greg Knowler, a senior journalist specializing in maritime and trade with the market research firm IHS Markit. Those problems include insufficient land at the terminals, the high cost and delays of bringing containers across the border from mainland factories and the container lines' unwillingness to reduce terminal charges, which has made using the port costlier than alternatives in Shenzhen, Knowler wrote.<sup>20</sup>

China, which has blocked many Western digital technology platforms, has created homegrown startups that mimic [Amazon](#), [Twitter](#), [Google](#) and [WhatsApp](#): [Tencent](#), Sina Weibo, Baidu and [WeChat](#) have become some of the world's biggest technology companies.<sup>21</sup> Yet Hong Kong has been slow to join the digital boom.<sup>22</sup> Some residents, business owners and business school professors complain that Hong Kong's government has not provided benefits or capital to entrepreneurs or immigrants that would enable them to start businesses.<sup>23</sup>

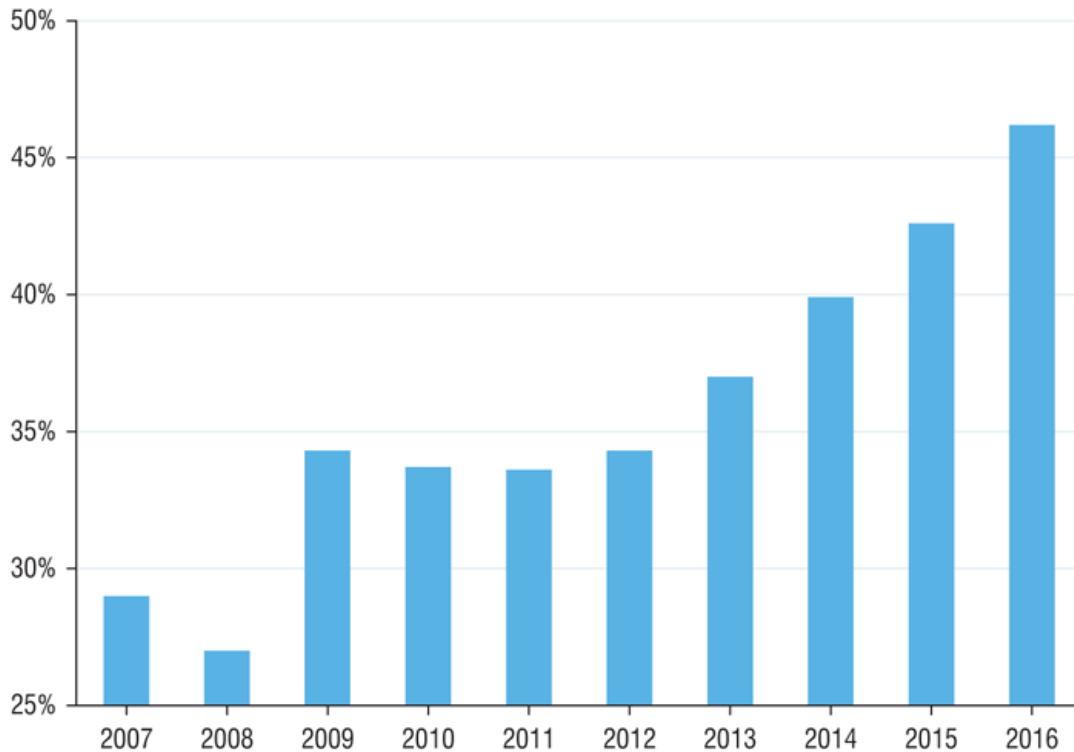
Carrie Lam, who became the city's chief executive in 2017, is trying to address some of these complaints by rolling out an innovation plan.<sup>24</sup> Some officials, such as lawmaker Charles Mok, who represents the technology sector, criticized the plan for failing to include a broader array of digital enterprise, such as ride-hailing services and a system to alleviate traffic congestion.<sup>25</sup> And one of Lam's proposals, for an updated identity card that would allow the government to mine and store more information about individuals, may worry people concerned with personal freedom as the Chinese government amasses ever more data on its citizens.<sup>26</sup>

Hong Kong's dependence on the mainland economy left it vulnerable to the Chinese economic slowdown that began in 2015, when the annual pace of expansion slackened to the weakest in a quarter century.<sup>27</sup> Experts, even Chinese officials, blamed growing debt (total indebtedness, including government, business and household, in 2016 equaled 250 percent of annual GDP) and an abundance of housing and property investment.<sup>28</sup> Tactics the government had employed previously to boost the economy, such as spending on infrastructure, easing credit and pushing exports, had not worked.<sup>29</sup>

Beijing has struggled with a choice: cut interest rates and risk capital flowing out of the country, or raise interest rates, which might force more debt-laden companies to fail, driving joblessness.<sup>30</sup>

## Chinese Government Debt Reaches Record High

### China's government debt-to-GDP ratio, 2007-16



Source: "China Government Debt to GDP," Trading Economics/IMF, <https://tinyurl.com/ydc3xocj>

China's government debt, measured as a percentage of the nation's GDP, reached an all-time high of 46.2 percent in 2016.

The slowdown had many causes. China's working-age population peaked in 2012 and investment reached its height at 49 percent of GDP, a level seen by few countries.<sup>31</sup> The nation narrowed its technology gap, which means there now are fewer new consumers to bring on board.<sup>32</sup>

Its tactics for growth help explain the slowdown: Easy credit spawned a major boom to rebuild ancient cities into modern ones through construction of new housing, shopping malls, highways, high-speed rail lines and airports.<sup>33</sup> Chinese state investments fueled overcapacity and rising debt; government debt alone was estimated to be 46 percent of GDP in 2016.<sup>34</sup> Chinese manufacturers that once flourished by enjoying relatively inexpensive labor costs have been moving operations to places that pay even cheaper wages, such as Vietnam.<sup>35</sup> The impact of that exports drop hit Hong Kong, as well. Growth in 2017 was dependent on private consumption and government spending.<sup>36</sup>

## Structure of Hong Kong Economy

When it took control of Hong Kong from the British, China made sure that the city's wealthy and elite would remain in power. That arrangement warps Hong Kong's politics to this day and influences its economy, according to analysts such as former government official Leo Goodstadt and former property development professional Alice Poon.<sup>37</sup> They assert that while Hong Kong is often called one of the world's most liberal economies, it is actually controlled by a few wealthy families and companies that stifle competition. Poon wrote that major property companies wield a virtual monopoly in private housing and commercial property, and have bought up gas, electricity, telecommunications, grocery stores and building management companies that homeowners must hire.<sup>38</sup>

As they prepared for the handover, officials from the People's Republic recognized the need to work with and assuage Hong Kong's leading Chinese businessmen. When Chinese leaders set up a committee to draft Hong Kong's constitution, most of those named were from the business class whose investments were important to China. The selection was "a sufficiently large representation of Hong Kong residents to give it a democratic façade, but not large enough to oppose the PRC's will," wrote historian Tsang.<sup>39</sup> The elites were ensured a long-term role in setting policy by being named to Hong Kong's Executive Council, the city's top policy body, and the de facto cabinet that privately advises the chief executive.<sup>40</sup>

Today, vital industries, such as property and communications, remain monopolized by cartels and oligopolies and thrive on cronyism, Poon wrote.<sup>41</sup>



Hong Kong is known for having a low income tax rate.<sup>42</sup> But that has not been enough to maintain the living standards of most workers. Housing costs have skyrocketed, and prices of many utilities, services and groceries controlled by monopolies are rising.<sup>43</sup> The city has become the least affordable of more than 370 metropolises in the world – more expensive than Sydney, London and San Jose, Calif., the costliest U.S. city for housing.<sup>44</sup> Apartments, tiny even by New York City standards, cost 18.5 times the annual median income.<sup>45</sup>



As a consequence, entrepreneurs complain that Hong Kong poses a challenge to anyone who wishes to build a new business, recruit fresh talent, or grow a loyal consumer base, wrote Peter Guy, a former international banker there.<sup>46</sup> One such entrepreneur, Horan Fu, who started an internet lending firm, set up an office on the mainland after he was rejected by Hong Kong government-backed programs that aimed to nurture start-ups.<sup>47</sup>

Author Alice Poon

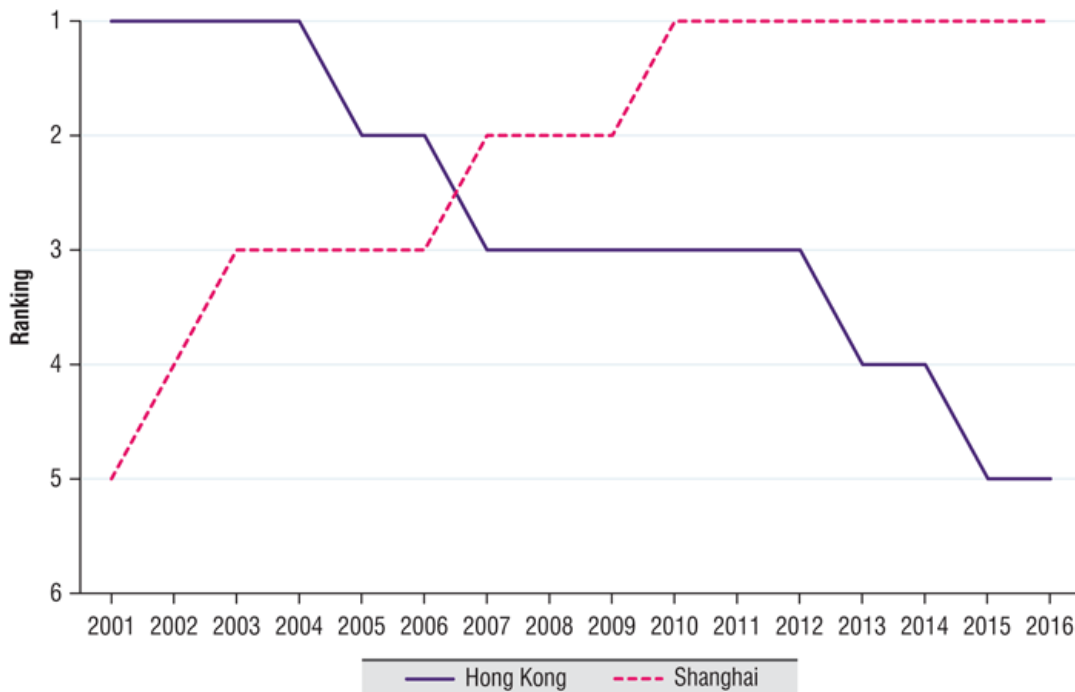
According to UBS, six cities around the world are ripe for a housing bubble – high prices fueled by demand, limited supply and speculation – and Hong Kong is one of them.<sup>48</sup> Demand has been fed by a combination of tight government regulations on development, low interest rates, and a stable currency as the supply of land, controlled by the government, continues to shrink.<sup>49</sup> Borrowing costs have been nearly the lowest in the city’s history, driving more sales.

Prices zoomed northward after the 2008 Western financial crisis, as global capital shifted to emerging economies. To discourage foreign ownership and speculation, the Hong Kong government imposed sharp fees on home purchases; the fees rose to 15 percent of the price in late 2016.<sup>50</sup> That did not discourage Chinese developers, who have outbid Hong Kong companies for land set at record prices.<sup>51</sup>

Unable to continue to pour cash into local mainland government property, Chinese developers bought \$4.9 billion of land from the Hong Kong government in the first half of 2017, or 96 percent of all such transactions by value, compared with 39 percent of the total in all of 2016.<sup>52</sup>

## Hong Kong No Longer World’s Busiest Port

### Ranking of top container ports, 2001-16



Source: "Ranking of Container Ports of the World," Marine Department, Government of the Hong Kong Special Administrative Region, <https://tinyurl.com/yd2ddcf3>

Hong Kong was the world’s fifth-busiest container port in 2016, down from No. 1 in 2004. Shanghai, meanwhile, has maintained its top ranking since 2010.

The developers’ exuberance has drawn parallels to the 1997 Asian financial crisis, a moment when Hong Kong’s crucial and fraught ties to Asia’s economies and the American stock markets became clear.

In that year, just days after Hong Kong was turned over to China, Thailand's government devalued its currency. Hong Kong's dollar came under speculative attack.<sup>53</sup> To defend the currency, Hong Kong's government raised interest rates, which caused Hong Kong stocks to sink further as investors left the equity markets to buy high-yielding bonds. The stock market index fell by about 60 percent from its height. Some observers worry that Hong Kong's inflated housing market could trigger a similar cataclysm today.<sup>54</sup>

This situation has placed enormous strains on Hong Kong residents, who privately complain bitterly about the cost of living. Fearing they will be priced out of the market altogether, buyers deplete all of their assets and borrow on their parents' existing homes to put money down on tiny flats.<sup>55</sup> Existing home prices climbed to a record in early 2017.<sup>56</sup> In April, new 430-square-foot flats on the eastern edge of Hong Kong island, a congested suburban stretch a half-hour train commute from the city center, sold for at least \$1.33 million.<sup>57</sup>

Many cannot save enough to buy. About a third of the city's 2.5 million households live in public housing.<sup>58</sup> Thousands live in units subsidized by the government.<sup>59</sup> Demand is heavy; by the end of September, the city had received about 152,700 applications for public housing, about 127,400 from single adults of working age. The average waiting time for applicants has been 4.6 years.<sup>60</sup>

Meanwhile, income growth has stagnated. The median monthly wage of the city's workers was HK\$16,200 (about US \$2,075) in 2016.<sup>61</sup> In real dollars, that was an increase of HK\$700 from 2015.<sup>62</sup> But since the handover, income growth has nearly stopped for people in the lower third of wage earners.<sup>63</sup> Income has risen for just the top 30 percent of residents.<sup>64</sup> One-fifth of the city's residents live below the poverty line – deemed to be less than half of the median monthly household income – with the elderly most vulnerable.<sup>65</sup>

Officials realize that the situation is becoming a crisis for even middle-class residents. In her first policy address in July, Chief Executive Lam announced that some developers will be required to pursue mixed-income developments and some homes will be priced for first-time buyers.<sup>66</sup>

## Political Discontent

Politicians, economists and journalists agree that Hong Kong's government must address these challenges to avoid losing its richest, smartest residents through migration. The city has been mired for years in fights to change its governance, reforms that proponents say would allow the electorate and the camp that favors democracy a greater say in Hong Kong's policies and its economic future.

China's announcement three years ago that it would permit elections for the chief executive but limit the number and choice of candidates touched off a nearly three-month street occupation with more than a half million participants at its height. Dubbed the Umbrella Revolution, for the use of the rain gear as protection from police pepper spray, the revolt ended in December 2014 without winning any concessions. As a result, the city legislature rejected what it called "fake democracy," and the current elections system remains in place.<sup>67</sup>

The resulting anger fed even more radical movements, including one that demands independence from China. The Beijing and Hong Kong governments responded with a crackdown. After an unusual ruling from Beijing's national legislature in November 2016, a judge expelled six Legislative Council members who backed democracy, opposed massive development of rural villages and favored a mandatory pension scheme.<sup>68</sup> Students and opposition figures are being prosecuted, and several have been imprisoned.<sup>69</sup>



A destroyer cruises past the Hong Kong skyline, part of a Chinese naval task force that visited the city on the 20<sup>th</sup> anniversary of the British handover. (Keith Tsuji/Getty Images)

Chinese President Xi Jinping's government has moved swiftly to tamp down talk of secession and made clear that Beijing controls Hong Kong. When he visited in July for the first time as president, he warned that opposing China would be "impermissible."<sup>70</sup> Pro-democracy activists, such as the League of Social Democrats, and Anson Chan, once the second-highest official in the Hong Kong government before and after the handover, say they expect that economic strains and limits on residents' protests will feed anger and instability.<sup>71</sup> Many more residents talk about leaving the city.<sup>72</sup> All of those factors could create problems for the economy.

## Slow Going Ahead?

Some economists say that important economic indicators show Hong Kong doing well. Wage growth, consumer price trends, GDP, tourist arrivals and even betting turnover on horse racing are all positive, according to Asianomics Group, a Hong Kong-based economic research firm. Some analysts, such as Innes of Oanda, say the city will continue to thrive because of its necessary role as a financial service provider.<sup>73</sup>

Jim Walker, an economist and managing director of Asianomics, says Hong Kong enhances China's finances, while China has aided property investment and rising consumption that feeds wage growth and low unemployment. He says he is not worried about China's large debt or its cooling growth rate.

"Every headline about China this year has been about an impending financial collapse, the growth of economic slowing, monetary policy tightening. I'm afraid none of it is true," Walker says. While the Chinese economy softened in 2015-16, since then it has picked up, he says, and when the national economy grows, Hong Kong's does, as well.

Some economists and analysts say it is likely that Hong Kong will continue to motor along as long as China's economy grows. But that is not certain. In May, Moody's downgraded China and Hong Kong's credit ratings.<sup>74</sup> The ratings firm said that "any erosion in China's credit profile" affects Hong Kong's.<sup>75</sup>

"I would say there's a lot of uncertainty around the Chinese economy. The most likely scenario is it slows down gradually in 2018," says David Dollar, senior fellow at the John L. Thornton China Center at the Brookings Institution, a Washington think tank. China is trying to slow credit growth to address the debt that has risen faster than GDP, Dollar says.

"This tighter financial condition should lead to slower investment and slower growth.... Any kind of slowdown should have some effect on Hong Kong," Dollar says. "But a gradual slowing should have a minor effect."



## About the Author

Suzanne Sataline is an independent journalist who lives in Hong Kong and the United States. As a 2017 fellow at the Alicia Patterson Foundation, she researched a book on Hong Kong history and politics. She is a graduate of Columbia University's Masters of Fine Arts program and was a Nieman fellow at Harvard University. She is a regular contributor to Foreign Policy's website and has published in The New York Times, The New Yorker, The Economist, The Guardian, The Washington Post, Popular Science and National Geographic. The cost of her 400-square-foot flat in Hong Kong is seven times greater than that of her storage unit in New York City. She previously reported for SAGE Business Researcher on [China's economic slowdown](#) and [Chinese living abroad](#).

## Chronology

**1841 to 1945**

**Hong Kong becomes a British dependency.**

- 1841** Two years after Britain began a war with China over the right to sell opium, the Crown claims sovereignty over Hong Kong island. Days later, British officer Charles Elliot declares Hong Kong a free port.
- 1842** Treaty of Nanking cedes Hong Kong to Britain "in perpetuity."
- 1865** The Hong Kong and Shanghai Banking Corporation – later known as HSBC – is founded.
- 1898** With the Convention of Peking, Hong Kong's New Territories – a mainland stretch of wetlands and mountains south of the Sham Chun River – are leased to Britain for 99 years.
- 1937** Japan invades China. Refugees pour into Hong Kong.
- 1941** After bombing Pearl Harbor, Japanese forces invade and occupy Hong Kong.
- 1947-1997** **The economy and unrest both grow.**
- 1947-49** During the civil war between Chinese Communist and Nationalist forces, Shanghai firms move their operations to Hong Kong.... With the Communist victory in 1949, Mao Zedong declares the founding of the People's Republic of China. Nationalists flee to Taiwan. The next year, Hong Kong's government limits immigration from China.
- 1953** A squatter fire in Hong Kong's Kowloon region leaves more than 58,000 homeless. The government undertakes housing, health and education changes.
- 1960s** Low taxes, lenient employment laws, absence of government debt and free trade spur Hong Kong's economic development. But social unrest leads Hong Kong to devote public money to welfare programs.
- 1967** A labor dispute turns into riots led by city leftists, who use bombs and gunfire against the colonial police force.
- 1978** Chinese paramount leader Deng Xiaoping announces a new economic plan to open his country to the outside world. Hong Kong becomes China's main provider of capital and, soon, commercial and financial services.
- 1980** Chinese city of Shenzhen, bordering Hong Kong, becomes the nation's first economic zone to experiment with market policies. The fishing village balloons into a manufacturing and shipping hub with financing help from Hong Kong tycoons. Hong Kong companies start to transfer work to the mainland to take advantage of cheaper wages, and Hong Kong moves toward a service economy.
- 1983** Deng announces unilaterally that China will assume sovereignty over Hong Kong in 1997. China and U.K. Prime Minister Margaret Thatcher formalize the move one year later with the Sino-British Joint Declaration.... Hong Kong pegs its currency to the U.S. dollar to stop a currency crisis.
- 1989** More than a million protesters throughout China demand democratic changes and an end to corruption. Soldiers kill hundreds, perhaps thousands, around Beijing's central Tiananmen Square. More than a million people protest in Hong Kong and two members of its constitutional drafting committee resign in protest.
- 1991** China approves Hong Kong's Basic Law, which gives the territory's residents unprecedented rights and freedoms. The document also permits China's legislature, after the handover, to amend any Hong Kong law and issue opinions on legal cases before the territory's courts.

|                     |  |
|---------------------|--|
| <b>1997</b>         | Britain relinquishes control of Hong Kong to China. The territory is governed by its own constitution that protects civil and legal rights and provides for relative autonomy in a system under “one country, two systems.” Shortly after the handover, an Asian financial crisis begins after Thailand devalues its currency. |
| <b>2000-Present</b> | <b>China rises and takes control.</b>  |
| <b>2003</b>         | A viral disease called SARS strikes Hong Kong, killing nearly 300 people.... After a recession pushes up unemployment, China seeks to stimulate the economy by allowing mainland citizens to travel individually to Hong Kong, spurring migration to the territory.  |
| <b>2004</b>         | China’s legislature rules that changes to Hong Kong’s election laws require Beijing’s approval.  |
| <b>2005</b>         | China becomes the world’s fourth-largest economy. It will later become the second biggest.   |
| <b>2012</b>         | Party General Secretary Xi Jinping assumes control of the state and the presidency.  |
| <b>2014</b>         | Students launch a nearly three-month protest joined by tens of thousands of residents to demand changes to the city’s election system. No concessions result.  |
| <b>2015</b>         | Some Hong Kong residents demand the government limit the number of mainland Chinese moving to the city.... Four men linked to a company that sells books critical of China’s elite go missing; one resurfaces and tells the press that Chinese state security kidnapped them.  |
| <b>2016</b>         | Hong Kong’s economy contracts. Some Hong Kong activists demand that Hong Kong become independent of China. Beijing officials label them separatists and order that such talk cease.  |
| <b>2017</b>         | Xi visits Hong Kong for the 20th anniversary of the handover and warns that challenges to Beijing’s authority will not be allowed. Hong Kong chief executive Carrie Lam signals that the city will join China’s trade and development initiative called “One Belt, One Road.”  |

## Resources for Further Study

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## Organizations

### American Chamber of Commerce in Hong Kong

Bank of America Tower, Room 1904, 12 Harcourt Road, Central, Hong Kong  
852-2530-6900

[www.amcham.org.hk](http://www.amcham.org.hk)

A membership organization that promotes American business interests in Hong Kong.

### Brookings Institution

1775 Massachusetts Ave., N.W., Washington, DC 20036  
1-202-797-6000

[www.brookings.edu](http://www.brookings.edu)

A public policy research organization with a sister center in Beijing.

### Hong Kong Democratic Foundation

Unit 7, 5/F, Eastern Harbour Centre, 28 Hoi Chak St., Quarry Bay, Hong Kong  
852-3104-2767

[www.hkdf.org](http://www.hkdf.org)

[facebook.com/HongKongDemocraticFoundation/](https://facebook.com/HongKongDemocraticFoundation/)

A think tank that disseminates information on public policy issues, including the democratic development of Hong Kong.

### **Hong Kong Institute of Economics and Business Strategy**

University of Hong Kong, Pokfulam Road, Hong Kong

852-2547-8313

[www.hiebs.hku.hk/](http://www.hiebs.hku.hk/)

A research center that focuses on the study of economic policy and business strategy.

### **Lau Chor Tak Institute of Global Economics and Finance**

Chinese University of Hong Kong, 13/F Cheng Yu Tung Building, 12 Chak Cheung St., Shatin, New Territories, Hong Kong

852-3943-1620

[www.igef.cuhk.edu.hk/index.php/en/](http://www.igef.cuhk.edu.hk/index.php/en/)

A research institute at one of Hong Kong's leading universities that aims to make the Chinese monetary and financial system more transparent.

### **New York University Center for Global Economy and Business**

NYU Stern, Henry Kaufman Management Center, 44 W. Fourth St., New York, NY 10012

1-212-998-0100

[www.stern.nyu.edu/experience-stern/about/departments-centers-initiatives/centers-of-research/global-economy-business](http://www.stern.nyu.edu/experience-stern/about/departments-centers-initiatives/centers-of-research/global-economy-business)

A division of the Stern School of Business that promotes faculty research on global aspects of modern economies and business. Its China initiative offers specialized information on that country.

### **RAND Corp.**

1776 Main St., Santa Monica, CA 90401

1-310-393-0411

[www.rand.org](http://www.rand.org)

A think tank that conducts research and analysis on international affairs and other issues.

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