



# U.S. Trade with Hong Kong

## Summary

In 2020, BIS twice amended the Export Administration Regulations (EAR) concerning Hong Kong, as part of revised U.S. policy toward Hong Kong, in response to the newly imposed security measure on Hong Kong by the government of China. First, effective on July 31, 2020, BIS suspended all license exceptions for Hong Kong that provide differential treatment as compared to those available to China. Second, effective on December 23, 2020, BIS removed Hong Kong as a Separate Destination under the EAR.

In 2020, the U.S. exports to Hong Kong continued a downward trend. In 2020, the U.S exports totaled \$24.0 billion, a 22.1% decrease (\$6.8 billion) from 2019; the U.S. imports from Hong Kong totaled \$7.9 billion, a 67.6% increase (\$3.2 billion); and the trade surplus was \$16.1 billion, a 38.4% decrease (\$10.0 billion).

In 2020, of \$24.0 billion in the U.S. exports to Hong Kong, the top commodity sectors were Machinery and Mechanical Appliances (45.8%), Stone, Glass, and Semiprecious Metals (12.3%) and Agriculture products (9.2%).

In 2020, of \$7.9 billion in the U.S. imports from Hong Kong, the top commodity sectors were Stone, Glass, & Semiprecious Metals (68.7%), Special Classification Items, such as items under Temporary Legislation; Temporary Modifications proclaimed pursuant to Trade Agreements Legislation; Additional Import Restrictions Proclaimed Pursuant to Section 22 of the Agricultural Adjustment Act (16.1%), and Machinery and Mechanical Appliances (5.6%).

In 2020, BIS reviewed 278 export/re-export applications (not including deemed export applications) valued at \$14.1 billion for Hong Kong, out of a total of 38,203 applications worldwide for tangible items, software and technology valued at \$219.4 billion. Approved applications for Hong Kong totaled 160 (57.6% of the total applications) for \$6.0 billion, compared to the 32,996 (86.4%) approved applications for all destinations that totaled \$120.5 billion.

In 2020, BIS reviewed two deemed export applications from Hong Kong, out of 1,216 applications worldwide for deemed exports. BIS approved one application (50.0%) for Hong Kong, compared to 1,068 (87.8%) approved applications worldwide for deemed exports. BIS made RWA for another application.

In 2020, BIS approved a license value of \$6.0 billion for Hong Kong, much higher than the approval value of \$200 to \$500 million in the previous years. The top approved ECCN by value was 5A992 for Equipment not controlled by 5A002 with an approval value of \$1.7 billion.

In 2020, BIS denied a total of 50 license applications from Hong Kong, significantly more than 31 denials in 2019 and 3 to 8 denials from 2016 to 2018. Most of denials are for items that could be used by police forces, such as 1A613 for Armored and protective "equipment" and related commodities (13 denials), 1A004 for Protective and detection equipment and "components," not "specially designed" for military use (4 denials) and 0A982 for Handcuffs, Leg Iron and Shackles (3 denials).

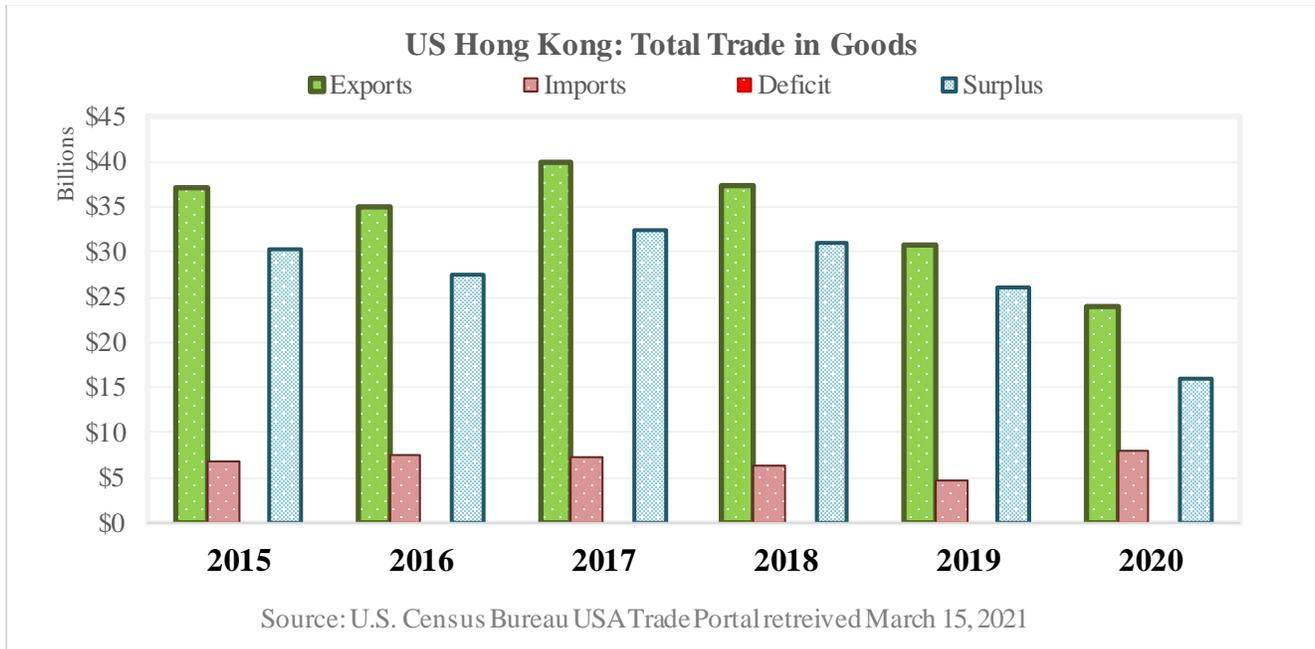
In 2020, the average processing time for Hong Kong was 41 days.



# U.S. Trade with Hong Kong

## I. Total U.S. Trade in goods with Hong Kong

In 2020, the U.S. exports to Hong Kong continued a downward trend. In 2020, the U.S exports to Hong Kong totaled \$24.0 billion, a 22.1% decrease (\$6.8 billion) from 2019; the U.S. imports from Hong Kong totaled \$7.9 billion, a 67.6% increase (\$3.2 billion); and the trade surplus was \$16.1 billion, a 38.4% decrease (\$10.0 billion).



In 2020, **1.7%** of the total **U.S. exports** were shipped to Hong Kong while **0.3%** of total **U.S. Imports** were delivered from Hong Kong. In 2020, the level of U.S. exports to Hong Kong are below the previous five year average level by value not adjusted for inflation; while the level of U.S. imports from Hong Kong are higher than the previous five year average level by value not adjusted for inflation. The U.S. maintains a trade surplus with Hong Kong in the last six years, although it shows a downward trend from \$30.4 billion in 2015 to \$16.1 billion in 2020.

	2015	2016	2017	2018	2019	2020	2015-2019 Average
EXPORTS	\$37,182.7	\$34,895.4	\$39,854.8	\$37,310.8	\$30,782.8	\$23,986.5	\$36,005.3
Δvalue	--	-\$2,287.4	\$4,959.4	-\$2,543.9	-\$6,528.1	-\$6,796.3	
Δpct	--	-6.2%	14.2%	-6.4%	-17.5%	-22.1%	
IMPORTS	\$6,801.6	\$7,406.8	\$7,372.2	\$6,273.6	\$4,734.5	\$7,933.9	\$6,517.7
Δvalue	--	\$605.2	-\$34.6	-\$1,098.7	-\$1,539.1	\$3,199.4	
Δpct	--	8.9%	-0.5%	-14.9%	-24.5%	67.6%	
BALANCE	\$30,381.1	\$27,488.5	\$32,482.6	\$31,037.3	\$26,048.3	\$16,052.6	\$29,487.6
Δvalue	--	(\$2,892.6)	\$4,994.0	(\$1,445.3)	(\$4,989.0)	(\$9,995.7)	
Δpct	--	-9.5%	18.2%	-4.4%	-16.1%	-38.4%	

Values in Millions of U.S. Dollars. Source: U.S. Census Bureau USA Trade Portal March 15, 2021



# U.S. Trade with Hong Kong

In 2020, of \$24.0 billion in the U.S. exports to Hong Kong, the top commodity sectors were Machinery and Mechanical Appliances (45.8%), Stone, Glass, and Semiprecious Metals (12.3%) and Agriculture products (9.2%).

In 2020, of \$10.0 billion in the U.S. imports from Hong Kong, the top commodity sectors were Stone, Glass, & Semiprecious Metals (68.7%), Special Classification Items, such as items under Temporary Legislation; Temporary Modifications proclaimed pursuant to Trade Agreements Legislation; Additional Import Restrictions Proclaimed Pursuant to Section 22 of the Agricultural Adjustment Act (16.1%), and Machinery and Mechanical Appliances (5.6%).

Imports from Hong Kong by Sector	Hong Kong Commodity Trade 2020	US exports to Hong Kong by Sector
<b>\$7,933,910,873</b>	<b>Total Value All Commodities</b>	<b>\$23,986,487,694</b>
1.7%	Agriculture (Chapters 01-24)	9.2%
0.0%	Minerals (Chapters 25-27)	0.8%
1.5%	Chemicals, Plastics, Leather Products (Chapters 28-43)	7.7%
0.7%	Wood Products (Chapters 44-49)	0.6%
2.5%	Textiles and Footwear (Chapters 50-67)	1.0%
68.7%	Stone, Glass, & Semiprecious Metals (Chapters 68-71)	12.3%
0.6%	Base metals (Chapters 72-83)	1.7%
5.6%	Machinery & Mechanical Appliances (Chapters 84-85)	45.8%
0.2%	Transportation Equipment (Chapters 86-89)	7.2%
0.9%	Optical, Measuring, Medical or Other Instruments (Chapters 90-92)	6.9%
0.0%	Arms & Ammunition (Chapter 93)	0.0%
1.1%	Miscellaneous Manufactured Items (Chapters 94 -96)	0.7%
0.3%	Art & Antiques (Chapter 97)	4.4%
16.1%	Special Items (Chapters 98-99** Imports only 99)	1.7%

Source: U.S. Census Bureau USATrade Portal retrieved March 15, 2021

## Exports

In 2020, the U.S. exported \$1.1 billion worth of Art and Antiques to Hong Kong, representing 12.9% of total U.S. exports to the World of those commodities.

## Imports

In 2020, the U.S. imported \$5.4 billion worth of Stone, Glass, and Semiprecious Metals from Hong Kong, representing 4.3% of the total U.S. imports of those commodities.



## II. U.S. Exports to Hong Kong subject to U.S. Government Filing Requirements

In 2020, of \$24.0 billion in U.S. exports to Hong Kong:

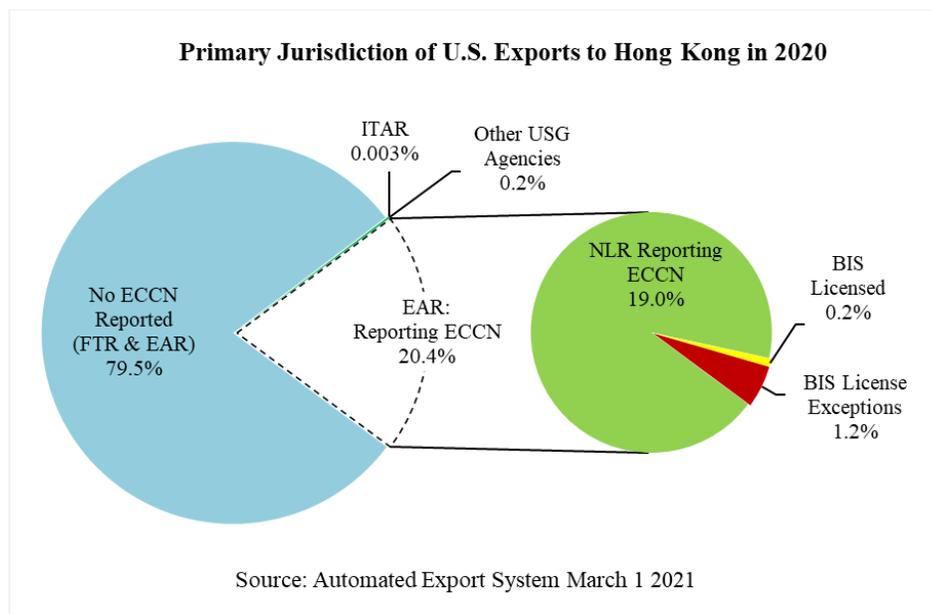
- \$330.1 million (1.4% of the total exports) were subject to a BIS license requirement:
  - 0.2% were exported under a BIS license; Worldwide, 0.5% were exported under a BIS license.
  - 1.2% were exported under a BIS license exception; Worldwide, 1.0% were exported under a BIS license exception.
- 19.0% were exported under No License Required with an ECCN reported, 600-series .y subparagraph under No License Required (NLR) and 5A001 .y subparagraph Firearms under NLR; Worldwide, 10.7% were exported under NLR with an ECCN reported, 600-series .y Subparagraph under NLR and 5A001 .y subparagraph Firearms under NLR.

Hong Kong			
	2018	2019	2020
Department of State	\$4.3	\$3.9	\$0.7
Other USG Agencies	\$11.7	\$6.6	\$36.7
Department of Commerce	\$37,294.8	\$30,772.3	\$23,949.1
BIS Licensed	\$9.4	\$10.0	\$52.4
BIS License Exceptions	\$432.7	\$440.4	\$277.7
NLR reporting an ECCN	\$5,525.2	\$4,900.1	\$4,551.1
NLR not reporting an ECCN	\$31,327.4	\$25,421.8	\$19,067.6
600-Series ".Y" paragraph NLR	\$0.01	\$0.01	\$0.001
YFA ".Y" paragraph Firearms NLR	\$0.0	\$0.0	\$0.2

Values in Millions of U.S. Dollars. Source: Automated Export System March 1, 2021

Reasons for Control	Chemical and Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Convention	Crime Control			Anti-Terrorism	
	CB:1	CB:2	CB:3	NP:1	NP:2	NS:1	NS:2	MT:1	RS:1	RS:2	FC:1	CC:1	CC:2	CC:3	AT:1	AT:2
Hong Kong	X	X		X		X	X	X	X	X		X		X		

CFR 15 Part 738 Supplement 1

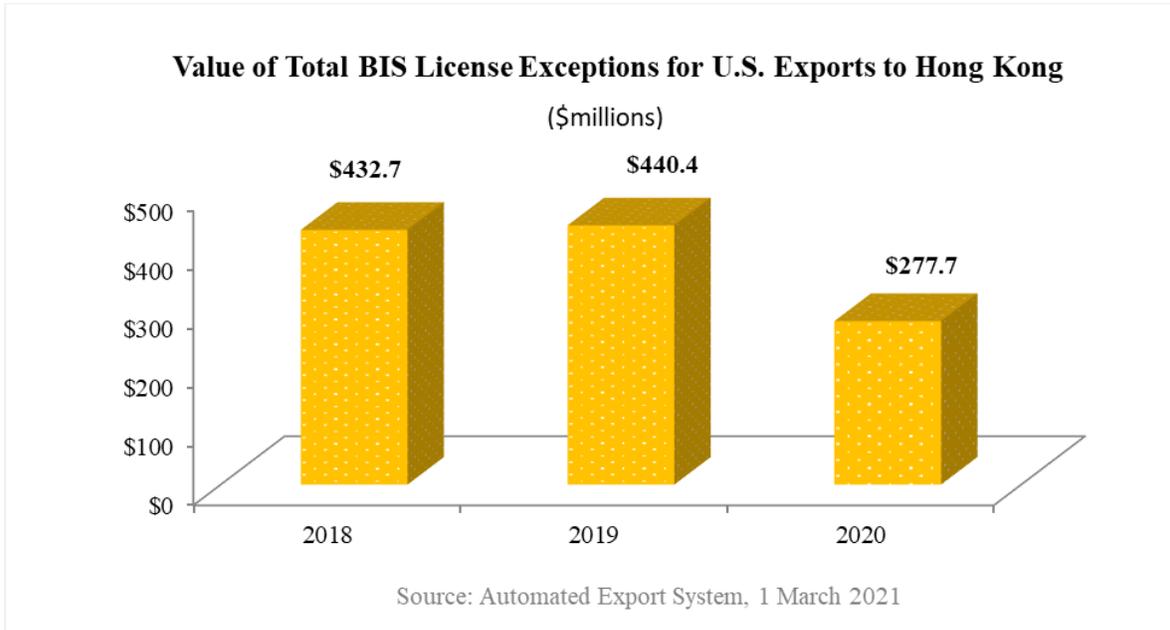




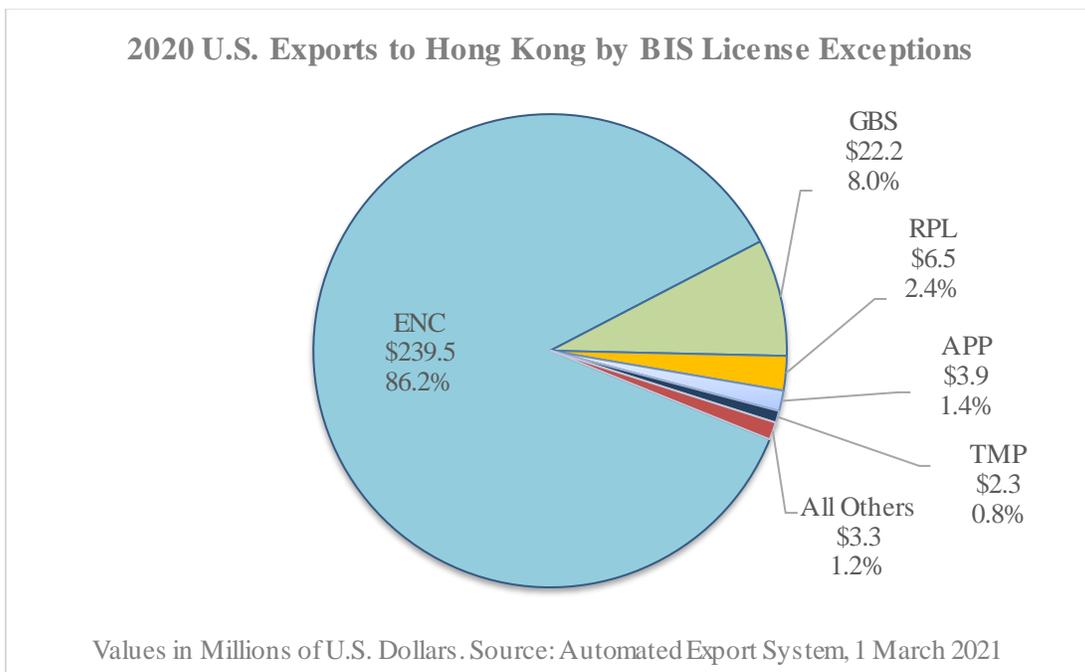
# U.S. Exports to Hong Kong

Effective on July 31, 2020, as part of revised U.S. policy toward Hong Kong in response to the newly imposed security measure on Hong Kong by the government of China, BIS suspended all license exceptions for Hong Kong that provide differential treatment as compared to those available to the People’s Republic of China.

As a result, in 2020, the U.S. exports to Hong Kong shipped under a BIS license exception totaled \$277.7 million, a 36.9% (\$162.7 million) decrease from 2019.

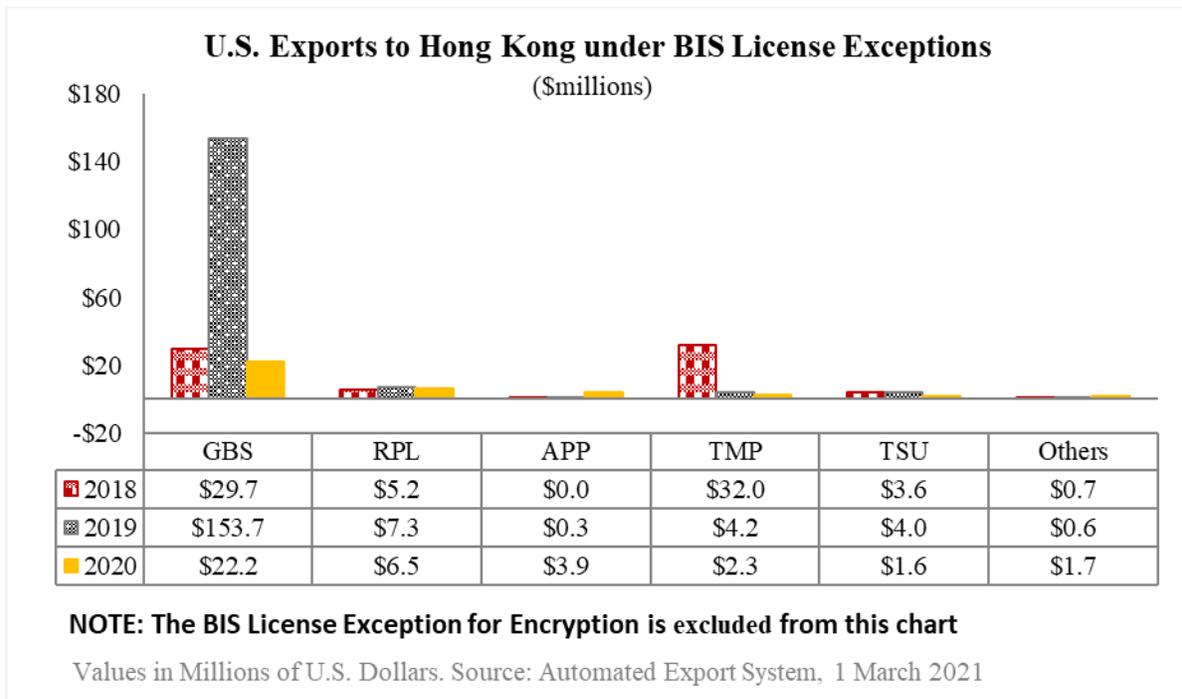
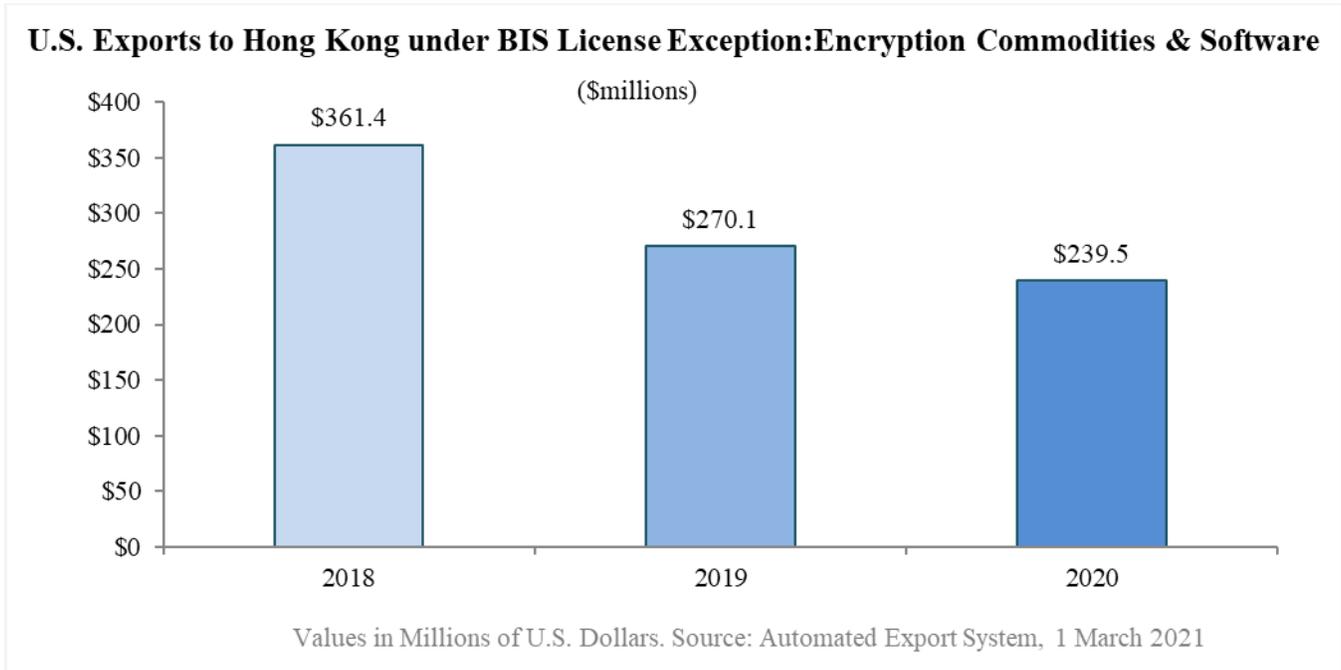


In 2020, the top license exception Encryption Commodities, Software and Technology (ENC) totaled \$239.5 million (86.2% of all license exceptions).





# U.S. Exports to Hong Kong





## U.S. Exports to Hong Kong by Top Ten Export Control Classification Numbers (ECCN)

Top Ten ECCNs by Value to Hong Kong (\$millions)		
<b>LICENSED</b>	#1	5A991 Telecommunication Equip. Not Controlled by 5A001
	#2	3A001 Electronic Components
	#3	5A002 Systems/Equip./Integrated Circuits for Info Sec
	#4	7A994 Other Navigation Direction Finding Equip. ... Not Controlled under 7A003
	#5	EAR99 Items subject to the EAR that are not elsewhere controlled
	#6	5B991 Telecommunications Test Equip.
	#7	7A103 Instrumentation, Navigation Equip./Systems Not
	#8	9A991 Aircraft N.E.S. and Gas Turbine Engines not Controlled by 9A001 or 9A1
	#9	5A992 Equipment not controlled by 5A002 (see List of Items Controlled).
	#10	3A233 Mass Spectrometers

Note: ECCN descriptions have been truncated: please review Commerce Control List for full description

Top Ten ECCNs by Value to Hong Kong (\$millions)		
<b>EXCEPTIONS</b>	#1	5A002 Systems/Equip./Integrated Circuits for Info Sec
	#2	3A001 Electronic Components
	#3	9A991 Aircraft N.E.S. and Gas Turbine Engines not Controlled by 9A001 or 9A1
	#4	4A003 "Digital Computers," "Electronic assemblies" and Related Equip. theref
	#5	EAR99 Items subject to the EAR that are not elsewhere controlled
	#6	5B002 "Information Security" test, inspection and "production" equipment
	#7	5A991 Telecommunication Equip. Not Controlled by 5A001
	#8	No ECCN No ECCN is required for License Exceptions TMP*
	#9	5D002 "Software" as follows (see List of Items Controlled)
	#10	7A103 Instrumentation, Navigation Equip./Systems Not

Note: ECCN descriptions have been truncated: please review Commerce Control List for full description

Top Ten ECCNs by Value to Hong Kong (\$millions)		
<b>NLR with ECCN</b>	#1	5A991 Telecommunication Equip. Not Controlled by 5A001
	#2	9A991 Aircraft N.E.S. and Gas Turbine Engines not Controlled by 9A001 or 9A1
	#3	5A992 Equipment not controlled by 5A002 (see List of Items Controlled).
	#4	3A991 Electronic Devices and Components
	#5	7A994 Other Navigation Direction Finding Equip. ... Not Controlled under 7A003
	#6	3A992 General Purpose Electronic Equip. Note Controlled by 3A002
	#7	4A994 Computers Not Controlled By 4A001 or 4A003
	#8	3A999 Specific Processing Equip., N.E.S.
	#9	5B991 Telecommunications Test Equip.
	#10	6A991 Marine Or Terrestrial Acoustic Equip., N.E.S., Capable of Detecting Or

Note: ECCN descriptions have been truncated: please review Commerce Control List for full description



## U.S. Exports to Hong Kong by Top Ten Export Control Classification Numbers (ECCN)

Top Ten ECCNs to Hong Kong by Shipment Count		
<b>LICENSED</b>	#1	7A994 Other Navigation Direction Finding Equip. ... Not Controlled under 7A003
	#2	5A991 Telecommunication Equip. Not Controlled by 5A001
	#3	5A002 Systems/Equip./Integrated Circuits for Info Sec
	#4	9A991 Aircraft N.E.S. and Gas Turbine Engines not Controlled by 9A001 or 9A1
	#5	3A001 Electronic Components
	#6	EAR99 Items subject to the EAR that are not elsewhere controlled
	#7	9A515 Spacecraft and Related Commodities
	#8	1C234 Zirconium, with a Hafnium Content
	#9	1C351 Human and Animal Pathogens and toxins
	#10	5A992 Equipment not controlled by 5A002 (see List of Items Controlled).

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Top Ten ECCNs to Hong Kong by Shipment Count		
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	#8	5D992 "Information Security" "software" not controlled by 5D002 as follo
	#9	7A103 Instrumentation, Navigation Equip./Systems Not
	#10	5A991 Telecommunication Equip. Not Controlled by 5A001

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Top Ten ECCNs to Hong Kong by Shipment Count		
<b>NLR with ECCN</b>	#1	5A991 Telecommunication Equip. Not Controlled by 5A001
	#2	9A991 Aircraft N.E.S. and Gas Turbine Engines not Controlled by 9A001 or 9A1
	#3	5A992 Equipment not controlled by 5A002 (see List of Items Controlled).
	#4	3A991 Electronic Devices and Components
	#5	7A994 Other Navigation Direction Finding Equip. ... Not Controlled under 7A003
	#6	4A994 Computers Not Controlled By 4A001 or 4A003
	#7	3A992 General Purpose Electronic Equip. Note Controlled by 3A002
	#8	3B992 Equip. for the Inspection/Testing of Components not Controlled buy 3B0
	#9	3A999 Specific Processing Equip., N.E.S.
	#10	8A992 Vessels, Marine Systems or Equip. not Controlled by 8A001 or 8A002...

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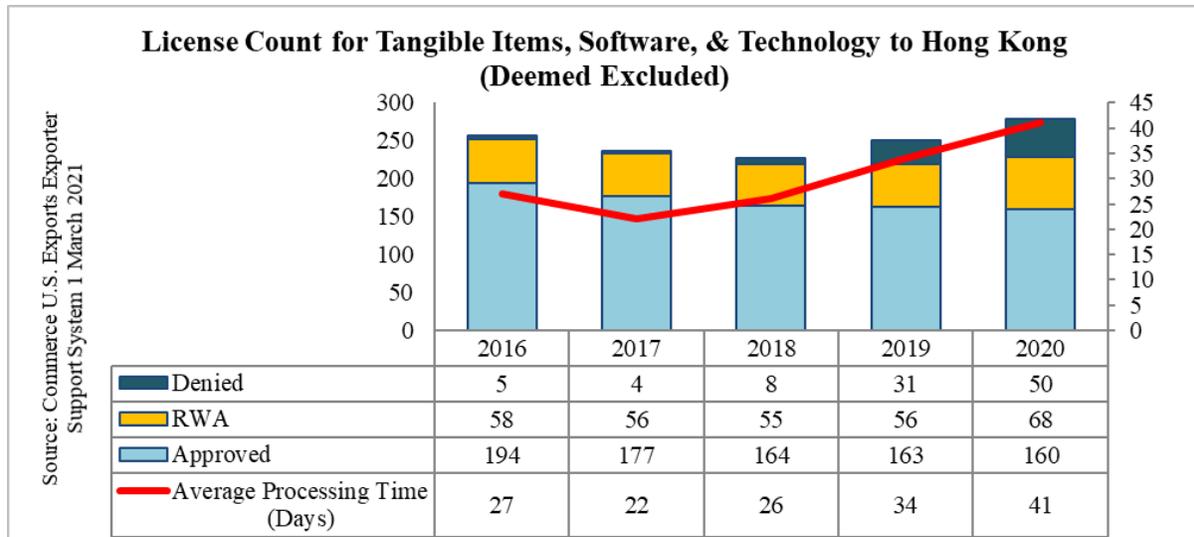
### III. BIS Licensing to Hong Kong

In 2020, BIS reviewed 278 export/re-export applications (not including deemed export applications) valued at \$14.1 billion for Hong Kong, out of a total of 38,203 applications worldwide for tangible items, software and technology valued at \$219.4 billion.

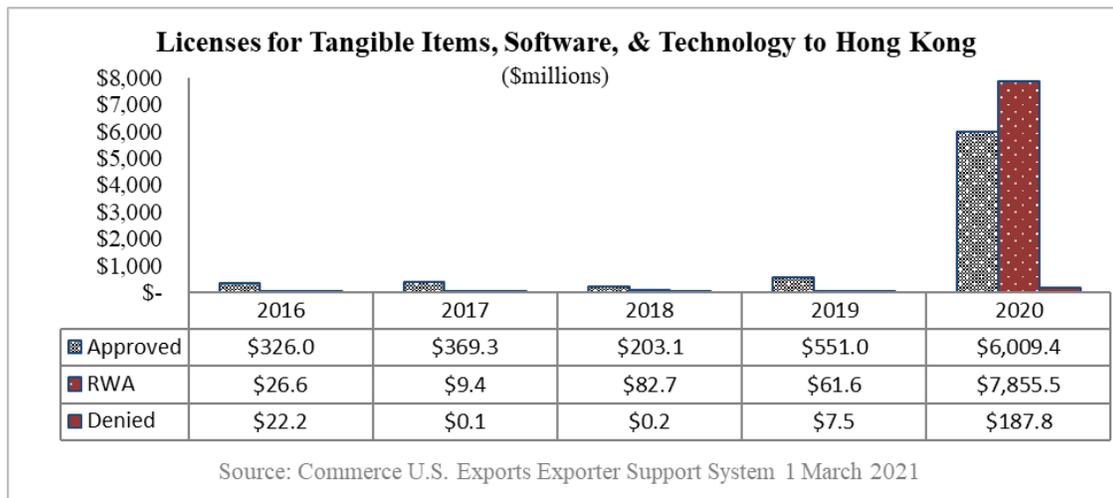
– Approved applications for Hong Kong totaled 160 (57.6% of the total applications) for \$6.0 billion, compared to the 32,996 (86.4%) approved applications for all destinations that totaled \$120.5 billion.

In 2020, BIS reviewed two deemed export applications from Hong Kong, out of 1,216 applications worldwide for deemed exports.

– BIS approved one application (50.0%) for Hong Kong, compared to 1,068 (87.8%) approved applications worldwide for deemed exports. BIS made RWA for another application for Hong Kong.



In 2020, BIS approved a license value of \$6.0 billion for Hong Kong, much higher than the approval value of \$200 to \$500 million dollars in the previous years. The top ECCN by value was 5A992 for Equipment not controlled by 5A002 with an approval value of \$1.7 billion.





Top Ten Approved (with deemed) ECCNs to Hong Kong by Count		2016	2017	2018	2019	2020	% of World Total 2020
<b>APPROVED</b>	#1 <b>EAR99</b> Items subject to the EAR that are not elsewhere...	2	0	0	2	44	4.9%
	#2 <b>1A004</b> Protective and Detection Equip.	16	14	15	32	17	3.1%
	#3 <b>6A003</b> Cameras	5	3	18	18	15	1.3%
	#4 <b>1C351</b> Human and Animal Pathogens and toxins	22	16	13	4	10	1.1%
	#5 <b>9A991</b> Aircraft N.E.S. and Gas Turbine Engines not Contro	0	0	0	0	9	5.4%
	#6 <b>1D003</b> Software Designed for Eqpt Controlled Under 1A004	2	3	4	4	9	6.0%
	#7 <b>3A001</b> Electronic Components	6	2	5	4	8	0.6%
	#8 <b>5A002</b> Systems/Equip./Integrated Circuits for Info Sec	13	7	3	11	6	1.2%
	#9 <b>3A233</b> Mass Spectrometers	22	13	8	10	6	1.3%
	#10 <b>1C234</b> Zirconium, with a Hafnium Content	4	2	1	5	5	5.9%

Source: Commerce U.S. Exports Exporter Support System 20 March 2021

Note: ECCN Descriptions have been truncated: please review Commerce Control List for Full Description

In 2020, BIS denied a total of 50 license applications for Hong Kong, significantly more than 31 denials in 2019 and 3 to 8 denials from 2016 to 2018. Most of denials are for items that could be used by police force, such as 1A613 for Armored and protective "equipment" and related commodities (13 denials), 1A004 for Protective and detection equipment and "components," not "specially designed" for military use (4 denials) and 0A982 for Handcuffs, Leg Iron and Shackles (3 denials).

Top Ten Denied (with deemed) ECCNs to Hong Kong by Count		2020	% of World Total 2020
<b>Denied</b>	#1 <b>1A613</b> Armored and Protective Equip., Constructions, and Components	13	86.7%
	#2 <b>EAR99</b> Items subject to the EAR that are not elsewhere controlled	7	6.4%
	#3 <b>3A001</b> Electronic Components	6	19.4%
	#4 <b>5D992</b> "Information Security" "software" not controlled by 5D002 as follo	5	35.7%
	#5 <b>1A004</b> Protective and Detection Equip.	4	100.0%
	#6 <b>0A982</b> Handcuffs, Leg Irons and Shackles	3	60.0%
	#7 <b>5A991</b> Telecommunication Equip. Not Controlled by 5A001	3	33.3%
	#8 <b>0A501</b> Firearms (except 0A502 shotguns) and related commodities as follows (s	2	18.2%
	#9 <b>0A505</b> Ammunition as follows (see List of Items Controlled)	2	33.3%
	#10 <b>0A987</b> Optical Sighting Devices for Firearms	2	40.0%

Source: Commerce U.S. Exports Exporter Support System 20 March 2021

Note: ECCN Descriptions have been truncated: please review Commerce Control List for Full Description



## Summary of U.S. Exports to Hong Kong

Summary of U.S. Exports to Hong Kong Calendar Year 2020				
	CY2020	CY2019	% of Total Exports	Percentage Change from previous year
Total Exports	\$23,986,487,694	\$30,782,762,648		-22.1%
Total Subject to ITAR	\$680,943	\$3,854,427	<b>0.003%</b>	-82.3%
Subject to Other Gov. Agencies	\$36,748,392	\$6,588,969	<b>0.2%</b>	457.7%
Detailed Summary of EAR-Controlled Exports				
AES License Type	Description	Value	Percentage of Total	Percentage Description
C30	Licenses	\$52,387,831	100.0%	
VDC	Voluntary Disclosure			
<b>Total of Licensed</b>		\$52,387,831	<b>0.2%</b>	total licensed/total exports
C35	LVS	\$7,562	0.003%	
C36	GBS	\$22,183,635	8.0%	
C40	TMP	\$2,255,953	0.8%	
C41	RPL	\$6,534,944	2.4%	
C42	GOV	\$19,904	0.01%	
C43	GFT	\$29,425	0.01%	
C44	TSU	\$1,630,325	0.6%	
C45	BAG	\$95,500	0.03%	
C46	AVS	\$1,493,319	0.5%	
C50	ENC	\$239,522,751	86.2%	
C53	APP	\$3,887,359	1.4%	
C59	STA	\$51,235	0.02%	
<b>Total of License Exceptions</b>		\$277,711,912	<b>1.2%</b>	total license exceptions/total exports
			84.1%	total license exceptions/total subject to license requirement
<b>Total subject to license requirement (Licensed and License Exceptions)</b>		\$330,099,743	<b>1.4%</b>	total subject to license requirement/total exports
C33	NLR reporting an ECCN	\$4,551,148,013	19.0%	NLR reporting an ECCN/total exports
C60	NLR for 600-series .y subparagraph	\$546	0.000002%	NLR for 600-series .y subparagraph/total exports
C63	NLR for 0A501 .y subparagraph Firearms	\$201,915	0.001%	NLR for 0A501 .y subparagraph firearms/total exports
<b>Total of NLR</b>		\$4,551,350,474	<b>19.0%</b>	total NLR with an ECCN/total export
<b>Exports not reporting an ECCN</b>		\$19,067,608,142	<b>79.5%</b>	

Source: U.S. Census Bureau, Foreign Trade Division and Automated Export System