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Russian-Hong Kong Trade Booming

By Howard Amos

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The bulk of Russia's trade with Hong Kong is linked to the export of raw materials and Hong Kong's large port facilities. Above, the Hong Kong Port.

Hong Kong, which recently marked 15 years since its annexation with China, is seeing a boom in its economic relationship with Russia, officials said Tuesday.

Trade between the two countries, which has increased 150 percent over the past five years, amounted to $3 billion in 2012, up from about $2 billion in 2011.

Erica Ng, director of the London Hong Kong Economic and Trade Office, which oversees Russia, was on her first visit to Moscow on Tuesday for a gathering of Russian businessmen and Hong Kong officials.

“We are your ideal platform,” she said.

The increase in trade with Hong Kong is part of Russia’s growing economic ties with Asia, particularly China. Trade between China and Russia is expected to reach $90 billion this year.

Kosmos Lighting Group works in China, where the parts for the company's light fittings are manufactured, director Alexander Savelyov said.

But the company is seeking to spend about $1 million to open a financial operation in Hong Kong that will serve as a conduit for beginning international sales by the end of this year.

Kosmos entered China through Hong Kong in 1994 but then ceased to work there, Savelyov added.

"Now, after 20 years, we want to return to a higher level of relationship with Hong Kong," he said.

Russian-owned companies, including aluminum giant RusAl and Far East iron ore miner IRC, are listed in Hong Kong. Vneshekonombank, the state development bank, is due to open an office there this year.

The bulk of Russia's trade with Hong Kong is linked to the export of raw materials and Hong Kong's large port facilities, said Ivan Polyakov, head of the Russia-Hong Kong Association of Business Cooperation.

But the implementation of a visa-free regime in 2010 and a spike in the number of Russian tourists to 200,000 last year laid the groundwork for diversification, he added.

The export of Russian pelts to Hong Kong for manufacture of fur coats is one example of diversification, said Stephen Wong, European regional director for the Hong Kong Trade Development Council.

With a strong Russian presence, the international fur fair in Hong Kong in February was "propelled ... to one of the biggest in the world," he said.

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