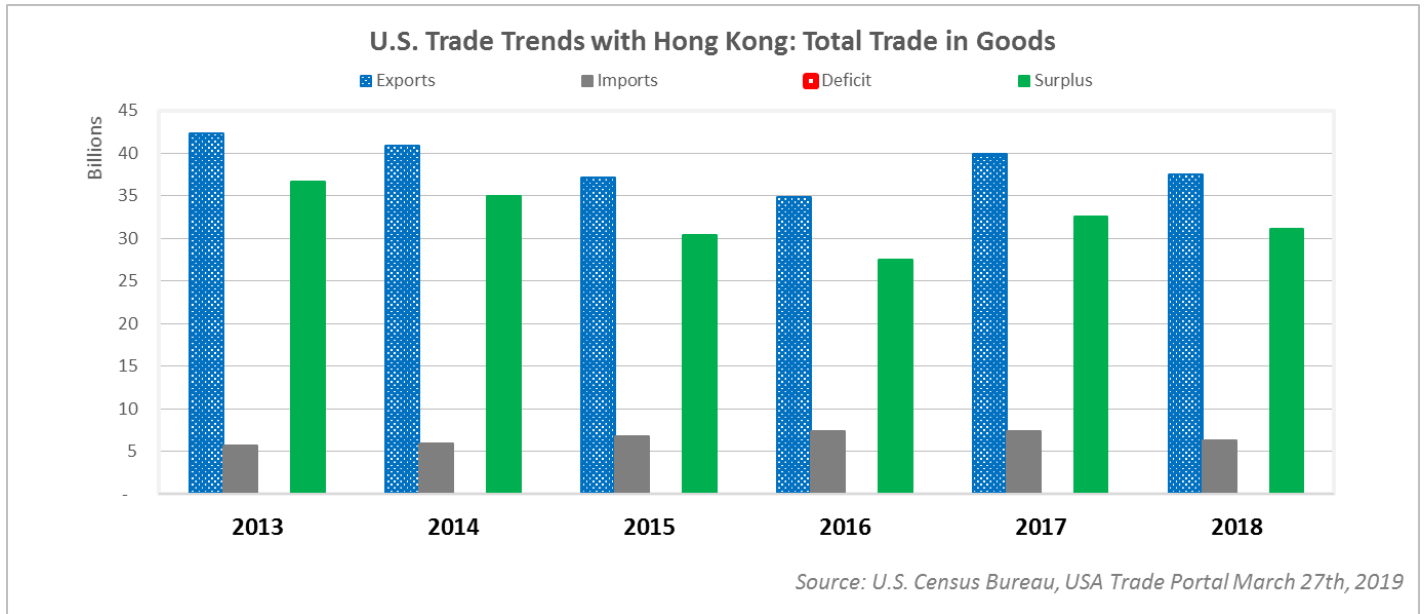




## I. Total U.S. Trade in goods with Hong Kong

In 2018, U.S. exports to Hong Kong totaled \$37.4 billion, a 6.2% (\$2.5 billion) decrease from 2017; U.S. imports from Hong Kong totaled \$6.3 billion, a 14.4% (\$1.1 billion) decrease; and the trade surplus was \$31.1 billion, a 4.3% (\$1.5 billion) decrease.



In 2018, **2.3%** of total *U.S. exports* were shipped to Hong Kong while **0.3%** of total *U.S. Imports* were delivered from Hong Kong during the same period. The level of imports from, and U.S. exports to Hong Kong for 2018 are currently below the five year average level by value not adjusted for inflation. The U.S. trade balance with Hong Kong is positive.

Calendar Year	2013	2014	2015	2016	2017	2018	2013 - 2017 Average
<b>EXPORTS</b>	\$42.3 B	\$40.9 B	\$37.1 B	\$34.8 B	\$39.9 B	\$37.4 B	\$39 B
Δvalue	--	\$-1.5 B	\$-3.8 B	\$-2.3 B	\$5 B	\$-2.5 B	
Δpct	--	-3.4%	-9.1%	-6.2%	14.5%	-6.2%	
<b>IMPORTS</b>	\$5.6 B	\$5.8 B	\$6.8 B	\$7.4 B	\$7.3 B	\$6.3 B	\$6.6 B
Δvalue	--	\$243.1 M	\$904.3 M	\$606 M	\$-31.4 M	\$-1.1 B	
Δpct	--	4.3%	15.3%	8.9%	-0.4%	-14.4%	
<b>BALANCE</b>	\$36.6 B	\$35 B	\$30.3 B	\$27.4 B	\$32.5 B	\$31.1 B	\$32.4 B
Δvalue	--	\$-1.7 B	\$-4.64 B	\$-2.9 B	\$5 B	\$-1.5 B	
Δpct	--	-4.5%	-13.2%	-9.5%	18.5%	-4.3%	

Source: U.S. Census Bureau, USA Trade Portal March 27th, 2019; Value of Data in M = millions; B = billions



# U.S. Trade with Hong Kong

In 2018, of the \$37.4 billion in U.S. exports to Hong Kong, the top commodity sectors were Machinery and mechanical appliances (36.0%), Stone, Glass, & Semiprecious Metals (25.0%) and Agriculture products (11.4%).

In 2018, of the \$6.3 billion in U.S. imports from Hong Kong, the top commodity sectors were Special Items (39.4%), Machinery and mechanical appliances (20.8%), and Stone, Glass, & Semiprecious Metals (15.2%).

2018 U.S. Imports from Hong Kong by Sector \$6,311,217,809	2018 U.S. Commodity Trade With Hong Kong	2018 U.S. Exports to Hong Kong by Sector \$37,459,619,921
	<b>Total Value All Commodities</b>	
2.1%	Agriculture (Chapters 01-24)	11.4%
0.3%	Minerals (Chapters 25-27)	0.5%
5.4%	Chemicals, Plastics, Leather (Chapters 28-43)	6.3%
1.5%	Wood Products (Chapters 44-49)	0.5%
4.1%	Textiles and Footwear (Chapters 50-67)	0.9%
15.2%	Stone, Glass, & Semiprecious Metals (Chapters 68-71)	25.0%
2.6%	Base metals (Chapters 72-83)	1.6%
20.8%	Machinery (Chapters 84-85)	36.0%
0.7%	Transportation (Chapters 86-89)	4.0%
2.7%	Optical, Measuring, Medical or Other Instruments (Chapters 90-92)	5.6%
0.1%	Arms & Ammunition (Chapter 93)	0.0%
4.3%	Miscellaneous Manufactured Items (Chapters 94-96)	0.6%
0.9%	Art & Antiques (Chapter 97)	5.9%
39.3%	Special Items (Chapters 98-99** Imports only 99)	1.6%

Source: U.S. Census Bureau, USA Trade Portal March 27th, 2019



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

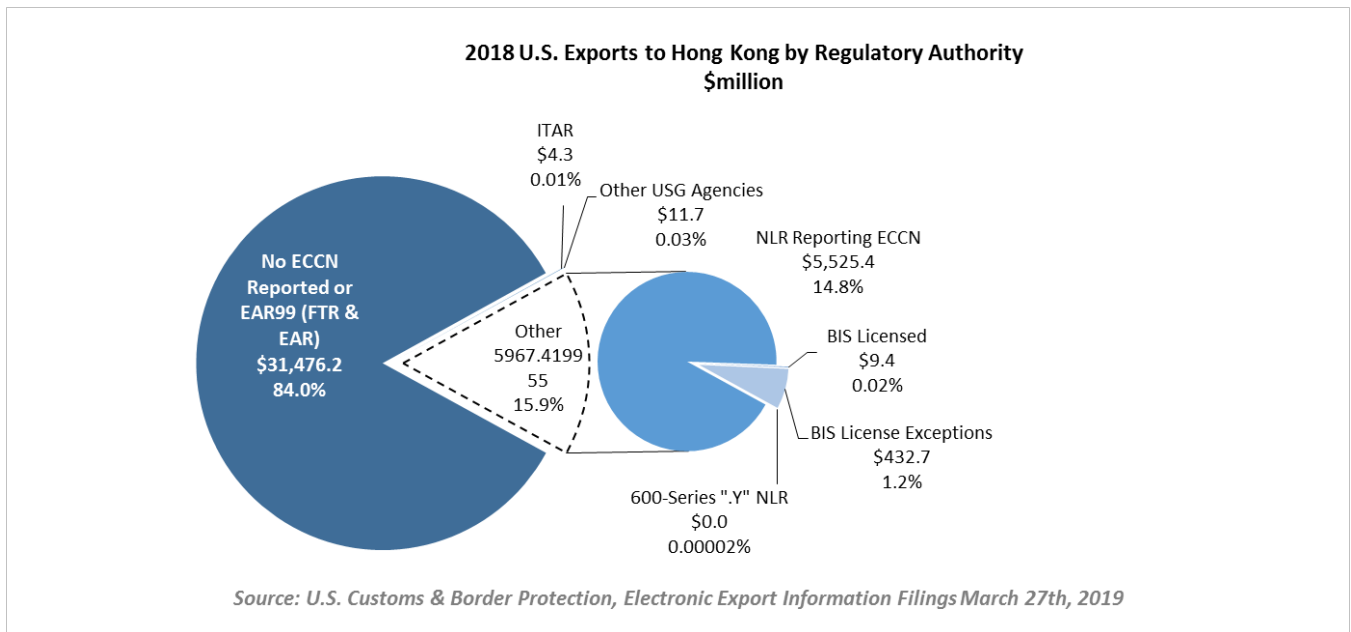
- Of the \$37.4 billion in U.S. exports to Hong Kong in 2018:
  - 1.2% were subject to a BIS license requirement
    - 0.02% were exported under a BIS license; Worldwide, 0.4% were exported under a BIS license.
    - 1.2% were exported under a BIS license exception; Worldwide, 1.2% were exported under a BIS license exception.
    - 14.8% were exported under No License Required with an ECCN; Worldwide, 12.1% were exported under No License Required with an ECCN.

Trends in U.S. Exports to Hong Kong by Regulatory Authority				
		2016	2017	2018
	<b>Department of State</b>	<b>\$4.9</b>	<b>\$1.9</b>	<b>\$4.3</b>
	<b>Other USG Agencies</b>	<b>\$16.3</b>	<b>\$12.0</b>	<b>\$11.7</b>
	<b>Department of Commerce</b>	<b>\$34,874.0</b>	<b>\$39,925.2</b>	<b>\$37,443.6</b>
	BIS Licensed	\$7.2	\$174.0	\$9.4
	BIS License Exceptions	\$414.8	\$500.1	\$432.7
	NLR reporting an ECCN	\$6,069.8	\$6,575.8	\$5,525.4
	NLR reporting EAR99	\$24,430.1	\$24,704.5	\$24,666.0
	NLR not reporting an ECCN	\$3,952.1	\$7,970.6	\$6,810.2
	600-Series ".Y" Paragraph NLR	\$0.0	\$0.3	\$0.0

Value in Millions; Source: U.S. Customs & Border Protection, Electronic Export Information Filings March 27th, 2019

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		

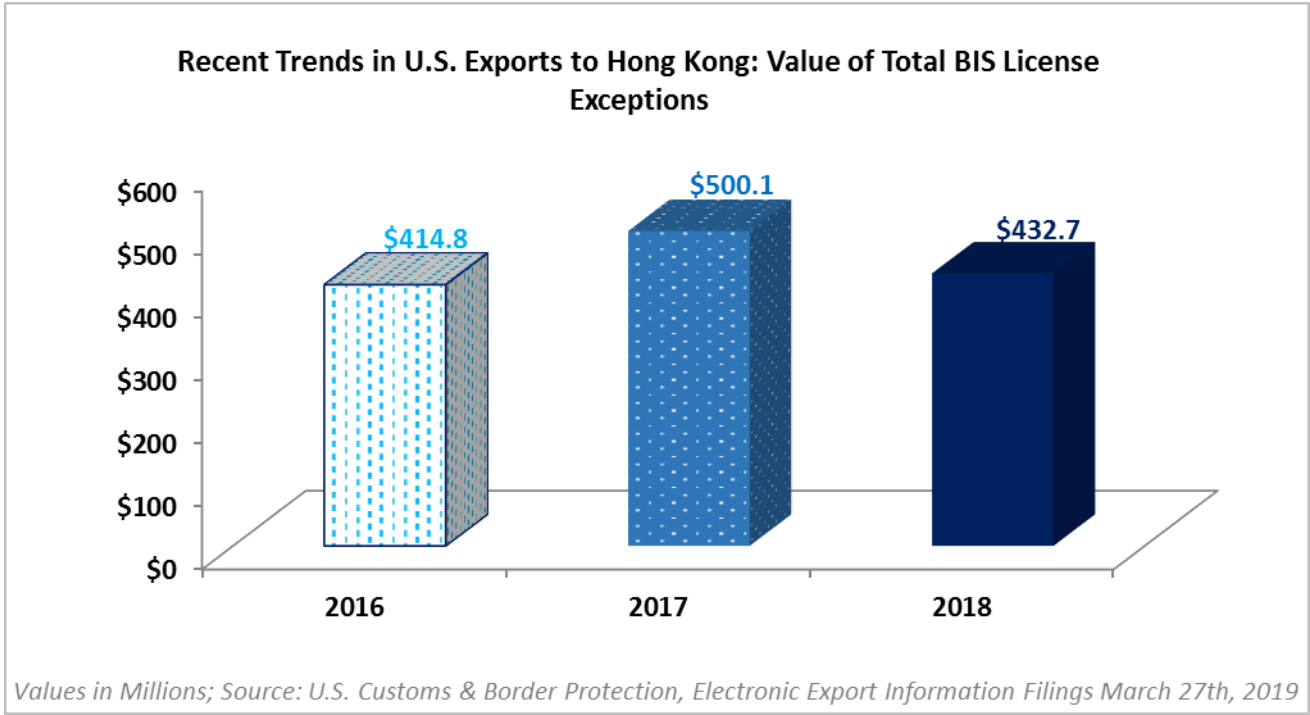
CFR 15 Part 738 Supplement 1



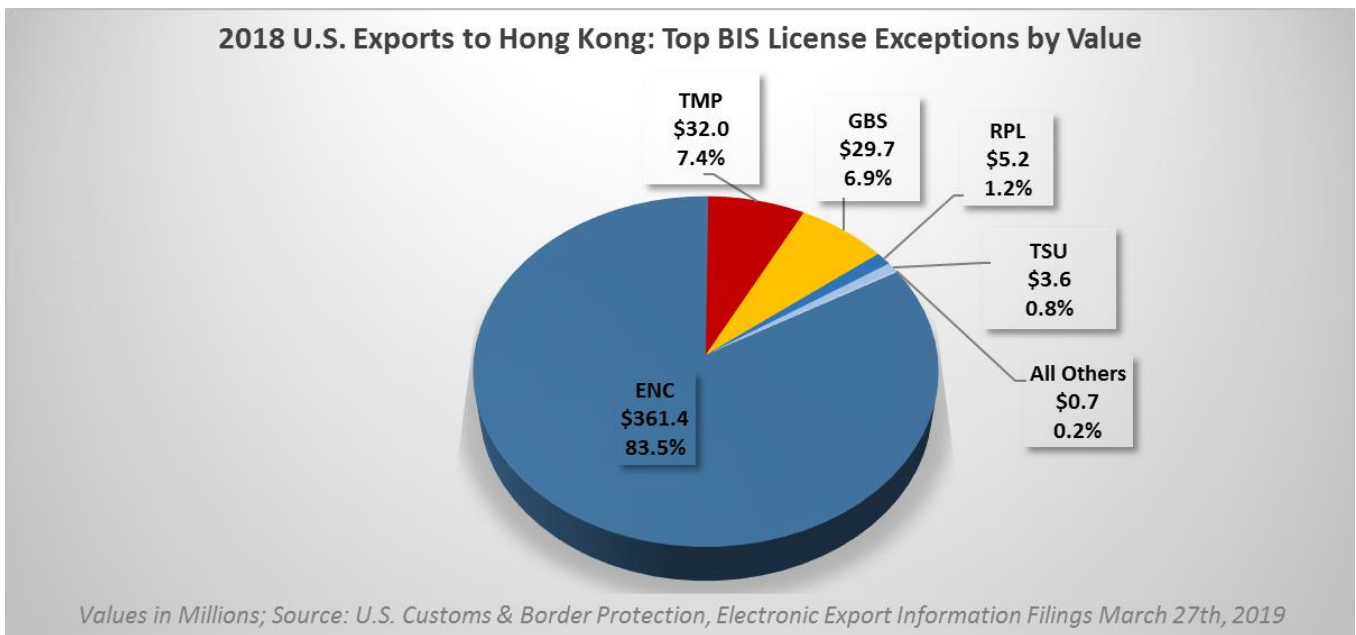


# U.S. Exports to Hong Kong

In 2018, U.S. exports to Hong Kong shipped under a BIS license exception totaled \$432.7 million, a -13.5% (\$67.4 million) decrease from 2017.



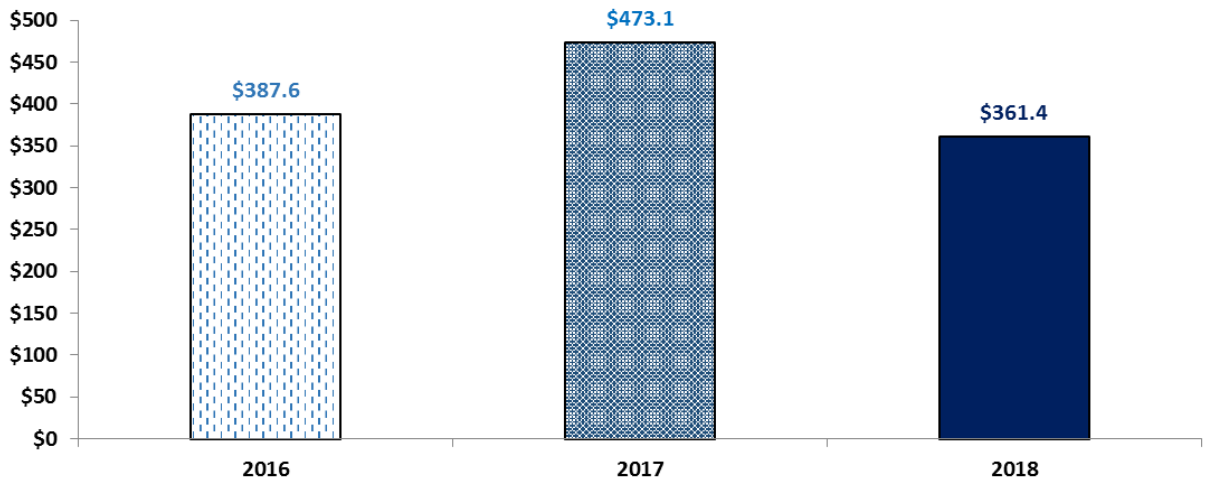
In 2018, the top license exception Encryption commodities, Software and Technology (ENC) totaled \$361.4 million (83.5% of all license exceptions).





# U.S. Exports to Hong Kong

Recent Trends in U.S. Exports to Hong Kong under Top BIS License Exception: Encryption Commodities & Software



Values in Millions; Source: U.S. Customs & Border Protection, Electronic Export Information Filings March 27th, 2019

Trends in U.S. Exports to Hong Kong under Top 5 BIS License Exceptions excluding: Encryption Commodities & Software



Note: The BIS License Exception for Encryption Commodities & Software is excluded from this chart

Values in Millions; Source: U.S. Customs & Border Protection, Electronic Export Information Filings March 27th, 2019



Top Ten ECCNs by Value to Hong Kong		
<b>LICENSED</b>	#1	3A101 Electronic Equip./Devices Not Controlled By 3A001
	#2	3A001 Electronic Components
	#3	3A233 Mass Spectrometers
	#4	5A002 Systems/Equip./Integrated Circuits for Info Sec
	#5	1A004 Protective and Detection Equip.
	#6	5D002 "Sortware" as follows (see List of Items Controlled)
	#7	1C234 Zirconium, with a Hafnium Content
	#8	6A005 Optical Equip. (Lasers)
	#9	7A103 Instrumentation, Navigation Equip./Systems Not
	#10	0A987 Optical Sighting Devices for Firearms

Source: U.S. Customs & Border Protection, Electronic Export Information Filings March 27th, 2019

Top Ten ECCNs by Value to Hong		
<b>EXCEPTIONS</b>	#1	5A002 Systems/Equip./Integrated Circuits for Info Sec
	#2	No ECCN No ECCN is required for License Exceptions TMP*
	#3	3A001 Electronic Components
	#4	5D002 "Sortware" as follows (see List of Items Controlled)
	#5	5B002 "Information Security" Test, Inspection and "Production" Equipment
	#6	EAR99 Items subject to the EAR that are not elsewhere controlled
	#7	7A103 Instrumentation, Navigation Equip./Systems Not
	#8	9A991 Aircraft N.E.S. and Gas Turbine Engines not Controlled by 9A001 or 9A101 ...
	#9	5B991 Telecommunications Test Equip.
	#10	3C005 Silicon Carbide Wafers

Source: U.S. Customs & Border Protection, Electronic Export Information Filings March 27th, 2019

\*Note: No ECCN is Required for License Exception TMP per EAR 758.1(g)(2)

Top Ten ECCNs by Value to Hong Kong		
<b>NLR with ECCN</b>	#1	EAR99 Items subject to the EAR that are not elsewhere controlled
	#2	5A991 Telecommunication Equip. Not Controlled by 5A001
	#3	9A991 Aircraft N.E.S. and Gas Turbine Engines not Controlled by 9A001 or 9A101 ...
	#4	5A992 Equipment not controlled by 5A002
	#5	3A991 Electronic Devices and Components
	#6	4A994 Computers Not Controlled By 4A001 or 4A003
	#7	7A994 Other Navigation Direction Finding Equip. ... Not Controlled under 7A003
	#8	3A992 General Purpose Electronic Equip. Note Controlled by 3A002
	#9	3B991 Other Mfg/Test Equip. Not Controlled By 3B
	#10	3A999 Specific Processing Equip., N.E.S.

Source: U.S. Customs & Border Protection, Electronic Export Information Filings March 27th, 2019

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



Top Ten ECCNs by Count to Hong Kong		
<b>LICENSED</b>	#1	6A005 Optical Equip. (Lasers)
	#2	3A001 Electronic Components
	#3	0A987 Optical Sighting Devices for Firearms
	#4	5A002 Systems/Equip./Integrated Circuits for Info Sec
	#5	1C351 Human and Animal Pathogens and toxins
	#6	1A004 Protective and Detection Equip.
	#7	9E515 Technology Required for the Development, Production, Operation, Instal...
	#8	7A103 Instrumentation, Navigation Equip./Systems Not
	#9	1A984 Chemical Agents, Including Tear Gas
	#10	3A002 General Purpose Electronic Equip.

Source: U.S. Customs & Border Protection, Electronic Export Information Filings March 27th, 2019

Top Ten ECCNs by Count to Hong Kong		
<b>EXCEPTIONS</b>	#1	5A002 Systems/Equip./Integrated Circuits for Info Sec
	#2	5D002 Information Security software related to encryption
	#3	EAR99 Items subject to the EAR that are not elsewhere controlled
	#4	3A001 Electronic Components
	#5	No ECCN No ECCN is required for License Exceptions TMP*
	#6	5B002 "Information Security" Test, Inspection and "Production" Equipment
	#7	7A103 Instrumentation, Navigation Equip./Systems Not
	#8	9A991 Aircraft N.E.S. and Gas Turbine Engines not Controlled by 9A001 or 9A101 ...
	#9	5D992 Information Security Software not controlled by 5D002
	#10	3B992 Equip. for the Inspection/Testing of Components not Controlled by 3B002

Source: U.S. Customs & Border Protection, Electronic Export Information Filings March 27th, 2019

\*Note: No ECCN is Required for License Exception TMP per EAR 758.1(g)(2)

Top Ten ECCNs by Count to Hong Kong		
<b>NLR with ECCN</b>	#1	EAR99 Items subject to the EAR that are not elsewhere controlled
	#2	5A991 Telecommunication Equip. Not Controlled by 5A001
	#3	9A991 Aircraft N.E.S. and Gas Turbine Engines not Controlled by 9A001 or 9A101 ...
	#4	5A992 Mass market Encryption Commodities not controlled by 5A002
	#5	3A991 Electronic Devices and Components
	#6	7A994 Other Navigation Direction Finding Equip. ... Not Controlled under 7A003
	#7	4A994 Computers Not Controlled By 4A001 or 4A003
	#8	3A992 General Purpose Electronic Equip. Note Controlled by 3A002
	#9	3A999 Specific Processing Equip., N.E.S.
	#10	2B999 Specific Processing Equip., N.E.S.

Source: U.S. Customs & Border Protection, Electronic Export Information Filings March 27th, 2019

**NOTE: ECCN Descriptions have been truncated; please review Commerce Control List for Full Description**



### III. BIS Licensing to Hong Kong

In 2018, BIS reviewed 227 export/re-export applications (not including deemed export applications) valued at \$286.0 million for Hong Kong, out of a total of 33,844 applications worldwide valued at \$81.3 billion.  
 – Approved applications for Hong Kong totaled 164 (72.4% of the total applications) for \$203.1 million, compared to the 29,032 (85.8%) approved applications for all destinations that totaled \$64.3 billion.

In 2018, BIS reviewed one deemed export application from Hong Kong, out of 1,007 applications worldwide. BIS approved this one application (100%), compared to the 846 (91.5%) approved for all destinations.

