Chandrawat & Partners

BILATERAL RELATIONS

INDIA - HONG KONG

HISTORY

Relations between India and Hong Kong have deep historical roots dating back to the nineteenth century. During the period of British rule, commercial links developed between India and Hong Kong, particularly following the establishment of Hong Kong as a major trading port in the 1840s. Indian merchants, traders and professionals played an important role in the development of commercial and financial connections between India, Hong Kong and other Asian markets.

India established an official presence in Hong Kong in 1951 through the opening of the Commission for India. On 15 October 1996, the mission was renamed the Consulate General of India, in preparation for the transfer of sovereignty over Hong Kong to China on 1 July 1997. The Consulate General of India in Hong Kong has also been concurrently accredited to Macao since 1999.

Over the years, India and Hong Kong have developed a broad institutional framework supporting trade, aviation, customs cooperation, judicial cooperation and legal assistance. The two sides signed an agreement on the reciprocal enforcement of judgments in 1968, which was re-notified by the Government of India in 2012 following changes in the nomenclature of Hong Kong courts after the 1997 transfer of sovereignty. An Air Services Agreement was signed in 1996, followed by a memorandum concerning air services arrangements in 2012. Other arrangements have included cooperation in customs matters, the surrender of fugitive offenders, mutual legal assistance in criminal matters and the transfer of sentenced persons.

A major modern development in the economic relationship was the Comprehensive Avoidance of Double Taxation Agreement (CDTA) between Hong Kong and India. The agreement was signed on 19 March 2018 and entered into force on 30 November 2018. It has applied in Hong Kong for tax years beginning on or after 1 April 2019 and provides a clearer framework for taxation, cross-border business and investment between the two economies.

Economic and commercial relations have continued to expand. According to the latest official data of the Hong Kong Special Administrative Region Government, India was Hong Kong's ninth-largest trading partner in 2025, while Hong Kong was also India's ninth-largest trading partner during the same year. Total merchandise trade between Hong Kong and India reached HK$224.6 billion in 2025, representing an increase of 11.7% over 2024.

Hong Kong continues to serve as an important commercial gateway for India and as a significant entrepôt for trade between India and the Chinese Mainland. In 2025, re-export trade between India and the Chinese Mainland through Hong Kong amounted to approximately HK$103.5 billion. Hong Kong's total exports to India reached HK$144.2 billion, while Hong Kong imported approximately HK$80.4 billion worth of goods from India.

Beyond economic and institutional engagement, people-to-people ties have also remained an important pillar of relations between India and Hong Kong. A vibrant Indian community, including businesspersons, professionals and entrepreneurs, continues to contribute significantly to Hong Kong's multicultural and commercial landscape. Cultural exchanges, academic cooperation, tourism and community engagement further strengthen mutual understanding and reinforce the longstanding connections between the two sides.

Trade relations cover a wide range of sectors. Hong Kong's exports and re-exports to India include electrical machinery and equipment, telecommunications and related equipment, metals and non-metallic mineral manufactures. Major imports from India include telecommunications equipment, non-metallic mineral manufactures and jewellery and other articles made from precious and semi-precious materials.

Investment and business cooperation also remain important components of the relationship. Hong Kong continues to position itself as an international business and financial centre and as a platform for Indian companies seeking access to regional and global markets. According to Hong Kong's official investment promotion authorities, the long-standing Indian community remains an important part of Hong Kong's commercial and social landscape, with the community estimated at more than 42,000 people. Hong Kong authorities have also continued efforts to promote investment, innovation and business cooperation with India. As of June 2025, Hong Kong's official survey recorded Indian-linked business establishments in the city, including regional headquarters, regional offices and local offices of companies with parent companies located in India. This reflects the continuing presence of Indian commercial interests in Hong Kong and the importance of Hong Kong as a business location for Indian enterprises.

Today, the India–Hong Kong relationship is characterised by its historic commercial links and growing contemporary cooperation in trade, investment, taxation, financial services, aviation, innovation and cross-border business. With bilateral merchandise trade reaching HK$224.6 billion in 2025 and both economies continuing to maintain significant commercial interests in each other's markets, Hong Kong remains an important economic and commercial partner for India.

ECONOMIC RELATIONS

India and Hong Kong share a strong and longstanding economic relationship supported by trade, investment, financial services, taxation and business connectivity. Hong Kong continues to serve as an important commercial and financial hub for Indian businesses seeking access to regional and international markets.

In 2025, India was Hong Kong's ninth-largest trading partner. Reciprocally, Hong Kong was also India's ninth-largest trading partner in 2025. Total merchandise trade between Hong Kong and India amounted to HK$224.6 billion in 2025, representing an increase of 11.7% compared with 2024.

Hong Kong's total exports to India reached approximately HK$144.2 billion in 2025, including HK$139.7 billion in re-exports, while Hong Kong's imports from India amounted to approximately HK$80.4 billion. Major goods traded between the two economies include electrical machinery and equipment, telecommunications equipment, non-metallic mineral manufactures, metals, jewellery and precious or semi-precious materials.

Hong Kong also remains an important entrepôt for trade between India and the Chinese Mainland. In 2025, re-export trade between India and the Chinese Mainland through Hong Kong amounted to approximately HK$103.5 billion, underlining Hong Kong's continuing role as a commercial gateway connecting the Indian market with Mainland China.

The investment relationship between the two economies has also continued to develop. According to the latest available data from the Government of India's Department for Promotion of Industry and Internal Trade (DPIIT), cumulative FDI equity inflow from Hong Kong into India from January 2000 to March 2026 stood at approximately US$4.91 billion. This represents a substantial increase from the historical figure of US$1.976 billion previously reflected on the website.

The latest DPIIT data also records FDI equity inflow from Hong Kong of approximately US$61.4 million during calendar year 2025 and US$13.44 million during January–March 2026. These figures should be understood as FDI equity inflows reported by source economy, rather than a complete measure of all commercial investment and financial activity between India and Hong Kong.

A significant development in the economic relationship was the conclusion of the Comprehensive Avoidance of Double Taxation Agreement (CDTA) between India and Hong Kong. The Agreement was signed on 19 March 2018 and entered into force on 30 November 2018. It has been effective in Hong Kong for years of assessment beginning on or after 1 April 2019. The agreement provides greater clarity and certainty regarding taxation for individuals and businesses engaged in cross-border economic activities and supports trade and investment between the two economies.

Hong Kong continues to be an important location for Indian commercial interests. According to the Hong Kong Trade and Industry Department's survey of companies with overseas parent companies, as at June 2025, Hong Kong had Indian-linked establishments including regional headquarters, regional offices and local offices of companies with parent companies located in India.

Economic engagement has also expanded into newer areas, including investment promotion, financial services, innovation and entrepreneurship. In 2025, Invest Hong Kong continued direct engagement with Indian businesses and investors to promote Hong Kong as a platform for expansion into Mainland China, the Greater Bay Area and wider Asian and global markets. Hong Kong authorities have highlighted opportunities for Indian companies in financial services, capital markets, technology, innovation and cross-border investment.

The India–Hong Kong economic relationship is therefore characterised by substantial merchandise trade, cross-border investment, financial connectivity and Hong Kong's strategic role as a gateway between India, Mainland China and the wider Asia-Pacific region. With bilateral merchandise trade reaching HK$224.6 billion in 2025, the economic relationship continues to represent an important component of broader India–Hong Kong engagement.

Beyond merchandise trade and investment, financial and professional services have also strengthened economic engagement between India and Hong Kong.

The presence of Indian banks, financial institutions and multinational companies in Hong Kong further supports business connectivity and facilitates commercial engagement between India, Hong Kong, the Chinese Mainland and other regional and global markets.

TRADE RELATIONS

India and Hong Kong share a strong and longstanding merchandise trade relationship. In 2025, India was Hong Kong's ninth-largest trading partner. Reciprocally, Hong Kong was India's ninth-largest trading partner during the same year.

Total merchandise trade between Hong Kong and India amounted to HK$224.6 billion in 2025, representing an increase of 11.7% over 2024. Hong Kong's total exports to India reached HK$144.2 billion, comprising domestic exports of HK$4.5 billion and re-exports of HK$139.7 billion. Hong Kong's imports from India amounted to HK$80.4 billion in 2025.

Major Hong Kong domestic exports to India included non-ferrous metals, non-metallic mineral manufactures, and metalliferous ores and metal scrap. Major re-exports from Hong Kong to India included electrical machinery, apparatus and appliances and electrical parts thereof; telecommunications and sound recording and reproducing apparatus and equipment; and non-metallic mineral manufactures.

Major goods imported by Hong Kong from India included telecommunications and sound recording and reproducing apparatus and equipment; non-metallic mineral manufactures; and jewellery, goldsmiths' and silversmiths' wares, and other articles of precious or semi-precious materials.

Hong Kong also continues to play an important role as an entrepôt for trade between India and Mainland China. In 2025, re-export trade between India and Mainland China through Hong Kong amounted to approximately HK$103.5 billion, highlighting Hong Kong's strategic position in facilitating commercial links between the Indian market and the wider Chinese market.

BILATERAL AGREEMENTS

India and Hong Kong have established a broad framework of bilateral agreements and institutional arrangements covering judicial cooperation, criminal matters, aviation, taxation, financial regulation, customs cooperation and commercial relations.

KEY BILATERAL AGREEMENTS

Agreement on Reciprocal Enforcement of Judgments (1968)

India and Hong Kong concluded an arrangement concerning the reciprocal enforcement of judgments in 1968. The Government of India subsequently re-notified the arrangement in July 2012 to reflect changes in the nomenclature of Hong Kong courts following the transfer of sovereignty over Hong Kong in 1997.

Agreement Constituted by Exchange of Letters on Matters Related to the Consular Convention (1991)

An exchange of letters between the People's Republic of China and India concerning matters related to the Consular Convention was concluded in December 1991, forming part of the institutional framework governing consular relations involving India and Hong Kong.

Air Services Agreement (1996)

The Air Services Agreement between Hong Kong and India provides the framework for scheduled air services between the two jurisdictions. The agreement entered into force on 10 October 1996. A subsequent Memorandum of Understanding concerning air services arrangements was concluded in February 2012.

Customs Cooperation Agreement (1997)

Hong Kong and India concluded a customs cooperation agreement in 1997, strengthening cooperation between the relevant customs authorities.

Agreement on the Surrender of Fugitive Offenders (1997)

The Agreement on the Surrender of Fugitive Offenders provides a framework for cooperation concerning the surrender of persons accused or convicted of specified serious offences. The agreement entered into force on 14 November 1997.

Agreement on Mutual Legal Assistance in Criminal Matters (2009)

Hong Kong and India signed the Agreement on Mutual Legal Assistance in Criminal Matters on 14 September 2009. The agreement entered into force on 11 June 2011 and provides a framework for reciprocal assistance in the investigation and prosecution of criminal offences and related proceedings.

Agreement on the Transfer of Sentenced Persons (2015)

The Agreement on the Transfer of Sentenced Persons was signed on 20 January 2015. It entered into force on 1 June 2015 and provides a framework under which eligible sentenced persons may be transferred between India and Hong Kong to serve their sentences in accordance with the agreement.

TAXATION COOPERATION

Comprehensive Double Taxation Agreement (2018)

A significant development in India–Hong Kong economic relations was the signing of the Comprehensive Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income on 19 March 2018.

The agreement entered into force on 30 November 2018 and became effective in Hong Kong from the Year of Assessment 2019/2020. The agreement provides greater certainty regarding the allocation of taxing rights and the treatment of cross-border economic activities, thereby supporting trade, investment and business cooperation between India and Hong Kong.

MEMORANDA OF UNDERSTANDING AND INSTITUTIONAL COOPERATION

HKMA–RBI Memorandum of Understanding (2014)

The Hong Kong Monetary Authority and the Reserve Bank of India signed a Memorandum of Understanding on Supervisory Cooperation and Exchange of Supervisory Information on 17 July 2014. The arrangement strengthened cooperation and information exchange between the financial regulatory authorities.

ITPO–HKTDC Memorandum of Understanding (2016)

In October 2016, the India Trade Promotion Organisation and the Hong Kong Trade Development Council concluded a Memorandum of Understanding aimed at strengthening commercial cooperation and promoting bilateral trade, with particular emphasis on opportunities for small and medium-sized enterprises.

The bilateral framework between India and Hong Kong therefore extends across multiple areas of cooperation, including aviation, taxation, judicial and criminal matters, financial supervision, customs cooperation and commercial engagement. The 2018 Comprehensive Double Taxation Agreement represents the most significant modern addition to the formal economic and institutional framework between the two economies.

CULTURAL RELATIONS

- India and Hong Kong share longstanding people-to-people and cultural links, strengthened by India's historic presence in Hong Kong and the continued contribution of the Indian community to the city's social, cultural and economic life.
- A significant institutional development in cultural and academic cooperation was the Memorandum of Understanding signed in 2015 between the Indian Council for Cultural Relations (ICCR) and The Chinese University of Hong Kong for the establishment of an ICCR Visiting Professorship of Indian Studies. The arrangement was renewed in May 2023, continuing academic engagement and promoting the study and understanding of India.
- Cultural engagement between India and Hong Kong is further strengthened through the regular celebration of the International Day of Yoga. The Consulate General of India, Hong Kong organises yoga-related programmes and workshops that bring together members of the Indian diaspora, local residents, expatriates and members of the consular community.
- Indian art and culture are promoted in Hong Kong through film festivals, exhibitions, painting competitions, classical and folk music and dance programmes, workshops and other cultural events. Indian festivals, including Diwali, Durga Puja, Onam and Baisakhi, are also celebrated with enthusiasm by the Indian community and cultural associations.
- · The strong and longstanding Indian community in Hong Kong continues to play an important role in strengthening cultural and people-to-people ties. Cultural cooperation today extends beyond traditional arts to include education, yoga, literature, cinema, heritage and contemporary cultural engagement, contributing to deeper mutual understanding between India and Hong Kong.

MIGRATION

The Indian presence in Hong Kong dates back more than 150 years and has played an important role in the territory's development as a major centre for international trade, finance and commerce. Indians began arriving in Hong Kong during the nineteenth century, and the Indian community has since developed into one of the city's longstanding and well-established ethnic communities.

According to the 2021 Population Census of the Hong Kong Special Administrative Region, there were 42,569 persons of Indian ethnicity in Hong Kong, compared with 36,462 in 2016. Indians represented 0.6% of Hong Kong's total population in 2021.

The Indian community includes both Indian nationals and people of Indian origin. According to the Government of India's official bilateral relations brief, approximately 32,796 members of the Indian community in Hong Kong hold Indian passports, while the wider Indian community is estimated at nearly 42,569 persons.

The Indian community in Hong Kong is diverse, with Sindhis, Gujaratis and Punjabis, including Sikhs, forming some of its largest traditional components. Over time, the community has also become increasingly diverse in its professional and economic profile.

A growing number of Indian professionals work in sectors such as banking and finance, information technology, shipping, logistics and other service industries. The Indian community therefore continues to contribute significantly to Hong Kong's international business environment and its wider economic and cultural development.

The longstanding Indian presence has also contributed to the establishment and development of several prominent institutions associated with Hong Kong's history. Members of the Indian community are associated with institutions and enterprises such as the University of Hong Kong, Ruttonjee Hospital and the Star Ferry, reflecting the historical contribution of the Indian community to the development of Hong Kong.

The Indian community is supported by more than 40 Indian associations in Hong Kong, which promote cultural, social, religious, professional and community engagement. These organisations, together with the Consulate General of India in Hong Kong, contribute to maintaining strong links between the Indian diaspora and India.

Today, the Indian community remains an important bridge between India and Hong Kong. Its long historical presence, growing professional representation and continued contribution to commerce, finance, culture and community life strengthen the broader people-to-people relationship between India and Hong Kong.

TOURISM

Hong Kong remains an important travel destination for Indian visitors, supported by strong air connectivity, business links and its position as a major international tourism and commercial hub.

According to the Hong Kong Tourism Board, approximately 417,000 visitor arrivals from India were recorded in 2025, compared with approximately 378,000 in 2024. The continued recovery in visitor arrivals reflects the growing importance of India as a tourism source market for Hong Kong.

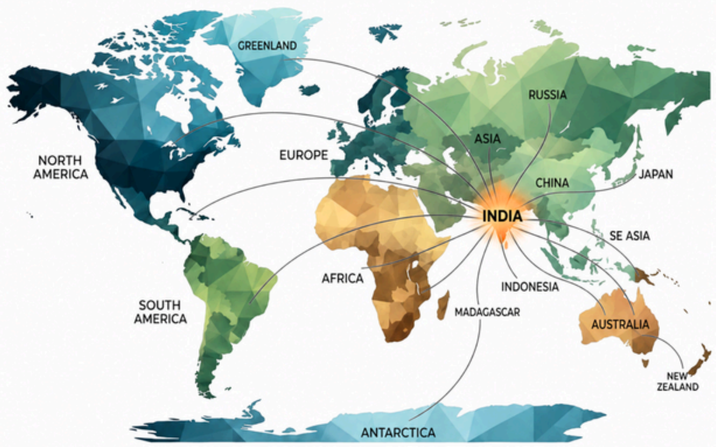
Air connectivity between India and Hong Kong continues to support tourism, business travel and people-to-people exchanges. Cathay Pacific offers travel connections between Hong Kong and major Indian cities, including Mumbai, Delhi, Bengaluru, Chennai and Hyderabad, while Air India also maintains direct connectivity between Delhi and Hong Kong.

Hong Kong's tourism sector is an important part of its wider services economy. The Hong Kong Government identifies tourism as one of the city's four key industries, alongside financial services, trading and logistics, and professional services and other producer services.

The tourism sector encompasses a broad range of economic activities, including accommodation, retail, food and beverage services, transport and visitor-related personal services. Hong Kong's international connectivity, tourism infrastructure, commercial environment, cultural attractions and access to the Greater Bay Area continue to strengthen its appeal for international visitors.

India is therefore an increasingly important tourism market for Hong Kong. The continued growth in Indian visitor arrivals, supported by improved connectivity and strong commercial and people-to-people links, contributes to the broader relationship between India and Hong Kong.

SERVING CLIENTS WORLDWIDE



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