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Subject:	JOINT REPORT TO THE EUROPEAN PARLIAMENT AND THE COUNCIL Hong Kong Special Administrative Region: Annual Report for 2025

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EUROPEAN COMMISSION

HIGH REPRESENTATIVE OF THE UNION FOR FOREIGN AFFAIRS AND SECURITY POLICY

Brussels, 22.9.2026
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JOINT REPORT TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

Hong Kong Special Administrative Region:

Annual Report for 2025

JOINT REPORT TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

HONG KONG SPECIAL ADMINISTRATIVE REGION:

ANNUAL REPORT FOR 2025

Summary

Since Hong Kong's handover to the People's Republic of China in 1997, the European Union (EU) and its Member States have closely followed political and economic developments in the Hong Kong Special Administrative Region (SAR).

In line with the commitment given to the European Parliament in 1997, the Commission and the High Representative of the Union for Foreign Affairs and Security Policy/Vice-President issue an annual report on developments in Hong Kong. Over the years, this has included a particular focus on the implementation of the 'one country, two systems' principle and on Hong Kong's autonomy as stated in Hong Kong's own Basic Law.

This is the 28th report, covering 2025. In 2025 Hong Kong remained the world's third-largest financial centre (and largest in Asia) and an important trading and logistics hub. About 1 770 EU companies were active in Hong Kong, making the EU the largest non-Chinese foreign business presence in the SAR. About half of those companies were running regional operations from Hong Kong. Nationals of EU Member States continued to make significant contributions to the SAR's economy and society, including in science, education and culture. Hong Kong's common-law system, and a low and simple tax system are features that help maintain its attractiveness for international companies.

Politically, the year was marked by: (i) additional subsidiary national security legislation, (ii) the second 'patriots-only' Legislative Council election featuring a political vetting mechanism, (iii) rejection by the Legislative Council of a proposed bill recognising same-sex partnerships and (iv) an ongoing focus on national security in the fifth year after the imposition of the National Security Law, including high profile court cases. The erosion of Hong Kong's high degree of autonomy and of the fundamental freedoms and rights of the people of Hong Kong continued, despite China's legal obligation to maintain them until at least 2047.

In 2025, trials continued against pro-democracy activists, advocates and politicians under the 2020 National Security Law (NSL) and other legislation. In December, the court convicted media entrepreneur and pro-democracy advocate Jimmy Lai on national security and sedition charges. The trial saw substantial delays and lasted for two years. Lai has been held in custody continuously since 31 December 2020, mostly in solitary confinement.

In the case brought against the leaders of the Hong Kong Alliance in Support of Patriotic Democratic Movements in China, which used to organise vigils commemorating the 1989 Tiananmen crackdown against pro-democracy protests in China, the trial was postponed for the second time and rescheduled to start on 21 January 2026. Many of the defendants have been held in custody since September 2021, in some cases for long periods in solitary confinement.

The appeal proceedings for 12 pro-democracy politicians and activists convicted under the NSL for participating in a 2020 primary election took place between 14 July and 17 July. The court

had convicted 45 of the 47 defendants in the original case, commonly referred to as the 'Hong Kong 47', in May 2024.

Authorities also initiated new prosecutions both under the NSL and the Safeguarding National Security Ordinance (SNSO). On 6 June, activist Joshua Wong was newly charged with 'conspiring to collude with foreign forces'. Wong is currently serving a jail term of 4 years and 8 months as part of the 'Hong Kong 47' subversion case. He was originally expected to be released in January 2027. In December 2025, authorities invoked the offences of 'prejudicing of investigation of offences endangering national security' and 'unlawful drilling' created under the SNSO, also known as the Article 23 legislation, passed in 2024. Kwok Yin-sang, father of exiled activist Anna Kwok was prosecuted for attempting to deal with his daughter's financial assets, another new offence created under the SNSO. This is the first case where a relative of a wanted activist has been charged with a national security offence.

In an extra-territorial application of the NSL, Hong Kong authorities issued arrest warrants with bounties against a further 15 overseas activists for their alleged involvement in the organisation 'Hong Kong Parliament,' including a European citizen residing in Germany. In total, the police have issued arrest warrants targeting 34 individuals residing overseas.

2025 continued to see court rulings supporting the advancement of the rights of LGBTIQ+ people. However, the Legislative Council rejected a draft bill intended to establish an alternative framework for same-sex partnerships, a requirement imposed by Hong Kong's Court of Final Appeal in September 2023; remedial administrative measures are yet to be announced.

The EU has repeatedly raised concerns about the erosion of Hong Kong's high degree of autonomy and of the fundamental freedoms, both in public statements and in private exchanges with officials from Hong Kong and the Central Government.

The EU Spokesperson issued statements on Hong Kong covering the following issues:

- 30 June 2025 – Statement by the Spokesperson on the fifth anniversary of the National Security Law[1]

- 31 July 2025 – Statement by the Spokesperson on extraterritorial arrest warrants[2]

- 15 December 2025 – Statement by the Spokesperson on the verdict in the Jimmy Lai case[3]

The EU Spokesperson's post on X (formerly Twitter) on Hong Kong covered the following issues:

[1] Statement by the Spokesperson on the fifth anniversary of the National Security Law, 30 June 2025, available at: https://www.eeas.europa.eu/eeas/hong-kong-statement-spokesperson-fifth-anniversary-national-security-law_en.
[2] Statement by the Spokesperson on extraterritorial arrest warrants, 31 July 2025, available at: https://www.eeas.europa.eu/eeas/hong-kong-statement-spokesperson-extraterritorial-arrest-warrants_en.
[3] Statement by the Spokesperson on the verdict in the Jimmy Lai case, 15 December 2025, available at: https://www.eeas.europa.eu/eeas/hong-kong-statement-spokesperson-verdict-jimmy-lai-case-15-december-2025_en.

- 22 February 2025 – Post by the EU Spokesperson on the further narrowing of the space for civil society[4]

- 4 June 2025 – Post by the EU Spokesperson on the 36th Anniversary of the Tiananmen Square events[5]

- 29 Nov 2025 – Post by the EU Spokesperson on the Tai Po fire tragedy[6]

The EU Office's post on X (formerly Twitter) on Hong Kong covered the following human rights-related issue:

- 11 September 2025 – Post on the EU's commitment to LGBTIQ+ rights[7]

G7 statements on Hong Kong covered the following issues:

- 8 August 2025 - G7 Rapid Response Mechanism (RRM) Statement on Hong Kong Arrest Warrants[8]

- 17 December 2025 – G7 Foreign Ministers Statement on the Jimmy Lai verdict in Hong Kong[9]

The EU underlined its concerns about developments in Hong Kong in the statement read at the 80th Session of the UN General Assembly Third Committee: General Debate on 3 October[10]. In the 60th Session of the United Nations Human Rights Council, the EU raised concerns about the situation in Hong Kong at the Item 4 General Debate on Human Rights Situations that Require the Council's attention, which took place on 23 September[11]. The EU reiterated that it remained 'concerned about the human rights situation and the shrinking civic space in Hong Kong.' The EU urged 'the Chinese Government and the Hong Kong authorities to restore full respect for the rule of law, fundamental freedoms, and democratic principles.'

The EU also raised concerns about 'the repressive use of national security legislation which continues to undermine human rights and fundamental freedoms' at the 40th session of the EU-China Human Rights Dialogue that took place on 13 June in Brussels. The EU also called for

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[4] Post by the EU Spokesperson on the further narrowing of the space for civil society, 22 February 2025, available at: https://x.com/ExtSpoxEU/status/1893002738272772217.
[5] Post by the EU Spokesperson on the 36th Anniversary of the Tiananmen Square events, 4 June 2025, available at: https://x.com/ExtSpoxEU/status/1930307246191239378.
[6] Post by the EU Spokesperson on the Tai Po fire tragedy, 29 November 2025, available at: https://x.com/ExtSpoxEU/status/1994669852435644471?s=20.
[7] Post to reaffirm the EU's commitment to LGBTIQ+ rights, 11 November 2025, available at: https://www.facebook.com/share/p/1D3SVRQM7a/
[8] G7 Rapid Response Mechanism (RRM) Statement on Hong Kong Arrest Warrants, 8 August 2025, available at: https://www.canada.ca/en/global-affairs/news/2025/08/g7-rapid-response-mechanism-rrm-statement-on-hong-kong-arrest-warrants.html?fbclid=IwY2xjawOoqMBleHRuA2FlbQIxMABicmlkETF4NkJOdko2N0VMM0I1UFoyc3J0YwZhcHBfaWQQMjIyMDM5MTc4ODIwMDg5MgABHvQGci1v3q9YANbN4Ys05wBMfLgNRzBXCkR2TqrsQvdo5VOmPxMQAZvIvPdJ_aem_UvVyQSgAGfU8V0bUbZ3KfQ.
[9] G7 Foreign Ministers Statement on the Jimmy Lai verdict in Hong Kong, 17 December 2025, available at: https://g7.canada.ca/en/news-and-media/news/g7-foreign-ministers-statement-on-the-jimmy-lai-verdict-in-hong-kong/.
[10] EU Statement – UN General Assembly third Committee: General Debate, 3 October 2025, available at: https://www.eeas.europa.eu/delegations/un-new-york/eu-statement-%E2%80%93-un-general-assembly-3rd-committee-general-debate_en?s=63.
[11] EU Statement - HRC60 - Item 4, General debate on human rights situations that require the Council's attention, 23 September 2025, available at: https://www.eeas.europa.eu/delegations/un-geneva/eu-statement-hrc60-item-4-general-debate-human-rights-situations-require-council%E2%80%99s-attention_en.

the immediate and unconditional release of British citizen Jimmy Lai and human rights defender Chow Hang-tung.

In 2025, Hong Kong's economy grew for the third consecutive year, with a 3.5% increase in GDP year on year and with economic growth supported by financial services as well as trading and logistics. Construction, real estate and tourism related industries faced challenges during the year. In 2025, the EU remained Hong Kong's largest non-Chinese foreign business community measured by the number of companies. Hong Kong was the EU's tenth-largest partner globally for trade in services, the ninth largest source of foreign direct investment (FDI) stock into the EU and fourteenth-largest destination of the EU's FDI stock according to Eurostat (in 2024, latest year with data available at the time of writing). Hong Kong plays a role as a centre for trading, logistics, and business and financial services, including for EU companies.

I. Political and social developments

Legislative Council elections

The second 'patriots-only' 2025 Legislative Council General Election took place on 7 December, sending 90 lawmakers to the eighth Legislative Council. All candidates had to pass a political vetting process required by law. Out of the 90, 40 were first-time members of the Legislative Council and 27, a record high, were also members of either the National People's Congress (15) or the Chinese People's Political Consultative Conference (12), constituting an increase from the 2021 elections. Separately, at least half of the lawmakers-elect were employees or board directors at Mainland Chinese companies, an increase of 60% compared to four years ago.

The turnout for the 20 directly elected Geographical Constituency seats reached 31.9%, or 1.3 million voters. The rate surpassed the 30.2% recorded in the last election but remained the second-lowest on record. While the turnout rate went up by 1.7 percentage points, the total number of actual voters fell by around 33 000 as the electorate base shrank by 340 000. The number of invalid votes jumped by 50% and reached 41 147, a record high.

For the Functional Constituency, which mostly represents industry and interest groups and where 30 seats are returned by indirect election, the cumulative turnout reached 40.09% – an increase of 7.87 percentage points – representing 76 942 voters. In the Election Committee Constituency, 1 458 out of 1 466 registered electors cast their ballots, yielding a 99.45% turnout – overtaking that of 98.48% recorded in 2021.

The Government had budgeted 70% more on electoral promotion activities compared to four years ago, representing an expense reaching HKD 180 million (EUR 20 million). The Government also extended voting hours from the usual 08:30 – 22:30 to 07:30 – 23:30. Four new types of designated polling stations were set up to make voting easier for civil servants, medical workers, ethnic minority groups and elderly and disabled residents. The Chief Executive stated that voting is a 'duty' of civil servants. The Government also took the lead in organising election forums – during previous campaigns, such forums had been organised by media outlets.

Simultaneously, the Independent Commission Against Corruption arrested 11 people for allegedly inciting others not to vote or to cast invalid votes in the election and prosecuted three of them. The anti-graft agency, which is also in charge of prosecuting election-related offences, issued arrest warrants for two people based overseas suspected of making such social media posts online. In addition, the police arrested at least 29 people over alleged criminal damage to posters promoting the election, including a 66-year-old Spanish national. At least two cases were brought to court.

The Hong Kong-based central government body the Office for Safeguarding National Security revealed on 6 December – one day ahead of the election – that it had ‘summoned’ foreign media outlets and journalists for what it called ‘attacking and interfering in the Legislative Council elections.’ This was an unprecedented action.

Observers raised questions about the coordination of candidacies by the Central authorities. A total of 161 candidates enrolled in the election, competing in all seats. None of the 12 lawmakers aged 70 or above nor the lawmakers deemed too critical managed to seek re-election. The Beijing-based Hong Kong and Macao Work Office denied the existence of a ‘blessed list’ of candidates in at least three commentary pieces reposted on its website.

In the run-up to the Legislative Council elections, the remaining space for political pluralism continued to dwindle. The remainder of Hong Kong’s political opposition parties disbanded under heavy political pressure. The Democratic Party, once the largest party in the SAR’s legislature, started the process of disbandment on 13 April and concluded it with a vote of the party’s general assembly on 14 December. On 29 June, the League of Social Democrats announced its disbandment, citing ‘immense political pressure’.

During the four-year term of the seventh Legislative Council, 130 Government bills were passed, an increase of 60% compared to the previous term. The only legislative project introduced by the Government that was rejected by the Legislative Council was the Registration of Same-sex Partnerships Bill. The legislature has not sent any delegations to Europe or North America over its current four-year term, a first since 1997.

In July 2025, lawmakers unanimously approved a new ‘Code for Members of the Legislative Council’ that specified requirements for meeting attendance, voting, and other duties while introducing tougher penalties for misconduct. The new code of conduct also specified that ‘[m]embers shall take the exemplary lead in conscientiously discharging the duty to safeguard national security and enhance their awareness and capabilities in safeguarding national security’. The code also stipulates that lawmakers should not ‘intentionally vilify the governance credibility of the Chief Executive and the SAR Government’.

The 2025 Election Committee Subsector By-elections took place on 7 September. Around 3 534 registered voters – representing a turnout rate of 97.33% – cast their ballots for 21 seats in the 1 500-strong Committee that is responsible for choosing the Chief Executive and 40 seats in the Legislative Council.

Implementation of national security legislations

2025 marked the fifth anniversary of the imposition of the National Security Law. Government officials reiterated that ‘national security is an ongoing and endless commitment’.

As of 1 December, the police have made 365 arrests under the NSL, the SNSO and other national security legislation. In June, the Secretary for Security announced that the national security hotline had received over 920 000 reports over the past four years.

In May, the Government adopted two pieces of subsidiary legislation under the SNSO in a process that lasted only three days: informing lawmakers about the legislative plan on 11 May, consulting lawmakers on 12 May and gazetting the bill on 13 May.

One of the two pieces of subsidiary legislation laid down the implementation details of the SNSO. Five offences were created in relation to the work of the Mainland Office for Safeguarding National Security (OSNS) in Hong Kong, namely:

- failing to comply with a legal document issued by the OSNS without reasonable excuse,
- giving false or misleading statements to the OSNS,
- disclosing investigation by the OSNS,
- wilfully resisting or obstructing the work of the OSNS; and,
- impersonating a staff member of the OSNS.

The subsidiary law introduced a new maximum penalty of imprisonment of seven years and a fine of HKD 500 000 (EUR 56 700).

On 15 May, the Secretary for Justice stressed that anyone who receives a request from the OSNS to submit information is obliged to comply, even when the information is covered by a non-disclosure agreement.

The other piece of the subsidiary legislation declared six designated premises of the OSNS as prohibited places.

On 12 June, the OSNS and the National Security Department of the Hong Kong Police Force conducted their first publicly known joint operation. According to the authorities, six persons and an organisation were suspected of having committed the offence of 'collusion with a foreign country or with external elements to endanger national security' under the National Security Law between November 2020 and June 2024. The Hong Kong police raided the homes of suspects and an organisation office and confiscated the suspects' travel documents.

On 14 June, the Secretary for Security explained that the Hong Kong-based National Security Office of the Central Government requested the assistance of the Hong Kong police to ascertain whether circumstances existed for the National Security Office to exercise jurisdiction of a national security case in Hong Kong under the approval of the Central People's Government – a power enshrined in Article 55 of the NSL. As of the end of 2025, the case was not prosecuted and the identities of the individuals and organisations concerned remained unknown.

Judicial proceedings of the cases charged under the NSL, the SNSO and other related legislation continued in 2025, with considerable delays in some cases. Many of the defendants have been held in custody since mid-2021, in prolonged solitary confinement in some cases.

The appeal proceedings for 12 pro-democracy politicians and activists convicted under the NSL for participating in a 2020 primary election took place between 14 and 17 July. The court had convicted 45 of the 47 defendants in the original case, commonly referred to as the 'Hong Kong 47', in May 2024, and acquitted two. 12 defendants convicted of 'conspiracy to commit subversion' sought lighter jail terms or to overturn their convictions while the prosecutor challenged the acquittal ruling on one defendant. The prosecution appealed to overturn one acquittal. The appeal verdict was handed down in February 2026.

Meanwhile, 14 out of the 45 defendants were released upon concluding their imprisonment terms. Among them, Andrew Chiu became the first national security offender to secure sentence remission from the Correctional Services Department and was released on 28 October. Chiu worked with prosecutors to testify against 16 of his former comrades who had pleaded not guilty, securing a remission of his original seven-year sentence[12].

The NSL trial against the Hong Kong Alliance in Support of Patriotic Democratic Movements of China (the Hong Kong Alliance), scheduled to start on 11 November 2025, was postponed for the second time and rescheduled to start on 22 January 2026. The trial is set to last for 75 days. The now-disbanded civil society group used to organise Hong Kong's annual candlelight vigil to commemorate the 1989 Tiananmen crackdown. The prosecutor accused the Hong Kong Alliance and its core members of 'incitement to subversion'. The maximum penalty is life imprisonment. Albert Ho, one of the defendants, decided to plead guilty in the case.

In a related case, on 6 March, the Court of Final Appeal overturned the convictions of three former members of the Hong Kong Alliance, including vice-chair Chow Hang-tung, for failing to comply with police requests under the NSL.

In the NSL and sedition trial brought against media entrepreneur and pro-democracy activist Jimmy Lai, the High Court handed down a guilty verdict on two charges under the NSL on 15 December ('conspiracy to commit collusion with a foreign country or with external elements to endanger national security') and one charge under the colonial-era sedition law ('conspiracy to print, publish, sell, offer for sale, distribute, display and/or reproduce seditious publications'). Alongside Lai, three companies linked to the now-defunct newspaper Apple Daily were also convicted. Six former Apple Daily journalists had pleaded guilty in November 2022.

The trial saw significant delays. It ran for 156 days rather than the initially projected 83. The judgment included substantial reference to words and actions by Lai dating from before the NSL became effective in June 2020. The mitigation process and the sentencing will be covered in the 2026 annual report as they occurred in 2026.

Lai's family has consistently expressed concerns about the imprisonment conditions and health situation of the 78-year-old.

In the aftermath of the verdict, many top Hong Kong officials voiced their support for the ruling, which was unprecedented in the context of a court case in Hong Kong. The Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in Hong Kong published nine articles between 15 and 23 December, reaffirming its support to the ruling and rebutting criticism.

In addition, in 2025 Lai appealed against his convictions and sentencings related to his participation in the 4 June candlelight vigil in 2020 as well as a separate fraud case related to Apple Daily.

[12] In a separate court case, the Court of Appeal ruled on 24 June that the Correctional Services Department was not obliged to consider granting Adam Ma – a protester convicted for secession – early release after he was sentenced to a term of imprisonment. The judgment stressed that any sentencing reduction was discretionary and that denying a prisoner early release would not violate their right to liberty.

On 6 June, activist **Joshua Wong was newly charged of 'conspiring to collude with foreign forces'** under the NSL. Wong was brought to the court on 6 June as prosecutors alleged he had conspired with exiled former lawmaker Nathan Law and others between 1 July and 23 November 2020 to request foreign organisations to impose sanctions or take hostile actions against the Hong Kong SAR or the People's Republic of China. Wong is currently serving a jail term of 4 years and 8 months as part of the 'Hong Kong 47' subversion case and was expected to be released in January 2027. He could receive an additional imprisonment term ranging from three years to life.

In September, the Cout of Appeal rejected a request by **Wong Kin-Chung, also known as Joseph John**, a Portuguese national and British resident, convicted for 'incitement to secession' to file an appeal at the Court of Final Appeal to challenge his five-year jail term. He then proceeded to directly file an application with the Court of Final Appeal, which was also rejected in November.

On 15 December, a 16-year-old teenager was sentenced to jail for three and a half years after pleading guilty to conspiracy to commit secession.

During the year, the authorities initiated new prosecutions invoking offences under th**e SNSO**. Ten individuals were arrested for **'unlawful drilling'** – an offence under Article 13 of the SNSO indicating military-style training – in early December; two of them were charged on one count of 'conspiracy to commit subversion' on 15 December. Wong Kwok-ngon, known by the pen name Wong On-yin, was charged for **'prejudicing of investigation of offences endangering national security'** (by divulging details of enquiries made by police during a national security investigation) – an offence under Article 88 of the SNSO – and for sedition on 9 December.

In the **case of Kwok Yin-sang**, father of 'wanted' activist Anna Kwok, who was accused of **handling 'funds or other financial assets'** belonging to his daughter, the four-day trial concluded on 23 December with the verdict expected on 11 February 2026. This is the first case where a relative of a wanted activist is charged with a national security offence.

In the Stand News case, where convictions for two former chief editors were handed down in September 2024 under the colonial-era sedition law, one of the editors filed for an appeal in June 2025. The appeal trial is scheduled for September 2026. In another sedition case, the Court of Final Appeal upheld the conviction of activist Tam Tak-chi on 6 March.

The Courts continued to process cases related to the 2019 protests. According to the Hong Kong Judiciary, as of April 2025, the Courts had processed 96% of outstanding cases related to the 2019 protests.

Pro-democracy former lawmaker Lam Cheuk-ting was acquitted on 6 November of 'assaulting or obstructing' pro-Beijing legislators during a chaotic meeting related to the controversial extradition bill in 2019. On 27 February, he had received a 37-month jail term for participating in a 'riot' at Yuen Long MTR station on 21 July 2019, where a white-clad mob had attacked pro-democracy protesters.

In March, the Court of Appeal upheld the acquittal ruling of Democratic Party Chairman Lo Kin-hei, who had been charged with participating in an unlawful assembly in 2019, before his time as party chairman.

In the city's second trial under the United Nations (Anti-Terrorism Measures) Ordinance, following a 163-day trial, the jury acquitted all seven defendants of terrorism charges on 4 September but convicted three of conspiring to carry out bomb attacks during the 2019 protests under the NSL. The court sentenced the three convicted to jail terms ranging from 16 years and eight months to 18 years. One of the acquitted was charged on 30 October for conspiring to incite others to riot in 2019.

In April, **social worker Jackie Chen** was convicted and jailed for 45 months following a re-trial; subsequently in June, the Social Work Registration Board cancelled her professional licence.

Many of the approximately **6 000 protesters who were arrested during the 2019 protests but not yet charged** are still on bail, pending police investigations and prosecutorial decisions. In 2025, authorities have allegedly started to grant some of those affected legal rehabilitation against a signed acknowledgement of wrong-doing and a pledge to uphold the law.

On national security matters, the rule of law in Hong Kong continues to be under severe strain. Authorities continue to prosecute the political opposition and activists under national security legislation. Considerable delays in national security trials, prolonged pre-trial detention and the repeated use of solitary confinement were further causes of concern. There remain concerns about the right to a fair trial being upheld in national security cases, which are adjudicated by hand-picked judges and, so far, conducted without jury at the prosecution's request. Moreover, authorities have increasingly utilised administrative and regulatory measures (including revoking licences and professional credentials, venue restrictions, inspections or tax audits) to pressure activists, journalists and civil society. These developments weigh heavily on Hong Kong's common-law judicial system. While the rule of law remains largely intact outside of national security cases, there is a risk of spillover.

Hong Kong ranks 24th out of 143 countries and jurisdictions globally in the 2025 Rule of Law Index released by the US-based World Justice Project on 28 October, sliding by one place compared to last year. Hong Kong's ranking in terms of fundamental rights dropped from 62nd to 67th place.

By the end of 2025, there were six overseas non-permanent judges serving at the Hong Kong Court of Final Appeal - three from Australia, two from the UK and one from New Zealand. New Zealand judge William Gillow Gibbes Austen Young was appointed as a non-permanent judge. Judge Lord Hoffmann's term was extended for three years. Judge Roberto Ribeiro was re-appointed as a permanent judge at the Court of Final Appeal.

Australian justice Robert French decided to step down as a non-permanent judge in April. Explaining his decision, he stressed that the 'role of the non-permanent justices on the Court of Final Appeal has become increasingly anachronistic and arguably cosmetic.' Separately, in July, former president of the UK Supreme Court Lady Hale stated that she 'is now all the more convinced that it was the right thing' to resign from the Hong Kong Court of Final Appeal as a non-permanent overseas judge in 2021. Hale argued that 'the National Security Law has taken over the Basic Law.'

Hong Kong continues to allow barristers practising in other common-law jurisdictions to engage in legal proceedings. However, during the year, the Department of Justice objected to

British barrister Tim Owen representing a defendant in a trial pertaining to the Organised and Serious Crimes Ordinance. This was reportedly the first time such a ban was issued with the Bar Association having already given its non-objection.

2025 also saw a continued focus on integrating 'national security' into the governance of the SAR.

On 25 July, the Hong Kong authorities issued **arrest warrants and bounties on 19 Hong Kong overseas activists**, including, for the first time, an EU citizen. On 4 August, the Government officially designated 16 of the 19 as 'absconders,' entailing further restrictions: 12 of the individuals had their Hong Kong SAR passports revoked, and a former civil servant saw her pension terminated. The police have issued arrest warrants targeting a total of 34 individuals residing overseas by the end of the year.

In February, the US-based Hong Kong Democracy Council pointed out that 38 relatives and 12 associated persons in Hong Kong had been taken by the police to assist investigations under national security legislation as of the end of 2024 because of their personal relationships with 'wanted' overseas activists.

On 2 December, the Secretary for Security prohibited the operation of the Canada-based organisation 'Hong Kong Parliament' and the Taiwan-based organisation 'Hong Kong Democratic Independence Union' in Hong Kong. It was the first time the Hong Kong Government invoked its powers under the SNSO to ban organisations deemed subversive.

In September, the Security Bureau handed down a guideline to all civil servants to raise their awareness on safeguarding national security.

The fifth anniversary of the NSL was marked with an exhibition at the National Security Education Exhibition Gallery in the Hong Kong Museum of History.

On 18 July, the revised 'General Rules for the Government of Prisons' became effective, empowering the Correctional Services Department to restrict inmates' access to lawyers and other visitors on national security grounds.

On 25 June, the Legislative Council passed the Trade Unions (Amendment) Ordinance 2025 – scheduled to become effective on 5 January 2026. The law bans, among other provisions, those convicted of national security offences from holding leadership positions within trade unions.

The School Administration Guide released in May requires school librarians to remove resources containing 'elements that endanger national security or are contrary to the interests of national security.' After an update in August, the guide additionally stipulates that student activities with external organisations are supposed to 'not involve contents that endanger national security, nor promote political propaganda and improper values'.

Under the 'SmartView' surveillance camera initiative, CCTV cameras already installed at MTR stations and public housing estates were connected to a centralised police network.

Questions arose about an increasing spillover of the focus on national security into the business realm. In June, the Food and Environmental Hygiene Department added national security conditions to nearly 20 types of licences and permits, including restaurants, bakeries, butchers, swimming pools and massage parlours. These permits can be revoked if holders or their employees and subcontractors engage in any ‘offending conduct’.

Activists residing overseas continued to face harassment. In December, letters purporting to be from Carmen Lau, an exiled activist, containing digitally faked images of her as a sex worker, were sent to her former neighbours in the UK.

In 2025, Beijing-controlled media outlets in Hong Kong, Wen Wei Po and Ta Kung Pao actively exerted pressure on various entities by accusing them of ‘soft resistance’: the Liber Research Community, the independent book fair, and the Institute of Asia-Pacific Studies at the Chinese University of Hong Kong for issuing a poll on the Chief Executive’s approval rating.

Efforts to strengthen national security and patriotic education continued in 2025. On the National Security Education Day on 15 April, over 300 kindergartens, primary and secondary schools involving nearly 160 000 students, held national flag-raising ceremonies. The Education Bureau requested kindergartens to hold flag-raising ceremonies to mark the fifth anniversary of the NSL imposed by Beijing on 30 June and provided educators with suggested speeches on the importance of national security. On 1 July, all eight publicly funded universities organised flag-raising ceremonies to mark the handover anniversary.

The Education Bureau released a new guideline updating its primary school English language curriculum on 10 June for the first time in eight years. While the previous guideline had put emphasis on allowing pupils to ‘explore value-laden matters including human rights and equal opportunities,’ the new ‘English Language Education Key Learning Area Curriculum Guide for Primary One to Primary Six’ focused on ‘strengthening values education, covering national education including patriotic education, national security education, and life education.’

On 3 October, the Education Bureau announced changes to the secondary school curricula for history and Chinese history. For example, students would learn more about the founding of the Communist Party. The Hong Kong Examinations and Assessment Authority – in charge of administering the local university entrance examination – pointed out that students taking the Chinese history test had failed to name the positive impact of the Great Leap Forward.

On 21 August, the first Patriotism Education Base for Hong Kong and Macao students in Beijing was opened. The Hong Kong Polytechnic University opened ‘The Hong Kong Polytechnic University Patriotic Education Base (Xi’an)’ on 10 December, in collaboration with Xi’an Jiaotong University.

Other governance highlights

On 17 September, Chief Executive John Lee announced the penultimate annual governance plan of his current five-year term, emphasising economic development. In October, the Government gazetted the Basic Housing Units Bill intended to phase out sub-standard subdivided flats.

On 26 November, the Tai Po fire tragedy claimed 168 lives, including Hong Kong residents, foreign domestic workers and one fire fighter. The city marked the loss of life with a three-day mourning period from 29 November to 1 December. The EU Spokesperson and the Head of the EU Office to Hong Kong and Macao respectively issued social media communication expressing solidarity with the people affected by the tragedy[13].

Super Typhoon Ragasa hit Hong Kong on 24 September, prompting the Hong Kong Observatory to issue the No 10 Hurricane Signal as average wind speeds exceeded 118 km per hour. This storm was the strongest tropical cyclone in the Western North Pacific region in 2025. Thanks to the professionalism of the local authorities involved and the remarkable resilience of the Hong Kong population, the city quickly returned to normality.

Hong Kong's external relations

Hong Kong's external relations in 2025 were marked by efforts to diversify trade and economic links with countries in Southeast Asia, the Middle East and other emerging markets. In May, the Chief Executive led a delegation on a six-day visit to Qatar and Kuwait. Meanwhile, Financial Secretary Paul Chan visited Saudi Arabia in October. He cancelled a visit to Japan scheduled for mid-December amid rising tensions between Tokyo and Beijing.

The Government dispatched a rescue team to Myanmar following a 7.6 magnitude earthquake there in March.

On 30 May, Chinese Foreign Minister Wang Yi attended the signing ceremony of the Convention on the Establishment of the International Organisation for Mediation. The Convention counted 38 signatories, including China, as of end of 2025. Wang Yi explained that setting up the mediation body as providing a 'new option for the international community to resolve disputes and achieve reconciliation.' The organisation officially launched operations on 20 October. Teresa Cheng, a former Secretary for Justice in Hong Kong, was appointed as the inaugural Secretary-General.

The opening ceremony of the Hong Kong International Ombudsman Academy took place on 25 August. The Academy is intended to foster international exchange and cooperation while improving the quality of local public administration.

The Hong Kong Association for External Friendship under the supervision of the Chinese People's Association for Friendship with Foreign Countries held its inauguration ceremony on 5 July.

Emigration from Hong Kong continued. As of September 2025, the United Kingdom Home Office announced that it had received over 230 000 applications by British National (Overseas) passport holders from Hong Kong for the special visa scheme that can pave the way to citizenship. Around 150 000 individuals have arrived in the UK under the scheme. Canada and Australia continued to receive visa applications under bespoke immigration schemes for Hong Kong residents.

On 10 July, the US President extended the 'national emergency' status of Hong Kong, continuing the revocation of special trade privileges that the US had granted Hong Kong. The status also prohibits the export of sensitive technology to the city.

[13] https://www.eeas.europa.eu/delegations/hong-kong/tai-po-fire-eu-office-extends-condolences-and-solidarity_en?s=239

On 31 March, the USA announced sanctions against six Hong Kong and Mainland officials for 'transnational repression' of opposition activists under national security legislation. The six officials are: Secretary for Justice Paul Lam; Police Commissioner Raymond Siu (who retired on 1 April); Secretary General of the Committee for Safeguarding National Security in Hong Kong Sonny Au; Director of the Central Government's OSNS Dong Jingwei; and Assistant Police Commissioners (National Security) Dick Wong and Margaret Chiu. This is the fifth time the US has imposed sanctions on Hong Kong officials.

On 10 April, British lawmaker Wera Hobhouse was denied entry to Hong Kong on a personal trip. She was reportedly the first British MP to be refused entry on arrival in Hong Kong since 1997.

In August, the UK Minister of State for Home Affairs confirmed legal amendments to process Hong Kong extradition requests on a case-by-case basis.

During the year, an activist residing in the United Kingdom and a former lawmaker in Australia confirmed that they had received asylum status from their respective host countries.

Rights, freedoms and equal opportunities

In 2025, Hong Kong continued to score poorly in various rights-related global rankings. According to a report from the NGO Freedom House, Hong Kong was a 'partly free' territory in 2025, scoring 40 out of 100. According to the Democracy Index 2024 prepared by the Economist Intelligence Unit and published in February 2025, Hong Kong ranked 87th out of 167 countries or territories. The index again categorised Hong Kong as a 'hybrid regime', with an overall score of 5.09 out of 10.

According to the report '**Cooperation with the United Nations, its representatives and mechanisms in the field of human rights'**[14] issued by the UN Secretary General and delivered to the Human Rights Council on 17 September, two staff members of the US-based Hong Kong Democracy Council, Anna Kwok and Carmen Lau, 'were allegedly subjected to reprisals for their past and ongoing cooperation with the United Nations, including in the context of the fourth cycle of the universal periodic review of China by the Human Rights Council'. The report also referred to reprisals on Chow Hang-tung and the two members of the international legal team supporting Jimmy Lai and his son Sebastien.

On 3 February, the Chinese and Hong Kong governments submitted their regular report to the United Nations Committee Against Torture, originally due in 2019, with a six-year delay.

On 8 September, the UN Special Rapporteur on the independence of judges and lawyers and the Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression[15] expressed 'serious' concerns that solicitor Kevin Yam, now residing in Australia, was erased from the Roll of Solicitors 'without having breached any of the Law Society's statutes or the Code of Conduct'.

[14] https://www.ohchr.org/en/documents/thematic-reports/ahrc6062-cooperation-united-nations-its-representatives-and-mechanisms
[15] https://spcommreports.ohchr.org/TMResultsBase/DownLoadPublicCommunicationFile?gId=30342

On 9 December, UN High Commissioner for Human Rights Volker Türk voiced concerns over reports that the SNSO had been used to 'clampdown on people calling for a probe into the deadly [Tai Po] fire'[16].

Press freedom remained under pressure. In the annual Reporters Without Borders (RSF) Press Freedom Index published in May, Hong Kong slipped a further five spots to 140th place. The city, for the first time, entered the 'red zone' of the index – indicating a 'very serious' situation. The decline was attributed to the conviction of Stand News editors under the offence of 'sedition' in September 2024.

International journalists were refused entry on several occasions. Work visa applications were denied, including for Bloomberg journalist Rebecca Choong Wilkins.

Self-censorship was widespread: In the 2024/25 Press Freedom Survey conducted by the Hong Kong Foreign Correspondents' Club (FCC), published in April, 65% of members polled revealed that they self-censored while 33% considered leaving the city over press freedom. The Press Freedom Index, prepared by the Hong Kong Journalists Association and unveiled in October, stood at 28.9 points on a hundred-point scale, an improvement from 25 points in the previous year. The Association argued that 'the index's rebound did not indicate a significant improvement but rather reflected the resilience of Hong Kong journalists in the current landscape.'

In 2025, independent media outlets and journalists continued to face administrative harassment, including seemingly politically motivated tax probes. The Hong Kong Journalists Association revealed in May that at least six independent outlets – including Hong Kong Free Press (HKFP), Hong Kong Inmedia and The Witness – were confronted with simultaneous tax audits and backdated demands from the Inland Revenue Department. In addition, 20 individuals linked to independent media outlets were affected, including the newly re-elected chairman of the Hong Kong Journalists Association, Selina Cheng.

Journalists' associations repeatedly faced difficulties in securing venues for events. The Hong Kong Journalists' Association had to therefore call off a football match in January and its annual gala dinner in February, while the Hong Kong Press Photographers Association was hindered from organising an exhibition in November marking its 35th anniversary.

Amid this increasingly difficult environment, the Hong Kong Journalists Association held an election in June to select a new Executive Committee without publicly releasing the names of the newly elected members.

In September, the Legislative Council passed the Registration of Titles and Land (Miscellaneous Amendments) Bill 2025 that no longer allowed journalists to access official land records, restricting scope for investigative journalism.

The reporter covering Chinese foreign and defence policy for the South China Morning Post, Minnie Chan, who has been detained since October 2023, was reportedly still detained on the Mainland by the end of 2025.

[16] https://news.un.org/en/story/2025/12/1166548

Radio Free Asia ceased its Cantonese-language content operations starting from 1 July, following the termination of funding by the United States Agency for Global Media. Founded in 1996, the private and non-profit news outlet had often produced content that was criticised by the Hong Kong Government.

2025 also saw the Hong Kong judiciary enforcing press freedom and freedom of expression. On 7 August, the Court of Final Appeal denied the Communications Authority's application to overturn an earlier ruling that a political satire aired by government-funded broadcaster Radio Television Hong Kong (RTHK) did not constitute a breach of its code. This was in favour of the RTHK Programme Staff Union and the Hong Kong Journalists Association that brought the initial challenge five years ago against a warning from the watchdog over the satirical current affairs show.

There was also further strain to freedom of expression and the space for pluralistic opinions in 2025. In the aftermath of the Tai Po fire, which claimed 168 lives, the national security police arrested student Miles Kwan and former District Councillor Cheung Kam-hung on sedition charges. Kwan had called for an independent investigation into the fire, while Kam-hung had volunteered on site to organise donated supplies for individuals affected by the fire.

In February 2025, the independent polling institute Hong Kong Public Opinion Research Institute (PORI) discontinued its political opinion polling activities under heavy pressure. Its President Robert Chung was taken away twice by the national security police to assist with an investigation into aiding one of the ‘fugitives’ – Chung Kim-wah, a former Deputy Executive Director at the Institute who moved to the United Kingdom in 2022. Chung was later released.

The Hong Kong Institute of Asia-Pacific Studies at The Chinese University of Hong Kong has not publicised any polling results since June, and no approval ratings of the Hong Kong Government and the Chief Executive.

Political pressure also continued to affect cultural activities. The practice of cancelling selected film screenings and cultural performances deemed critical also continued in 2025. The Hong Kong French Film Festival had two entries called off, including ‘Case 137’ highlighting the handling of protests by the French police. Local filmmaker Kiwi Chow complained in November that he had waited for four months to be told that his latest drama ‘Deadline’ could not secure an approval for screenings in Hong Kong; the process would normally take around 14 days.

In consultation with the Culture, Sports and Tourism Bureau, the West Kowloon Cultural District Authority cancelled the re-stage of ‘We Are Gay’, a play by award-winning playwright Candace Chong, on 18 October, shortly before ticket sales were set to begin. The Authority explained that it had received complaints that the work – focused on gay romance– ‘promotes confrontation’ and ‘defames Hong Kong’.

On 30 May, singer-songwriter Sunny Lam, known for rewriting song lyrics to satirise current affairs, announced the cancellation of his two concerts scheduled for 1 and 2 June at the West Kowloon Cultural District, citing ‘careful evaluation.’

Official criticism of ‘soft resistance’ for cultural activities continued, for example of an independent book fair organised in July.

Access to information and freedom of expression in Hong Kong nevertheless remained considerably freer than in Mainland China. Largely open internet access continued to allow Hong Kongers to access independent online media. The competent Government authority granted the Foreign Correspondents' Club a renewal of its lease at the current site by the end of the year for another three years.

Freedom of religion remained largely intact in Hong Kong. The space for religious groups or leaders to show dissenting voices, however, remains heavily curtailed. For the fourth consecutive year, the Catholic Diocese of Hong Kong, did not hold public masses to commemorate the Tiananmen Square crackdown.

In April, the local court granted permission to 93-year-old Catholic Cardinal Joseph Zen Ze-kiun – who has been on bail since his arrest in 2022 on charges of foreign collusion, with his passport confiscated by national security police – to travel to the Vatican to attend the funeral of Pope Francis. He was reportedly prohibited from giving media interviews during his trip.

There is no sign of freedom of assembly for peaceful protests recovering. The formerly large-scale candlelight vigil in Victoria Park on 4 June to commemorate the 1989 Tiananmen crackdown, originally organised by the civil society group Hong Kong Alliance in Support of Patriotic Democratic Movements, did not take place for the sixth year in a row. The EU Office again placed candles in its office windows on the day as a sign of remembrance.

On 4 June, the police arrested two persons near Victoria Park and took away ten others. The two were arrested for failing to produce an identity document and on suspicion of obstructing police officers, respectively.

In relation to the commemoration, the owner of the car with number plates 'US 8964' – a set of numbers associated with the date of the 1989 Tiananmen crackdown – decided to move to the United Kingdom as his family received harassment at work and in school. The owner further found out that his account at the Transport Department was 'locked', meaning that any transactions related to his number plates and cars had to receive approval from the Police.

The traditional demonstration areas next to the Legislative Council building remain closed. There were, however, small demonstrations, under heavy police scrutiny, at the third anniversary of the full-scale Russian invasion of Ukraine. Plainclothes police checked the IDs of participants and journalists on the scene. There were also several cases of individuals protesting in support of Palestine in front of the US Consulate without interference by the authorities.

Authorities continued to discourage demonstrations to mark Labour Day on 1 May, also extending the pressure to pro-establishment groups, such as the Federation of Trade Unions and the Hong Kong and Kowloon Federation of Labour Unions that used to mark the 1 May Labour Day before 2020. In April 2025, the police reportedly expressed concerns about order being maintained during a potential protest, leading to the trade union cancelling the event.

In February, the Hong Kong Tele-call Taxi Association called off a planned five-day strike after the Hong Kong Chief Executive warned that such action could harm 'the interests of the people.' The union had demanded a crackdown on unlicensed ride-hailing services.

Simultaneously, authorities continued to provide ample room for staged protests by pro-establishment groups criticising the EU as well as likeminded countries. There were four such demonstrations in front of the EU Office building in 2025 in reaction to human rights-related EU statements.

Freedom of association continued to be under heavy strain in 2025. Several prominent civil society groups disbanded. On 28 February, the non-profit Hong Kong Unison, which had focused on ethnic minority rights, decided to disband after 24 years of operation. On 12 June, Hong Kong-based China Labour Bulletin, founded by labour activist Han Dongfang in 1994, announced its decision to dissolve, citing difficulties with finances and debt. The group had supported labour movements in Mainland China from Hong Kong. On 30 June, the Riders' Rights Concern Group, founded in 2021 and focused on the rights of delivery workers, announced that it would cease operations effective immediately.

On 1 August, the 29-year-old Society for Protection of the Harbour, a prominent conservation group that successfully campaigned for Victoria Harbour's legal protection in 1997, announced its dissolution, citing recent legislative changes facilitating land reclamation that undermined its mission. While the group had support from the city's former Chief Executives Tung Chee-hwa and Carrie Lam, Beijing-backed Ta Kung Pao accused the group of 'soft resistance.'

On 22 August, the Government gazetted notices to remove almost 300 groups from the societies registry, arguing that the organisations were believed to 'have ceased to exist.' Among the groups were six now-defunct pro-democracy groups, including Scholarism – founded by jailed activist Joshua Wong and pro-democracy political group People Power.

Throughout the past year, several civil society groups faced last-minute venue cancellations. For example, one day ahead of the forum on eco-tourism on 22 June, the Chinese University of Hong Kong informed Greenpeace that its venue required repairs, forcing the event to move online.

This development also extended to members of the Consular Corps. In an interview published in July, the outgoing US Consul General Gregory May revealed that the diplomatic mission faced 'increasing' difficulty in locating venues with hosts having pulled out at the last minute on several occasions and some citing pressure from authorities.

On 15 April, Amnesty International announced the launch of a new Hong Kong section based overseas following the closure of its offices in the city in 2021. The Office is led by Hong Kong activists operating from Australia, Canada, Taiwan, the United Kingdom and the United States.

Academic freedom continues to be under pressure, with widespread self-censorship, particularly in the humanities and social sciences. In 2025, the eight public-funded universities had to sign a new accountability agreement, which includes clauses requiring universities to follow the 'advice and guidance' of the Central Government and align with the remarks of Chinese leader Xi Jinping.

The Hong Kong Institute of Asia-Pacific Studies at The Chinese University of Hong Kong discontinued its contracts with two Honorary Senior Research Fellows – former US diplomat Morton Holbrook and Taiwanese scholar Hsin-Huang Hsiao – in the context of criticism by Beijing-controlled Ta Kung Pao issued on 30 July.

In August, the University of Hong Kong and the Hong Kong University of Science and Technology joined Tsinghua University in co-hosting a 'Global Comparative Perspectives on Xinjiang' conference.

All scholars from Hong Kong-based academic institutions withdrew their participation in the 'Third International Conference on Global Hong Kong Studies: Resilience & Transformation' organised by the Institute of Sociology at Academia Sinica in Taiwan in early December – reportedly due to political pressure.

Nevertheless, the higher education sector in Hong Kong received positive recognition from league tables in the past year. In the QS World University Rankings 2026 published in June, five universities in Hong Kong were in the world's top 100. One institution rose six places to 11th globally, its best-ever performance. In the 2026 Times Higher Education World University Rankings published in October, six Hong Kong institutions ranked among the world's top 200 universities, a record for the city.

2025 saw a mixed picture on LGBTIQ+ rights. On 10 September, the Legislative Council voted down the Same-sex Partnerships Bill that would have established an alternative framework recognising homosexual partnerships in compliance with a ruling from the Court of Final Appeal from September 2023. 71 of 87 lawmakers voted against the draft legislation, with 14 voting in favour and 1 abstaining. This was the first and only government-proposed bill voted down by the then-legislature during its four-year term.

Under the proposed bill, same-sex couples would have first had to have their relationships registered outside of Hong Kong. The mechanism would then have granted the couples a limited number of rights relating to medical and after-death matters. The paper expressly stated that the framework would not be equivalent to marriage.

Still, the bill faced criticisms from both the city's major political parties and the LGBTIQ+ community. To conservative groups, the framework would have in effect recognised same-sex relationships as marriages while to some members from the LGBTIQ+ community, the framework failed to provide sufficient protection of their rights. The Bills Committee that scrutinised the proposed legislation had invited the public to turn in submissions. Over 10 000 submissions were received. According to the authorities, only 19% were in support of the bill.

Following the veto of the bill by the Legislative Council, the Chief Executive pledged on 16 September to announce administrative measures as a remedy to satisfy the constitutional requirement before the deadline of 17 October, as mandated by the Court of Final Appeal. By the end of the year, no details on the announced measures had emerged. Legal scholars issued warnings about damage to the rule of law in Hong Kong in the event of an insufficient answer to the legal obligation imposed by the Court of Final Appeal.

While there were calls to invite the Standing Committee of the National People's Congress to interpret the Basic Law on the issue, hence overturning the ruling from the Court of Final Appeal, the authorities exercised restraint. The Hong Kong and Macao Affairs Office under the State Council only published an opinion piece after the veto, arguing that the vote aligned with Hong Kong's social reality and reflected mainstream societal values. The article also noted that the administration, legislature and judiciary had handled the issue in accordance with the law.

Earlier in the year, the Legislative Council had already passed a non-binding motion on ‘upholding the monogamous and heterosexual marriage system in Hong Kong’. 69 voted in favour of the motion, 0 against and 10 abstained.

Meanwhile, LGBTIQ+ groups faced increasing difficulties organising events. The organisers of Pink Dot, a large-scale corporate event in support of LGBTIQ+ rights scheduled for 12 October revealed on 31 July that the original venue partner for the event had declined to lease its space without further explanation. The event finally took place in the form of an online concert. The Rainbow Festival outdoor event, organised by the Hong Kong Pride Committee, could not take place at an outdoor venue as previously scheduled on 29 November as the venue became unavailable due to ‘construction work.’

Other community events, however, could proceed. A group of local NGOs under the leadership of Gay Harmony successfully organised a public street fair in support of the draft same-sex partnerships registration bill in the context of IDAHOBIT on 17 May. The annual Pride Bazaar, organised by the NGO Gay Harmony, returned for the fifth time and took place between 14 and 15 June in a non-public venue.

The Hong Kong judiciary continued to advance LGBTIQ+ rights. On 23 July, the High Court upheld an anonymous litigant’s claim that the Government had violated its constitutional duty to safeguard residents’ fundamental rights by criminalising the misuse of public restrooms at the expense of the transgender community. The Government had filed an appeal to the judgment.

Separately, on 9 September, the High Court ruled in favour of a lesbian couple seeking to include the name of the birth mother’s partner in their son’s birth certificate. The pair, a Hong Konger and a South African, had married abroad in 2019, The child was conceived through in vitro fertilisation.

With regards to asylum seekers, the Government enhanced its handling capacity. In February, the judiciary appointed the first Deputy Judge at the Court of First Instance to exclusively handle cases relating to non-refoulement claims.

Foreign domestic workers in Hong Kong remain a vulnerable group. In June, the Court of Final Appeal dismissed a judicial review of a foreign domestic helper who argued that the police had failed to investigate her complaint against her employer due to the absence of specific legislation against forced labour.

Prisoners’ rights continued to be of concern. The Prison (Amendment) Rules 2025 became effective on 18 July, tightening visiting rights. The Correctional Services Department can now restrict or even ban a person – including lawyers and religious leaders – from visiting an inmate on certain grounds, including safeguarding national security. Under the previous rules, lawyers faced no restrictions and chaplains could visit prisoners ‘at all reasonable times’.

Throughout the year, groups outside of Hong Kong and relatives of people held under custody continued to voice concerns about prison conditions, including the use of solitary confinement and alleged denial of access to religious rituals. Chow Hang-tung, the detained pro-democracy activist and member of the Hong Kong Alliance, had to repeatedly face solitary confinement in 2025.

According to the Annual Review 2024 published by the Correctional Services Department in February 2025, the average daily number of remands reached 3 650, an annual increase of 18% and hitting a new record since 2000. By the end of 2024, there were 591 people held in custody for involvement in offences relating to the 2019 protests and national security legislation, representing a decrease of 24% year on year.

II. Economic developments

Hong Kong exercises independent authority in implementing commercial agreements and sets monetary policy autonomously from Mainland China. In 2025 Hong Kong remained a separate legal jurisdiction from Mainland China on issues of economic policy. It maintained a separate currency not limited by capital limitations, as well as separate regulatory structures to supervise companies operating in the territory.

Hong Kong ranked as the **world's third-largest destination for FDI** in 2024 according to the World Investment Report 2025 issued by the United Nations Conference on Trade and Development[17]. In addition, Hong Kong is one of the world's top **trading economies** (ranking seventh in 2024)[18], with its exports largely consisting of re-exports.

Hong Kong's economy is **dominated by services** (accounting for 94% of GDP), including financial services and logistics, while manufacturing accounts for only a fraction of GDP (1%).

Hong Kong's economy grew for the third consecutive year in 2025, with a 3.5% increase in GDP year on year[19], after a 2.5% increase in 2024. Economic growth was supported by strong performances in the financial services industry as well as in trading and logistics while construction, real estate and tourism related industries continued to face challenges.

Inflation remained moderate in 2025, with an annual 1.4% increase in the consumer price index during the year. **The unemployment rate** was 3.6% as of December 2025, an increase from 3.0% in December 2024.

The **trade and logistics sector** continued to grow during the year. The value of Hong Kong's external trade in goods increased by 15.5% to HKD 10.93 trillion (EUR 1.2 trillion)[20] in the year (after an increase of 7.3% in 2024). Hong Kong's position as a trading hub for goods is largely supported by its role as a transit and re-export centre.

The **financial industry** was supported by a surge in initial public offerings (IPOs). There were 119 IPOs in Hong Kong in 2025 (an increase from 71 in 2024) and the total amount raised through IPOs increased by 226.8% year on year to HKD 285.8 billion (EUR 31.7 billion). Hong Kong was the world's largest hub for IPOs by value in 2025. During the year, the **Hong Kong Hang Seng Index** rebounded by 29.7%, while **market capitalisation** on the Hong Kong Stock Exchange increased by 34.2% to HKD 47.4 trillion (EUR 5.3 trillion). Average daily market turnover increased by 89.5% year on year to HKD 249.8 billion (EUR 27.7 billion). As

[17] Website of UNCTAD:
https://unctad.org/topic/investment/world-investment-report
[18] Census and Statistics Department of the Hong Kong SAR
https://www.censtatd.gov.hk/en/web_table.html?id=410-51041
[19] Press release by the Government of the Hong Kong Special Administrative Region
https://www.censtatd.gov.hk/en/press_release_detail.html?id=5724.
[20] Converted to EUR with EUR 1 = HKD 9.01 (as of end of December 2025)
https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-inforeuro_en

of the end of October 2025, Hong Kong was the world's sixth-largest and Asia's third-largest stock market by market capitalisation and the world's largest offshore renminbi business hub.

Tourism and related industries exposed to tourist spending are yet to recover to their level of 2018, which was the last 'normal' year for tourism flows to Hong Kong before the start of the COVID-19 pandemic. Hong Kong welcomed 49.9 million visitors in 2025, a 12.1% increase year on year but this was only 76.6% of the number of visitors in 2018. Visitors from Mainland China accounted for 75.8% of the total, or 37.8 million. Visitors in Hong Kong also spent less per capita during the year and as a result, total tourism spending during the first nine months of 2025 (the latest period for which data are available) increased by 5.8% year on year (in comparison with a 12.1% increase in arrivals). The value of **retail sales** (which are exposed to tourism spending), grew only moderately, by 1.0% year on year to HKD 380 billion (EUR 42.2 billion), during the year and this was only 78% of their level in 2018. The weak performance in retail was also exacerbated by Hong Kong residents travelling to the neighbouring city of Shenzhen for shopping and leisure.

Aviation and related industries continued to recover in 2025, but numbers of flights and passengers at Hong Kong International Airport remained below pre-pandemic levels. In 2025, the number of flights into and out of Hong Kong increased by 8.7% to 394 732 and passengers by 15.0% to 60.8 million, but were still respectively 6.0% and 14.6% lower than in 2019. Air cargo freight increased by 2.8% year on year to 5.0 million tonnes in 2025 (also 7.1% above 2019). Hong Kong retained its position as the world's busiest air cargo hub during the year. With a third runway now operational, Hong Kong has capacity for 120 million passengers and 10 million tonnes of cargo.

The SAR's **linked exchange rate system** remained in place during the year, within a band of HKD 7.75-7.85 to one US dollar. Foreign currency reserve assets were mostly stable, ending 2025 at USD 427.9 billion, up slightly from USD 421.5 billion at the end of 2024.

The budget presented in February 2025 forecasted a consolidated deficit for the financial year 2025-2026 (ending 31 March 2026) of HKD 163 billion (EUR 18.1 billion), excluding proceeds from the issuing of government bonds. The fiscal situation improved during the year. Analysts forecasted the operating account of the Government's budget to turn into a surplus at the end of the financial year ending March 2026, while the consolidated account (operating account + capital account) would continue to register a deficit (Hong Kong's sixth deficit in seven years). The deficits were funded by issuing government bonds and by tapping into Hong Kong's fiscal reserves. As of December 2025, government debt amounted to about 12.4% of GDP, an increase from virtually no debt in 2019.

Business environment

The perception of the Hong Kong business environment within the European business community improved moderately in 2025. This was shown in a business climate survey of Swedish companies that was released in May 2025[21] (the Swedish business survey) and a German business confidence survey that was conducted in August 2025 (the German business survey)[22]. In the German business survey, business confidence reached its highest level since

[21] Business Climate Survey for Swedish Companies in Hong Kong SAR 2025 conducted by Business Sweden, the Swedish Chamber of Commerce and the Consulate General of Sweden https://www.business-sweden.com/insights/reports/business-climate-surveys/hong-kong-sar-business-climate-survey-2025/

[22] The 2025 Business Confidence Survey, conducted by German Industry and Commerce and the German Chamber of Commerce in Hong Kong

the start of the survey in 2019. Confidence stood at 3.84 (on a scale from 1 to 5), an increase from 3.36 in 2024 and from 2.30 in 2022 (the lowest on record). In the Swedish business survey, the Hong Kong business climate was rated at a score of 3.3 (out of 5), an increase from 3.1 in 2024.

Companies largely continue to perceive Hong Kong as a **competitive business centre** with a strong value proposition. Advantages of being based in Hong Kong include: a simple and low-tax system; its geographical location and connectivity and access to Mainland China; the ease of doing business; the free movement of capital and full convertibility of the Hong Kong dollar; the common-law system; safety of data, a low level of corruption and high public safety. Companies consider it important that these advantages remain in the future. The perceived economic openness of Hong Kong was reflected in the Swedish business survey, which ranked Hong Kong as the market with the fewest market barriers globally. In the German business survey, 92.4% of respondents were not considering relocation in the next 12 months (vs 7.6% who considered partial relocation) and 31.9% indicated plans for further investment in Hong Kong (with the remaining respondents stating that they have no such plans or are undecided).

Companies in Hong Kong also reported several challenges. The main challenges include the **high costs** of operating a business in Hong Kong (including labour and property costs), the recruitment and availability of **talent** and changes in Hong Kong's talent pool. An additional concern of foreign and EU companies is the local **political and legal developments since 2019**, including the implementation of national security legislation and concerns over freedom of speech and information. In the German business survey, the political climate was rated as the second-worst area affecting Hong Kong's competitiveness (after cost issues). In the Swedish survey, 38% of respondents assessed that political developments had a negative or very negative impact on the Hong Kong business climate (down from 51% in 2024) – with the top concern being that these developments jeopardise Hong Kong's status as an international business centre and affect freedom of speech and media freedom – while 43% reported a neutral impact and 6% a positive impact. The two surveys also showed existing concerns regarding the legal system and the judiciary. The impact of the US tariffs on the operation of EU companies in Hong Kong was also a concern.

Attracting talent to Hong Kong remained a key policy of the Government. During the year, most of the workers attracted to Hong Kong under various government talent schemes were Mainland Chinese nationals (e.g. during the first half of 2025, the most recent data available at the time of writing, 97% of the applications approved under the Quality Migrant Admission Scheme; 87% under the Technology Talent Admission Scheme; and 94% under the Top Talent Pass Scheme).

A recent annual survey of foreign companies in Hong Kong conducted by the Hong Kong Census and Statistics Department **indicated that the number of foreign companies (excluding Mainland Chinese companies) increased** in 2025 by 8.7% compared with 2024, to an historical high of 7 980. This also represents an increase from pre-pandemic levels, with an increase of 10.2% from 2019. However, foreign companies were also smaller, with 46.0 staff members on average per company, down by 7.1% from 2024 (49.5 staff members) and 15.7% from 2019 (54.5). In addition, the number of foreign (non-Chinese) companies having their regional headquarters and regional offices in the SAR remained lower, with a decrease of 8.6% from 2019 (despite an increase of 3.9% year on year in 2025). In the meantime, the

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https://hongkong.ahk.de/en/news/german-business-in-hong-kong-2025

number of Mainland Chinese companies based in Hong Kong surged by 17.9% year on year in 2025 and by 71.8% when compared with 2019 (they now account for 27.8% of non-Hong Kong companies, up from 19.9% in 2019).

In **March 2025**, Hong Kong-based conglomerate **CK Hutchison Holdings Ltd (CK Hutchison)** announced a major strategic transaction to sell most of its global port business (43 ports/terminals) in 23 countries (with ports in Mainland China and Hong Kong excluded), including its controlling stake in Panama Ports Company (PPC), which operates terminals at either end of the Panama Canal[23]. The deal, valued at about USD 22.8 billion, was agreed in principle with a consortium led by US asset manager BlackRock Inc. along with partners including Terminal Investment Limited (TiL) of Mediterranean Shipping Co. (MSC). The transaction was announced by CK Hutchison amid geopolitical tensions. During the year, multiple reports noted criticisms of the sale by Hong Kong and Mainland China officials and pressures from Beijing for a Chinese strategic investor, reported to be COSCO Shipping, to have a stake in the deal. In July 2025, **CK Hutchison announced** discussions with a view to inviting a major strategic investor from Mainland China to join as a significant member of the consortium[24]. As of the end of 2025, the deal was not completed and remained politically sensitive. Furthermore, a Panama Supreme Court ruling has annulled CK Hutchinson's concession and Maersk has taken over the operation of the two Panama terminals (Balboa and Cristóbal) in the interim. This may also complicate any future port deal.

Economic policies

In his annual **policy address on 17 September 2025**, Hong Kong's Chief Executive focused largely on economic development and economic policies. The address announced the initiative of capitalising on Hong Kong advantages as a business centre and export platform to **support Mainland enterprises in expanding overseas**. The policy address refers to a shift in strategic focus, with Mainland enterprises proactively exploring emerging markets. In October 2025, the Hong Kong government launched the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force)[25], with the purpose of mobilising Hong Kong's overseas offices, as well as Hong Kong offices in the Mainland, to encourage Mainland enterprises to use Hong Kong when expanding their businesses overseas. The policy address also mentions the following objectives: (1) encouraging Mainland companies to establish Corporate Treasury Centres (CTCs) and regional headquarters in Hong Kong; (2) helping Mainland banks to expand into markets such as Southeast Asia and the Middle East; (3) leveraging Hong Kong's exhibition industry as the ideal platform for Mainland brands to 'go global'; (4) developing carbon audit services to assist enterprises going global to meet international requirements; and (5) mobilising Hong Kong's legal services to assist the expansion of Mainland enterprises.

Accelerating the development of the **Northern Metropolis** (with planned land area and population intake accounting for about one-third of Hong Kong's) into 'the new engine for Hong Kong's economic development' was a key policy in the policy address. Initiatives in the policy address to accelerate development and promote market participation include (i) introducing a 'phased development' approach inspired by the Mainland; (ii) lowering the land

[23] Joint announcement by CK Hutchison Holdings Limited and BlackRock Inc., Global Infrastructure Partners and Terminal Investment Limited
https://www.ckh.com.hk/en/media/press_each.php?id=3431.

[24] Announcement by CK Hutchison Holdings Limited
https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0728/2025072800045.pdf

[25] Press release by the Government of the Hong Kong Special Administrative Region
https://www.info.gov.hk/gia/general/202510/06/P2025100600200.htm.

premium by allowing the premium to be paid in phases and/or based on the actual built floor area (rather than the maximum floor area); and (iii) adopting large-scale land disposals (a first large-scale land disposal was launched in December)[26]. A stated goal is also to reduce construction costs and time by integrating construction technologies, materials and equipment from the Mainland and overseas. The policy address also announced simplified procedures for setting up statutory industry park companies (in December, an industry park company, wholly owned by the Government, was established to develop the Hung Shui Kiu industry park in the Northern Metropolis)[27]. Enhancing governance was also a stated goal of the policy address and a Committee on Development of the Northern Metropolis, chaired by the Chief Executive, was launched and met for the first time on 29 September. Three working groups were established under the Committee, chaired respectively by the Financial Secretary, the Chief Secretary for Administration and the Deputy Financial Secretary. The task force for collaboration on the Northern Metropolis development strategy, comprising the authorities of Hong Kong and Shenzhen, held its sixth and seventh meetings during the year.

During the year the development of the Northern Metropolis continued. The Government issued calls for expressions of interest, including for railway, eco-tourism and large-scale land disposal. The Northern Metropolis plays an important role in the Government strategy to strengthen Hong Kong as an international Innovation and Technology (I&T) centre. The Government resumed a first batch of land[28] (i.e. the Government taking back land ownership from private owners under the Lands Resumption Ordinance) in the San Tin Technopole – a new I&T zone in the Northern Metropolis – and a development plan for the technopole was issued[29]. An open tender was launched at the Sandy Ridge Data Facility Cluster (for computing power facilities, data, artificial intelligence and digital industries)[30]. The construction of the first three buildings of the Hong Kong Park – which is part of the Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone – located on both sides of the Shenzhen River, was completed and the Chief Executive officially opened the park on 22 December[31]. A university town will also be built as part of the Northern Metropolis.

EU companies in Hong Kong in the construction, engineering and infrastructure industries believe that the development of the Northern Metropolis will provide business opportunities but they also reported increased competition from Chinese companies in these fields.

To strengthen the SAR's role as **an international trade centre** amid an evolving geopolitical landscape, the policy address announced that Hong Kong will seek to expand its networks of trade and investment agreements and open new economic and trade offices. Digital trade will be further promoted to lower costs and encourage efficiency, including in relation to e-commerce, trade financing and access to credit for SMEs. This also includes plans for further expanding Hong Kong's trade single window (for digital submission of trade documents) and for connecting it with the single windows of the Mainland and Association of Southeast Asian

[26] Press release by the Government of the Hong Kong Special Administrative Region
https://www.info.gov.hk/gia/general/202512/29/P2025122900705.htm
[27] Press release by the Government of the Hong Kong Special Administrative Region
https://www.news.gov.hk//eng/2025/12/20251229/20251229_145136_027.html.
[28] Press release by the Government of the Hong Kong Special Administrative Region
https://www.news.gov.hk/eng/2025/07/20250710/20250710_174216_088.html.
[29] Conceptual Outline of the Development Plan for the Innovation and Technology Industry in the San Tin Technopole
https://www.info.gov.hk/gia/general/202511/20/P2025112000367.htm.
[30] Press release by the Government of the Hong Kong Special Administrative Region
https://www.info.gov.hk/gia/general/202510/10/P2025100900761.htm.
[31] Press release by the Government of the Hong Kong Special Administrative Region
https://www.news.gov.hk//eng/2025/12/20251222/20251222_195653_282.html.

Nations (ASEAN). In December, the Government published an industry consultation for legislative amendments on the digitalisation of business-to-business trade documents[32].

Hong Kong further advanced in its objective of developing itself as a **commodity trading and storage centre.** The policy address announced goals to increase gold storage capacity to over 2 000 tonnes, develop gold trading, clearing and risk management, provide tax concessions for commodity traders and deepen connections with commodity markets in the Mainland. During the year, the London Metal Exchange – wholly owned by the Hong Kong Stock Exchange – approved several commodity warehouses in Hong Kong (bringing the total to 13 as of December) as part of its global warehousing network[33]. During the year Hong Kong and Shenzhen signed a MoU for cooperation in gold trading, the Shanghai Gold Exchange launched its first offshore vault in Hong Kong and a central clearing system for gold in Hong Kong was announced (to commence operation in 2026)[34]. The Strategic Committee on Commodities, chaired by the Financial Secretary, convened its first meeting in December[35].

According to the policy address, vessels owned, managed or operated by Hong Kong shipowners account for nearly 10% of the tonnage of the world's merchant fleet. To enhance **Hong Kong as a shipping centre** amid declining cargo throughput at the port of Hong Kong, the policy address announced the continuation of the policy to develop high value-added maritime services (e.g. ship management and leasing, marine insurance, maritime law and arbitration). It also announced that the port community system[36] developed during the year would launch in early 2026, aiming to promote digitalisation, a smart-port and cross-sector interconnectivity. The Government also seeks to extend intermodal connections with the Mainland (rail, sea, land and river). Regarding international connections, in November the Chief Executive announced the establishment of 'partner port relationships' with two ports in Mainland China and with the port of San Antonio in Chile[37].

Hong Kong also plans to develop itself as a **green shipping and green maritime fuel bunkering centre.** The policy address mentions several initiatives, such as (i) developing a green shipping corridor; (ii) requiring vessels to install mass flow meters; (iii) a feasibility study on green ammonia and hydrogen bunkering; and (iv) facilitating the trading of green maritime fuels, including from the Mainland. During the year legislation entered into force for the safe usage of green maritime fuels by vessels[38]; a code of practice for the bunkering of alternative fuels was issued[39] and a green maritime fuel bunkering incentive scheme[40] was launched. The industry was invited to respond to an expression of interest for developing green

[32] Website of HKEX
https://www.hkex.com.hk/News/News-Release/2025/251222news?sc_lang=en
[33] Press release by the Government of the Hong Kong Special Administrative Region
https://www.info.gov.hk/gia/general/202509/22/P2025092200492.htm.
[34] Press release by the Government of the Hong Kong Special Administrative Region
https://www.info.gov.hk/gia/general/202512/22/P2025122200457.htm.
[35] Press release by the Government of the Hong Kong Special Administrative Region
https://www.info.gov.hk/gia/general/202512/22/P2025122200602.htm.
[36] Press release by the Government of the Hong Kong Special Administrative Region
https://www.news.gov.hk/eng/2025/05/20250516/20250516_192111_708.html.
[37] Speech by CE at Asian Logistics, Maritime and Aviation Conference 2025
https://www.info.gov.hk/gia/general/202511/17/P2025111700478.htm.
[38] Brief by the Marine Department to the Legislative Council
https://www.legco.gov.hk/yr2025/english/panels/edev/papers/edev20250304cb3-257-2-e.pdf.
[39] Code of Practice - Safety and Operational Guidelines for Bunkering of Alternative Fuels, issued by the Marine Department of the HKSAR
https://www.mardep.gov.hk/filemanager/en/share/pub-services/pdf/lvs_copbun.pdf
[40] Press release by the Government of the Hong Kong Special Administrative Region
https://www.info.gov.hk/gia/general/202506/30/P2025063000367.htm.

maritime fuel storage facilities[41]. An exemption of duty for methyl alcohol for use as maritime fuel was adopted[42]. A green maritime fuel development communication platform was established to facilitate collaboration among industry stakeholders[43].

In 2025, Hong Kong airport was the world's busiest cargo airport, and the Chief Executive announced plans for further enhancing **Hong Kong as an international aviation hub**. Goals are to (i) build on the third runway opened in 2024 to increase the number of passengers and cargo throughput at Hong Kong International Airport (HKIA); (ii) strengthen the intermodal transport network with the Greater Bay Area (GBA) and (iii) develop Airport City (commerce, exhibition and convention, culture and leisure functions at HKIA). In December, the Secretary for Transport and Logistics announced deals reached for bilateral air services agreements with seven countries, including one EU Member State[44]. Regarding **sustainable aviation**, the Government announced a target for a sustainable aviation fuel (SAF) consumption ratio of 1% to 2% by 2030 for flights departing from HKIA[45]. The policy address presented goals for developing a SAF industry chain, for enabling local SAF suppliers to increase SAF production in the GBA, and for building a blending facility in Hong Kong. In October, Airbus and Hong Kong's flagship airline Cathay announced a joint investment for developing SAF production[46].

In 2025, Hong Kong ranked as the world's top IPO venue. To strengthen Hong Kong as an **international finance centre**, the policy address announced goals to **deepen Hong Kong's equity market**, including by optimising the listing regime to promote IPOs, including for technology and biotech companies, and secondary listings of Chinese firms listed in other markets. During the year, a Technology Enterprises Channel was launched, facilitating listing applications for specialist technology and biotech firms[47] and the Hong Kong Stock Exchange (HKEX) introduced amended listing rules (providing more flexibility on public float, with entry into effect from 1 January 2026) and new indexes (Hang Seng Biotech Index Futures and HKEX Tech 100 Index). Initiatives to **enhance Hong Kong's bond market** include developing financial infrastructure, building overseas connections (the policy address mentions Switzerland and the United Arab Emirates), promoting the use of offshore Chinese Government Bonds as collateral, introducing Chinese offshore treasury bond futures and exploring the launch of cross-boundary RMB repo. In September, the Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) unveiled a roadmap to develop Hong Kong's as a global fixed income and currency hub[48]. To strengthen Hong Kong's role as the world's largest **offshore RMB business hub**, a new RMB Business Facility was launched (providing increased quotas of RMB financing to banks and companies)[49] and the policy address announced the issuance of more RMB bonds and considering settling Government expenditure in RMB. The Government aimed at encouraging more insurance products and

[41] Press release by the Government of the Hong Kong Special Administrative Region https://www.info.gov.hk/gia/general/202509/25/P2025092500691.htm.
[42] Amendment to the Dutiable Commodities Regulations https://www.elegislation.gov.hk/hk/cap109A?xpid=ID_1438402566727_003.
[43] Press release by the Government of the Hong Kong Special Administrative Region https://www.info.gov.hk/gia/general/202511/19/P2025111900627.htm.
[44] Speech by Ms Mable Chan, Secretary for Transport and Logistics https://www.tlb.gov.hk/eng/psp/speeches/transport/2025/20251209a.html.
[45] Brief by the Transport and Logistics Bureau to the Legislative Council https://www.legco.gov.hk/yr2025/english/panels/edev/papers/edev20250929cb3-1331-2-e.pdf.
[46] Press release by Airbus https://www.airbus.com/en/newsroom/press-releases/2025-10-airbus-and-cathay-form-co-investment-partnership-for-scaling
[47] Press release by HKEX https://www.hkex.com.hk/News/Regulatory-Announcements/2025/250506news?sc_lang=en
[48] Press release by the HKMA https://www.hkma.gov.hk/eng/news-and-media/press-releases/2025/09/20250925-3/
[49] Website of HKMA https://www.hkma.gov.hk/eng/key-functions/money/liquidity-facility-framework/rmb-liquidity-facility-and-primary-liquidity-providers/

advancing asset and wealth management – including enhancing the preferential tax regimes to attract more funds; streamlining the authorisation process for real estate investment trusts (REITs)[50] and investing (directly or via co-investment) into local private equity and hedge funds. During the year, HKEX opened a new subsidiary in Dubai, opened a new office in Riyadh, added the Stock Exchange of Thailand as a recognised stock exchange and signed an MoU with the Abu Dhabi Securities Exchange[51]. In September, Hong Kong and the United Arab Emirates (UAE) concluded an MoU to expand cross-border market access for public funds under a mutual recognition of funds (MRF) arrangement[52].

The policy address announced that the Government will continue to support the development of **Fintech and virtual assets (VA)**. The SFC issued a regulatory roadmap for Hong Kong's VA market[53] and announced the relaxation of rules for locally licensed VA trading platforms (allowing combined orders with overseas platforms and relaxing distribution to professional investors)[54]. In May, a stablecoin bill was passed to establish a licensing regime for fiat-referenced stablecoins (FRS) issuers[55] (no licences were issued as of end of 2025)[56]. The Government released its Policy Statement 2.0 on the Development of Digital Assets[57]. Consultations were conducted for legislative proposals for establishing licensing regimes for VA dealing and custodian service providers and advisory and management service providers (with the purpose of introducing bills in 2026)[58]. A payment connect was launched during the year, linking the Mainland's internet banking payment system (IBPS) and Hong Kong's faster payment system (FPS)[59]. In November, the HKMA released its Fintech 2030 strategy, covering data and payment infrastructure; artificial intelligence; tokenisation and digital finance[60]. During the year, the HKMA completed phase 2 of its e-HKD pilot programme and announced that it will prioritise e-HKD work in wholesale payments in the immediate future (including for cross-border payment), while continuing to lay the ground for the potential future use of an e-HKD for individuals and corporates[61].

On **green finance**, the policy address announced work to develop a carbon market within the GBA – including by (i) building on Core Climate (HKEX's carbon marketplace, which records limited trading according to analysts); (ii) formulating voluntary carbon credit standards; (iii) developing carbon audit services and the trading of carbon emission reductions. Another goal is to assist enterprises using Hong Kong to go global (including Chinese firms) to meet

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[50] Press release by SFC https://apps.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=25PR164
[51] Website of HKEX https://www.hkex.com.hk/News/News-Release/2025/251222news?sc_lang=en
[52] Press release of Hong Kong's Securities and Futures Commission https://apps.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=25PR149
[53] SFC's regulatory roadmap for Hong Kong's virtual asset market https://www.sfc.hk/-/media/EN/files/ER/ASPIRe/ASPIRe-roadmap-for-Hong-Kongs-virtual-asset-market-Eng.pdf
[54] Press release of the Securities and Futures Commission (SFC) https://apps.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/corporate-news/doc?refNo=25PR182.
[55] Press release of the by the Government of the Hong Kong Special Administrative Region https://www.news.gov.hk/eng/2025/05/20250521/20250521_170205_430.html
[56] Website of the HKMA https://www.hkma.gov.hk/eng/regulatory-resources/registers/register-of-licensed-stablecoin-issuers/
[57] Policy Statement 2.0 on the Development of Digital Assets in Hong Kong https://gia.info.gov.hk/general/202506/26/P2025062600269_500089_1_1750909574183.pdf.
[58] Press release of the by the Government of the Hong Kong Special Administrative Region https://www.info.gov.hk/gia/general/202512/24/P2025122400265.htm
[59] Press release by the HKMA https://www.hkma.gov.hk/eng/news-and-media/press-releases/2025/06/20250620-4/
[60] Press release by the HKMA https://www.hkma.gov.hk/eng/news-and-media/press-releases/2025/11/20251103-3/
[61] Press release by the HKMA https://www.hkma.gov.hk/eng/news-and-media/press-releases/2025/10/20251028-4/

international carbon emissions requirements. In September, an MoU was signed between HKEX and exchanges in the GBA regarding the development of carbon markets and green finance[62]. In September, the HKMA released a prototype for extending the Hong Kong taxonomy for sustainable finance (launched in 2024)[63]. The prototype adds two new sectors (manufacturing and ICT), criteria for transition activities and a 'climate change adaptation' category and makes reference to the EU taxonomy and standards. During the year, the Government continued to issue green bonds (including denominated in euro) under the Government sustainable bond programme launched in 2018 and to fund sustainable finance schemes[64]. New rules by HKEX requiring listed entities to disclose information on climate-related risks were in effect since 1 January 2025 and are to be implemented in phases[65].

During the year, the Government continued its policy to **promote Hong Kong as an innovation and technology (I&T) centre**. Hong Kong ranked 15th globally (and fifth in Asia) in the Global Innovation Index 2025 by the World Intellectual Property Organization and the Shenzhen-Hong Kong-Guangzhou cluster ranked first globally as an innovation cluster[66].

Initiatives outlined in the policy address include (i) attracting innovative and high value companies through preferential land policies, financial subsidies, and tax incentives; (ii) enhancing the new industrialisation acceleration scheme'; (iii) supporting SMEs in their patent evaluation; and (iv) amending the Copyright Ordinance. The policy address also emphasised further development of the **life and health technology industry**, including attracting more pharmaceutical companies; further expediting new drugs approvals[67]; helping companies bring innovative drugs to the Mainland and international markets; standardising clinical data within the GBA; and promoting medical trials, including cross-border trials within the GBA (a GBA clinical trial collaboration platform was launched in December[68]. The policy address also announced that a Hong Kong Centre for Medical Products Regulation will be established and a legislative proposal on regulating medical devices was proposed. In December 2025, the Chinese Medicine Hospital of Hong Kong started operations[69] and a Chinese Medicine Development Blueprint was released, including plans for establishing Hong Kong as a bridgehead for the global expansion of Chinese Medicine[70].

An additional area to be developed to support I&T development is **artificial intelligence (AI) and data science**. Legislation will be reviewed to support a wider deployment of AI. AI will also be used to enhance the efficiency of the Government and of the financial services and construction industries. The Government announced that an AI Research and Development

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[62] Press releases by the Government of the Hong Kong Special Administrative Region https://www.news.gov.hk/eng/2025/09/20250923/20250923_193938_385.html.
[63] Press releases by the Hong Kong Monetary Authority https://www.hkma.gov.hk/eng/news-and-media/insight/2025/09/20250908/
[64] Including the Green and Sustainable Finance Grant Scheme, the Pilot Green and Sustainable Finance Capacity Building Support Scheme, Green and Sustainable Fintech Proof-of-Concept Funding Support Scheme.
[65] Website of HKEX: https://www.hkex.com.hk/Listing/Sustainability/ESG-Academy/ESG-in-Practice/Climate-Change?sc_lang=en.
[66] World Intellectual Property Organization (WIPO) Global Innovation Index (GII) 2025 https://www.wipo.int/web-publications/global-innovation-index-2025/en/index.html
[67] Press releases by the Government of the Hong Kong Special Administrative Region https://www.info.gov.hk/gia/general/202510/31/P2025103100638.htm.
[68] Press releases by the Government of the Hong Kong Special Administrative Region https://www.info.gov.hk/gia/general/202512/22/P2025122200201.htm.
[69] Press release by the Government of the Hong Kong Special Administrative Region https://www.news.gov.hk/eng/2025/12/20251210/20251210_144222_520.html.
[70] Press releases by the Government of the Hong Kong Special Administrative Region https://www.info.gov.hk/gia/general/202512/18/P2025121800500.htm.

Institute will be established[71]. Research and innovation in AI will be further promoted, through a frontier technology research support scheme (launched in September 2025)[72]; through the InnoHK research programme and through an AI supercomputing centre (launched in December 2024). The Government also invested directly in AI enterprises, through The Hong Kong Investment Corporation Limited. Mechanisms for the cross-boundary flow of Mainland data to Hong Kong Park will also support AI roll-out according to the Government. Hong Kong is also developing the **low-altitude economy** and **aerospace technology,** through regulatory sandbox pilot projects, through funding and by amending legislation and hosting events[73]. The policy address announced that a low-altitude economy action plan will be issued and a Hong Kong official announced in December a goal of launching passenger drones in two to three years[74].

For strengthening Hong Kong as a **legal and dispute resolution centre**, the policy address announced cooperation with the International Organization for Mediation (IOMed), established and headquartered in Hong Kong during the year (including building the Hong Kong international legal service building adjacent to IOMed). The Government will also strengthen the accreditation for the mediation profession and study the need to amend the Arbitration Ordinance. In December 2025, the Government announced that the International Institute for the Unification of Private Law (UNIDROIT), headquartered in Rome, has decided to establish its Asia-Pacific Liaison Office in Hong Kong[75].

The **culture, sports and tourism industries** will be further promoted, including hosting large events, developing cultural exchange and consolidating Hong Kong's position as an art trading centre. The Government aims to attract new visitors, including from the Middle East and ASEAN, to develop a 'yacht economy' and cruises tourism. The Kai Tak Sports Park – a large stadium – was opened during the year.

The Government will also further **nurture local talents and attract Mainland and overseas talents**. Hong Kong will further be developed as an international education and research centre, including by attracting researchers, teachers and students, promoting talents mobility, education exchanges and universities-industries cooperations. Hong Kong had five universities in the world's top 100 in 2025. The Government will also support the development of international schools and continue exploring mutual recognition of sub-degree level qualifications between Hong Kong and the Mainland.

The policy address announced initiatives to **support small and medium enterprises** (SMEs), including with financial support, helping their digital transformation and supporting them in exploring overseas markets. Measures also aim at **improving the housing situation**, including targets for building 189 000 units of public housing, to reduce the waiting time for subsidised

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[71] Press releases by the Government of the Hong Kong Special Administrative Region https://www.info.gov.hk/gia/general/202510/15/P2025101500264.htm.
[72] Press releases by the Government of the Hong Kong Special Administrative Region https://www.info.gov.hk/gia/general/202509/26/P2025092500877.htm.
[73] Press releases by the Government of the Hong Kong Special Administrative Region
https://www.news.gov.hk/eng/2025/03/20250320/20250320_141320_260.html
https://www.news.gov.hk/eng/2025/08/20250825/20250825_171443_511.html
https://www.news.gov.hk/eng/2025/10/20251027/20251027_111022_326.html
https://www.news.gov.hk/eng/2025/07/20250717/20250717_173355_831.html
https://www.news.gov.hk/eng/2025/10/20251009/20251009_174638_112.html
[74] Article by the South China Morning Post
https://www.scmp.com/news/hong-kong/hong-kong-economy/article/3336372/hong-kong-aims-launch-passenger-carrying-drones-2-3-years
[75] Press release by the Government of the Hong Kong Special Administrative Region
https://www.news.gov.hk//eng/2025/12/20251224/20251224_103202_383.html.

rental housing to 4.5 years and for increasing private housing supply – together with better regulating the city's 110 000 subdivided units. The policy address also includes initiatives to tackle challenges related to Hong Kong's **ageing population and to support fertility**.

On **environmental and climate policies**, the policy address reiterated Hong Kong's goal of attaining carbon neutrality by 2050. It announced initiatives and policies to develop green mobility and energy, including developing SAF industry chain and blending facilities; further promoting hydrogen (the policy address refers to 28 trial projects underway), formulating hydrogen standard certification and developing a GBA hydrogen corridor; continuing the roll-out of fast charging stations for electric vehicle and building Hong Kong's first large-scale EV battery recycling facility; as well as expanding mass transit systems (including subway). A new waste-to-energy plant was being built during the year. The Government announced it will set up a Belt and Road (B&R) sustainable green development training centre providing training to B&R countries. On 31 December, the Government released the Hong Kong Biodiversity strategy & action plan 2035[76].

Trade policy

Hong Kong has **nine free trade agreements** (FTAs) with Mainland China (the China Economic Partnership Agreement or CEPA, from June 2003 and enhanced thereafter), New Zealand (March 2010), the Member States of the European Free Trade Association (June 2011), Chile (September 2012), Macao (October 2017), ASEAN, November 2017), Georgia (June 2018), Australia (March 2019) and Peru (November 2024).

At the end of 2025, Hong Kong had **23 investment promotion and protection agreements (IPPAs)** with foreign economies (including with 10 EU Member States). The most recent of these agreements was signed in 2024 with Bahrain and entered into force in March 2025. An IPPA with Türkiye was signed in 2023 but by the end of 2025 its entry into force was still pending. Negotiations have been concluded for IPPAs with the Maldives and Myanmar, with signature pending. The website of Hong Kong's Trade and Industry Department also lists IPPAs under consultation/negotiation with Bangladesh, Egypt, Peru, Qatar, Russia and Saudi Aradia.

Hong Kong and Jordan signed a double taxation avoidance agreement in September 2025, while double taxation avoidance agreements entered into force with Armenia in April 2025 and with Bahrain in March 2025.

In his policy address, the Chief Executive said that Hong Kong would continue to seek early accession to the **Regional Comprehensive Economic Partnership** comprising 15 countries in the Asia-Pacific region. Hong Kong submitted its accession request in early 2022 but had not joined the partnership as of end-2025.

Hong Kong has **15 Economic and Trade Offices (ETOs)** overseas, in Berlin, Brussels, Geneva, London, Bangkok, Jakarta, Kuala Lumpur, Singapore, Sydney, Tokyo, Dubai, New York, San Francisco, Toronto and Washington DC. The ETO in Kuala Lumpur commenced operation in December 2025. In the policy address the Chief Executive said Hong Kong will seek to open additional ETOs in Latin America and Central Asia.

Economic integration with Mainland China

[76] Press releases by the Government of the Hong Kong Special Administrative Region https://www.news.gov.hk//eng/2025/12/20251231/20251231_123058_774.html.

The **Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)** provides zero tariffs on imported goods of Hong Kong origin exported to Mainland China (in accordance with the CEPA rules of origin), as well as preferential treatment for Hong Kong Service Suppliers (HKSS) in a number of service sectors in the Mainland, and investment protection measures.

Regarding **financial integration and mutual access**, Hong Kong and Mainland China have implemented several schemes and mechanisms providing Hong Kong with unmatched connectivity to China's capital market and strengthening its role as a financial centre. The 'Stock Connect' scheme, links the Hong Kong Stock Exchange with its counterparts in Shanghai and Shenzhen. The 'Bond Connect' is a mutual market access scheme for Hong Kong and Mainland China bond markets. The Cross-boundary Wealth Management Connect Scheme in the Guangdong-Hong Kong-Macao GBA ('Cross-boundary WMC') allows eligible Mainland Chinese, Hong Kong and Macao residents to invest in wealth-management products in each other's market. The Swap Connect is a derivatives mutual market access programme that allows investors in Hong Kong to trade and clear onshore RMB interest rate swaps, without changing their existing trading and settlement practices. During the year, the 'Swap Connect'[77], the 'Bond Connect'[78], and the Cross-boundary WMC[79] were developed. In the policy address, the Chief Executive said the Government will press ahead with the inclusion of an RMB trading counter under the Southbound Stock Connect. A new 'payment connect' was launched in June by the HKMA and the People's Bank of China. In September, the People's Bank of China (PBoC) announced its support for further deepening mutual access between the Mainland and Hong Kong financial markets[80].

On the **Greater Bay Area**, the Chief Executive said in the policy address that Hong Kong will continue to proactively strengthen mutually beneficial cooperation within the GBA to enhance the flow of people, goods, data, and capital. He announced that the Hong Kong International Airport (HKIA)'s logistics park in the Guangdong provincial city of Dongguan – aimed at facilitating the exports of Mainland cargo – will be further developed. He further emphasised on cross-border medical cooperation, including supporting clinical trial[81] and the standardisation of clinical data, innovation and industry chain development. During the year, the Hong Kong government continued to develop cross-border rail links[82], further facilitated cross-border arrangements for cars[83] and promoted youth employment mobility[84]. Regarding financial and legal services, the policy address announced directions for advanced cross-

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[77] Press release by the Government of the Hong Kong Special Administrative Region
https://www.news.gov.hk/eng/2025/09/20250925/20250925_171614_881.html
Press release by the HKMA
https://www.hkma.gov.hk/eng/news-and-media/press-releases/2025/05/20250515-7/

[78] Press release by the Government of the Hong Kong Special Administrative Region
https://www.info.gov.hk/gia/general/202507/08/P2025070800606.htm.

[79] Circular by SFC https://apps.sfc.hk/edistributionWeb/gateway/EN/circular/intermediaries/supervision/doc?refNo=25EC60
Circular by HKMA
https://brdr.hkma.gov.hk/eng/doc-ldg/docId/getPdf/20250321-1-EN/20250321-1-EN.pdf

[80] Press release by the Government of the Hong Kong Special Administrative Region
https://www.info.gov.hk/gia/general/202509/25/P2025092501054.htm.

[81] Press release by the Government of the Hong Kong Special Administrative Region
https://www.info.gov.hk/gia/general/202512/22/P2025122200201.htm

[82] Press release by the Government of the Hong Kong Special Administrative Region
https://www.info.gov.hk/gia/general/202510/31/P2025103100322.htm.

[83] Press release by the Government of the Hong Kong Special Administrative Region
https://www.news.gov.hk/eng/2025/10/20251031/20251031_123417_912.html.

[84] https://www.youth.gov.hk/en/career-study/stories/194716ec-9c49-4b6e-93f7-705eeb736e55

boundary credit referencing[85], further developing commodity and carbon trading with the GBA; enhancing the payment connect and promoting commercial arbitration in the GBA[86].

III. Relations between Hong Kong and Mainland China

The 20th Central Committee of the Communist Party of China organised its fourth plenary session between 20 and 23 October. The meeting focused on formulating China's 15th five-year plan that will guide the country's development from 2026 to 2030. In the 'Recommendations of the Central Committee of the Communist Party of China for Formulating the 15th Five-Year Plan for National Economic and Social Development' released on 28 October, the Party pledged its support for Hong Kong and Macao's 'long-term prosperity and stability.'

On 23 October, the Hong Kong Chief Executive emphasised that 'Hong Kong will identify and focus on its advantageous positioning in the country's development blueprint, proactively align with the chapters on Hong Kong and Macao in the 15th five-year plan, seize the significant opportunities brought about by the country's development, and leverage its own unique advantages in national development.'

A delegation consisting of the President of the Chinese Academy of Sciences and the Deputy Director of the Office of the Central Commission for Financial and Economic Affairs who also serves as Deputy Director of the Office of the Central Leading Group for Rural Affairs of the Communist Party of China visited Hong Kong between 24 and 25 November to discuss the 15th five-year plan and its implications for Hong Kong.

The Director of the Hong Kong and Macao Work Office under the Communist Party of China (CPC) Central Committee and the State Council of the People's Republic of China visited Hong Kong between 18 June and 22 June. He focused on the economic development of the city, especially the Northern Metropolis project. The Director also delivered a speech on 21 June in a forum commemorating the fifth anniversary of the NSL stressing the importance of continued efforts to safeguard national security.

Referencing the Director's words, Hong Kong Chief Executive on 24 June warned about the continued existence of 'soft resistance.' In a whole-of-government approach, all 18 secretaries and seven leaders of the disciplinary forces – including the police, customs and fire fighters – followed suit and publicly highlighted their efforts in safeguarding national security in media interviews and social media posts.

Between 8 and 10 February, the Director of the Hong Kong and Macao Work Office visited the neighbouring Chinese city of Shenzhen. On 9 February, the Director hosted a meeting with Hong Kong officials on the further integration of the GBA.

On 11 February, Eric Chan, then the Hong Kong Acting Chief Executive, stressed that the Director had provided 'very clear instructions' on how Hong Kong should align with national strategies in economic and financial developments, particularly on how to integrate with the Mainland 'as quickly as possible.'

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[85] Circular by the HKMA
https://brdr.hkma.gov.hk/eng/doc-ldg/docId/getPdf/20251009-2-EN/20251009-2-EN.pdf

[86] Press release by the Government of the Hong Kong Special Administrative Region
https://www.info.gov.hk/gia/general/202512/09/P2025120900687p.htm.

On 30 May, China's State Council appointed Zhou Ji, formerly Executive Deputy Director of the Hong Kong and Macao Work Office of the CPC Central Committee as the new Director of the Central Government's Liaison Office in the city and the national security adviser to the city's Committee for Safeguarding National Security, replacing Zheng Yanxiong.

On 14 July, Beijing appointed Xu Qifang, the former Deputy Director of the Organisation Department of the CPC Central Committee, to succeed Zhou at the Hong Kong and Macao Work Office.

On 31 December, the Liaison Office Deputy Director Qi Bin was replaced by Zhang Yong, who previously served as the Executive Vice-President of China COSCO Shipping Corporation.

The Hong Kong Chief Executive led a 360-strong delegation from Hong Kong to attend the military parade in Beijing on 3 September marking China's victory over Japan in World War II.

Between 3 and 7 July, Chinese aircraft carrier Shandong visited Hong Kong. The fleet included the Yan'an and Zhanjiang missile destroyers, and the Yuncheng missile frigate. During the five-day tour, more than 30 000 people boarded the Shandong, Zhanjiang, and Yuncheng naval ships for visits.

The 15th National Games and the 12th National Games for Persons with Disabilities and the ninth National Special Olympic Games were co-hosted by Guangdong, Hong Kong and Macao in November and December 2025 respectively. This is the first time the national games were co-hosted by the GBA.

Starting from 23 December, drivers from Guangdong were allowed to drive to Hong Kong under the new 'Southbound Travel for Guangdong Vehicles' scheme. The initiative started with 100 vehicles per day for a stay of up to three days per Guangdong vehicle.

Mainland China is **Hong Kong's largest trading partner in goods,** accounting for 51.4% of Hong Kong's total trade in 2025. In turn, Hong Kong is an important trading hub for Mainland China and ranked as China's third-largest trading partner in 2025.

Hong Kong is **Mainland China's key offshore financial centre and investment hub.** In 2024 (latest year for which data are available), Mainland China was Hong Kong's largest source of inward FDI, excluding offshore centres, as well as the first destination for Hong Kong's outward FDI, accounting for 33% of the stock of inward FDI and 52% of the total stock of outward FDI[87]. In turn, Hong Kong is the largest source of FDI in Mainland China and the leading destination for Mainland China's outward FDI, accounting for 56.8% of China's inward FDI and 61.2% of China's outward FDI (2024)[88]. There were 1 552 Mainland enterprises listed on the Hong Kong Stock Exchange as at the end of December 2025, accounting for 79.3% of total market capitalisation.

[87] Statistical report on External Direct Investment Statistics of Hong Kong (2024 Edition), https://www.censtatd.gov.hk/en/wbr.html?ecode=B10400032024AN24&scode=260.
[88] Hong Kong Trade Development Council
https://research.hktdc.com/en/article/MzIwNjcyMDYx

IV. EU-Hong Kong bilateral relations and cooperation

In 2025, the EU Office in Hong Kong held regular meetings with the Hong Kong authorities, including the Chief Executive, during which it discussed matters of bilateral interest and conveyed concerns about the erosion of democracy and human rights in Hong Kong and the implementation of the NSL. The EU Office was also in frequent contact with the Office of the Commissioner of the Ministry of Foreign Affairs of China (OCMFA). The EU Office also engaged with senior officials of the Hong Kong government, as well as with key local stakeholders from the business world, on files relevant to trade, business, financial services and other economic-related issues.

In 2025, the EU Office facilitated and supported the visits to Hong Kong by EU officials. In January, Dr Philip Lane, Chief Economist and Member of Executive Board at the European Central Bank, visited Hong Kong and attended events. In July, Karen Braun-Munzinger, Board Member of the Single Resolution Board, met with representatives from the industry, with the HKMA and with the SFC. In September, Mr Siegfried Ruhl, Hors Classe Adviser, and Ms Lara Pavanello, Team Leader - Investor Relations and Primary Dealer Network Management – at the Directorate-General for Budget of the European Commission met with the HKMA and with financial services institutions. Officials covering trade and financial services at the EU Delegation to the People's Republic of China in Beijing also travelled to Hong Kong and met with local stakeholders. In turn, a number of Hong Kong officials visited EU Member States in 2025.

As mandated by the Council Conclusions of July 2020 on Hong Kong, the EU Office in Hong Kong and the EU Member States Consulates-General in Hong Kong continued to monitor the trials brought against pro-democracy advocates in Hong Kong and conducted over 50 trial observations in 2025.

In 2025, the EU Office continued to organise cultural events to promote respect for human rights. In December 2025, the EU Office co-organised the annual Colours of Humanity Arts Prize', formerly known as the Hong Kong Human Rights Art Prize. The EU Office also continued to co-organise Hong Kong's annual EU-Asia documentary film festival to shed light on social inequalities.

In close coordination with the Ukrainian community in Hong Kong, the EU Office organised a photo exhibition to mark the third anniversary of the Russian invasion of Ukraine on 24 February. To further raise awareness in Hong Kong about Russia's ongoing war of aggression against Ukraine, the EU Office featured productions related to the topic in the Hong Kong EU Film Festival and the EU-Asia Documentary Festival.

To express the EU's commitment to the principles of equality and non-discrimination and its support for the rights of LGBTIQ+ people, the EU Office helped Member States in the organisation of film screenings and panel discussions to bring together civil society, policy makers and the Consular Corps. The EU Office again participated in the annual Pride Bazaar in 2025.

The EU Office has maintained regular contact with civil society groups in Hong Kong working on a range of topics, including prisoners' rights and the situation of foreign domestic workers.

The **EU Office organised several events during the year under the EU Policy Dialogue and Public Diplomacy Facility for Hong Kong and Macao**. The fourth edition of the Green Way was organised in June, together with the EU office's local partners. The Green Way is a flagship event to promote the exchange of ideas and EU business solutions and policies on how best to decarbonise our economies. The event gathered approximately 200 participants and saw the participation at the highest level by both the Government (it was opened by Chief Executive John Lee and Head of the EU Office Harvey Rouse) and industry. Recommendations were provided to allow greater participation of EU industry and EU standards in support of Hong Kong's environmental agenda.

In 2025, the **EU remained the largest non-Chinese foreign business community in the city**, ahead of Japan, the US and the UK, according to the annual survey on foreign companies by the Hong Kong Census and Statistics Department[89]. At least 1 770 EU companies were active in Hong Kong in 2025. About half of these EU companies (850) were using the city as their regional headquarters or regional offices. EU businesses were present in a wide range of sectors, including financial and business services, trading and logistics, retail, food and beverage, construction and engineering and waste management. The survey showed that the number of EU companies recorded was 7.9% greater than in 2024 and 10.4% greater than in 2019 (pre-COVID-19 and pre-NSL levels). However, the survey also shows that the number of EU companies with regional headquarters and regional offices in Hong Kong remains below 2019 levels (-6.2% in 2025 from 2019) and that EU companies are smaller in size in average (with 37.3 staff members in average per company in 2025, a 12.6% decrease from 2024 and a 24.3% decrease from 2019).

In 2025, **bilateral trade in goods between the EU and Hong Kong amounted to EUR 27.7 billion**, a decrease of 1.8% from 2024. EU exports of goods to Hong Kong amounted to EUR 23.3 billion, while imports from Hong Kong to the EU totalled EUR 4.4 billion, resulting in a **surplus of EUR 18.9 billion** for the EU. **The EU was Hong Kong's sixth-largest trading partner in goods** in 2025, after Mainland China, Taiwan, the US, Viet Nam and Singapore. Hong Kong remained an important platform for trade between Mainland China and the EU.

In 2025, Hong Kong–EU trade was concentrated in a few product categories, particularly electronics, industrial machinery, luxury goods, and precision instruments. Hong Kong's exports to the EU were driven mainly by electrical machinery and mechanical equipment, which recorded strong growth of 17% and 62% respectively. Optical and medical instruments also expanded by 17%. By contrast, exports of jewellery and precious metals declined sharply by 21%, although works of art and antiques surged by 169 %. On the import side, Hong Kong continued to rely on the EU for high-end manufactured and luxury products. Imports of electrical machinery and jewellery products grew modestly by 1% and 3%, while machinery, leather goods, and optical and medical instruments contracted by between 2% and 5%.

The EU was Hong Kong's **fourth-largest** trading partner in services in 2023 (according to Hong Kong's Census and Statistics Department, 2023 was the latest full year for which Hong Kong data were available at the time of writing). In 2024, Hong Kong was the EU's **tenth-largest** partner for trade in services (Eurostat). Eurostat data show that EU trade in services with Hong Kong amounted to EUR 48.6 billion in 2024, an increase of 25.5% year on year. EU exports of services to Hong Kong in 2024 accounted for EUR 33.7 billion and imports from Hong Kong were worth EUR 15.0 billion, resulting in a surplus of EUR 18.7 billion for the

[89] Report on Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong (2025 edition) https://www.censtatd.gov.hk/en/EIndexbySubject.html?scode=360&pcode=B1110004&r=en

EU. The main services traded are transport services, telecommunications, computer and information services, financial services and other business services.

The EU was the sixth-largest investor in Hong Kong and the sixth-largest destination for Hong Kong's FDI globally in 2024 (Hong Kong statistics, 2024 was the latest year for which data were available at the time of writing). According to Eurostat, **Hong Kong was the ninth-largest source of FDI stock into the EU in 2024** (excluding offshore centres), worth EUR 114.3 billion (a 28.6% decrease year on year), and the 14^{th}-largest destination of the EU's FDI stock, at EUR 93.0 billion (+12.2% year on year).

In December 2024, the Council of the EU amended Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, and Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine. One of the results of this amendment was to add Hong Kong entities to the list set out in the Annex to Decision 2014/145/CFSP and Annexes to Decision 2014/512/CFSP. In addition, the EU has listed vessels with ownership or management in Hong Kong as part of Russia's shadow fleet.