



The Demise of Hong Kong's Economy

Overview of the economy

Due to the pandemic, Hong Kong was experiencing slow economic growth because of weakened domestic demand. In the fourth quarter of 2022, GDP decreased by 4.2% in real terms from a year earlier. The value of retail sales, decreased by 4.1% year-on-year in December 2022. The fall in consumer confidence over the pandemic was responsible for causing a significant fall in consumption. This led to an increase in the unemployment rate from 3.4% in 2022. Also, with a plunge in exports, total export revenue fell 8.6% from 2021, to US\$570bn.

Causes of economic stagnation::

1. Political instability

Due to the social unrest, investors are more concerned about Hong Kong's stability and this reduced their incentive to invest into Hong Kong. In March 2023, Tech giants listed in Hong Kong tumbled 2.9%, while healthcare stocks plunged 4.1%. This shows that there was less investment in Hong Kong. The reduced investment in Hong Kong entailed a lack of foreign funding to domestic firms, to be able to recover from the pandemic. This led to slower economic growth because domestic firms needed longer time to recover. This reduced the international competitiveness of Hong Kong firms, because business around the world have been recovering quickly after the pandemic. Also, with the uncertainty of the return of Hong Kong's authority to China in 2047, fewer western firms are investing into Hong Kong.

2. Government policies

During the pandemic, in order to reduce the risk of community transmission, the government had adopted several precautions, such as the suspension of industry operations and the prohibition of social gatherings. These policies have hit the economy seriously: for example, during the pandemic, over half of the pubs in Hong Kong were closed, because of the government's restrictions and cinemas in Hong Kong had lost US\$1 trillion of profit. The loss suffered by industries caused uncertainty in the post-covid period, with higher unemployment rates and falling consumption.

3. The growth of newly industrialised countries

Being one of the four Asian tigers, Hong Kong's economy was particularly strong. However, the growth of new industrialised countries, such as China, India and Thailand posed a threat to

Elsewhere, Hong Kong may have fewer international cooperation, which will affect Hong Kong's GDP and cause further damage to the economy.

Overall, the priority of Hong Kong is to recover from the pandemic, with the relaxation of government's restrictions on business and citizens, there will likely be economic growth. However, in the long term, because of the growth of other newly industrialised nation, Hong Kong could be impacted, mostly due to the fall of business confidence due to the political uncertainty. This has caused the most damage to Hong Kong's economy. This long-term effect would affect Hong Kong's international competitiveness. Unless the government adopted policies to increase business confidence in Hong Kong, Hong Kong will not be able to boost economic growth and stop the ongoing recession.

“Hong Kong's economy has slipped into its second recession in three years.”

the international status of Hong Kong, because of the pandemic. Firms began to switch to other newly industrialised countries to develop their business. This reduced the attractiveness of Hong Kong. In the long term, as firms have sought residence



The Impact of Globalisation on the Environment

We live in a consumerist society where demand is infinite and resources are finite. This has entailed the degradation of the environment as greenhouse gases emissions rise forests are cleared and habitats destroyed in an attempt to facilitate our reckless lifestyle. Globalisation has accelerated this process whereby sea and air freight has increased which has led to rising carbon emissions, over cultivation and herding in order to meet demand for crops and red meats, resulting in increased deforestation to make space for farms and cattle and waste production as a result of overconsumption, polluting the land and sea.

Many natural habitats have fallen victim to increased farming, ranching, fishing and other economic activities. The more forests are cut down and the more oceans that are overfished, the poorer and unhealthier our environment becomes. This has been especially prevalent within developing countries as they are often reliant on their primary products such as oil, gas, timber, minerals and agricultural products. The extraction and use of these resources have resulted in deforestation, water pollution, air pollution, soil erosion, among other environmental issues. However the countries which produces the most greenhouse gases are industrialised countries as they burn significant amounts of fossil fuels such as coal, oil and gas. The country which produces the most is China, emitting over a third of the world's greenhouse gases.

Globalisation has also led to the increase in waste production. As countries become wealthier, the demand for consumer goods has increased, leading to a rise in the production of plastic, electronics, and other disposable goods. This has resulted in an increase in waste production, which has a significant impact on the environment. Landfills and oceans are becoming increasingly polluted, and this has severe consequences for both humans and wildlife.

In conclusion, globalisation has brought many benefits, but it has also contributed significantly to environmental degradation. The increase in the use of natural resources, has had an adverse impact on the environment. To mitigate these effects, there needs to be a concerted effort to implement sustainable practices and reduce our reliance on non-renewables. Only through a collective effort can we ensure that globalisation benefits us all without causing significant harm to the environment.