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Required Report - public distribution

**Date:** 10/17/2017

**GAIN Report Number:** HK1727

## Hong Kong

### Exporter Guide

#### Exporter Guide 2017

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**Report Highlights:**

Hong Kong is Asia's culinary capital and 4<sup>th</sup> largest export market for U.S. consumer-oriented agricultural products. With a dynamic food culture, sophisticated buyers and a world-class logistical infrastructure, Hong Kong is a natural destination to promote high-quality, innovative U.S. food and beverage products.

**Post:**

Hong Kong

## SECTION I. MARKET OVERVIEW

### U.S. Food and Beverage Exports to Hong Kong

Due to land constraints, local agricultural production in Hong Kong is minimal so Hong Kong depends on imports to meet its food requirements.

Total U.S. agricultural exports to Hong Kong reached US\$4.1 billion in 2016, making Hong Kong the 6<sup>th</sup> largest export market by value. For U.S. consumer-oriented exports, Hong Kong ranked 4<sup>th</sup> in 2016, with exports reaching US\$3.7 billion. U.S. food-related products are valued as high-quality, safe choices in Hong Kong where imports meet 95% of local food requirements due to nominal domestic production. Demand is increasing rapidly for “healthy,” high-quality foods which are market segments where the United States has strong prospect. Top categories for U.S. food exports to Hong Kong include: beef, pork and poultry meats, fresh fruits, tree nuts, aquatic products, processed foods and wine.

With the exception of four types of dutiable commodities, namely liquors, tobacco, hydrocarbon oil and methyl alcohol, food and beverage products are imported to Hong Kong without tax or duty levied on foods.

Hong Kong is a major trading hub where buyers make purchasing decisions for a vast range of consumer-oriented products that are transshipped to China and other parts of Asia. Most transshipments to Macau are purchased, consolidated, and shipped via Hong Kong.

Hong Kong offers many dynamic trade show platforms, including 3 USDA-endorsed, to showcase U.S. food and beverage products to Hong Kong and Asian Pacific buyers as shown in Table 1.

**Table 1 – Hong Kong Trade Shows Featuring Food & Agricultural Products**

Date	Name of Show (check the <a href="#">hyperlink</a> below for more details)
Nov 9-11 2017	<a href="#">Hong Kong International Wine and Spirits Fair</a>
Nov 30 – Dec 2, 2017	<a href="#">Agri Pro Asia</a>
Nov 30 – Dec 2, 2017	<a href="#">Hong Kong International Bakery Expo</a>
Feb 1-3, 2018	<a href="#">LOHAS Expo</a> (organic and natural foods)
Feb 1-3, 2018	<a href="#">Vegetarian Food Asia</a>
May 9-11, 2018	<a href="#">Gourmet Asia</a>
May 29-31, 2018	<a href="#">Vinexpo</a> (wine and spirits)
Aug 16-18, 2018	<a href="#">Hong Kong Food Expo</a> (all foods)
Aug 29-31, 2018	<a href="#">Natural &amp; Organic Products Asia</a>
Sep 4-6, 2018	<a href="#">Seafood Expo Asia</a>
Sep 4-6, 2018	<a href="#">Restaurant and Bar</a>
Sep 5-7, 2018	<a href="#">Asia Fruit Logistica*</a> (fruits, vegetables and nuts)

(\* USDA-endorsed trade shows, more information on USDA-endorsed trade shows can be found at: <http://www.fas.usda.gov/topics/exporting/trade-shows>)

## Hong Kong Food Imports

The U.S. is Hong Kong largest food supplier, by value, followed by mainland China and Brazil, as shown in Table 2.

**Table 2 – Hong Kong Imports (2012-2016) of Consumer -Oriented Agricultural Products and Seafood**

Country	(in US\$ Million)	2012	2013	2014	2015	2016	Growth 16 v 15	Share in 2016	% of Re-exports of Gross Imports
World	Gross Imports	18,166	20,574	22,896	21,222	23,138	9%	100%	35%
	Re-exports	5,185	5,587	6,311	6,778	8,139	20%	100%	
	Retained Imports	12,981	14,987	16,586	14,444	14,998	4%	100%	
United States	Gross Imports	3,450	3,999	4,123	3,833	4,131	8%	18%	42%
	Re-exports	1,476	1,248	1,193	1,209	1,731	43%	21%	
	Retained Imports	1,974	2,752	2,930	2,624	2,400	-9%	16%	
China	Gross Imports	3,044	3,439	3,649	3,598	3,787	5%	16%	20%
	Re-exports	747	1,034	931	767	762	-1%	9%	
	Retained Imports	2,298	2,404	2,718	2,831	3,025	7%	20%	
Brazil	Gross Imports	1,645	2,254	2,544	1,776	2,046	15%	9%	49%
	Re-exports	540	658	946	1,131	1,000	-12%	12%	
	Retained Imports	1,105	1,596	1,597	645	1,046	62%	7%	

(Source: Calculations based on Global Trade Atlas data)

(Retained Imports = Gross Imports into Hong Kong – Re-exports out of Hong Kong)

As a free port, Hong Kong excels as an efficient logistics hub in not only importing food goods but also in moving imports to other Asian markets, including Macau and Mainland China. Hong Kong imports of consumer-oriented agricultural products from the world dropped by 2.2% during the first 7 months of 2017 over the same period in 2016 to US\$10.8 billion, amongst which more than 46% (US\$4.96 billion) were re-exported to other regional markets.

## General Consumer Tastes and Preferences

Within Hong Kong food and beverage imports, consumer interest in healthy lifestyle products continues to grow. Innovative products that offer sustainable production and nutritional value at a reasonable cost with convenient preparation are in demand. Busy schedules and dual income families are driving the search for ready-to-cook and frozen options for home preparation and premium, healthy options in food service outlets. Consumers are increasingly interested in food's provenance and production background both at retail and restaurant levels and consider these aspects when making purchasing decisions.

## Economy

Hong Kong's economy continued to grow in 2016 with real GDP and per capita GDP growth of 2% and 3%, respectively over 2015, according to Hong Kong census data. A slight economic rebound in 2017

encouraged consumers to change their preferences, including innovative concepts, menu adaptations and updated casual dining full-service restaurants and fast casual food chain restaurants. However, a strong Hong Kong dollar, economic uncertainty and higher menu prices could pose challenges for expected growth in 2018.

**Table 3 –Key Strengths and Challenges of the Hong Kong/Macau Markets**

Advantages	Challenges
Hong Kong is one of the top markets in the world for food and beverages, processed, fresh and frozen gourmet products. U.S. exports of consumer oriented agricultural products to Hong Kong were US\$3.7 billion, consolidating its position as the 4 <sup>th</sup> largest market for the United States in 2016.	Global competition
Hong Kong is a major trading hub where buyers make purchasing decisions for a vast range of consumer oriented products that are transshipped to China and other parts of Asia.	Transportation time and costs plus product availability due to seasonality (e.g. fresh produce) associated with importing U.S. food and beverage products to Hong Kong can make them less competitive than products available from regional suppliers such as China, Australia, and New Zealand.
U.S. food products enjoy an excellent reputation among Hong Kong consumers, as they are renowned for high quality and food safety standards.	The importance of Hong Kong as a transshipment point and buying center for regional markets is not widely known to U.S. exporters.
Technical barriers to imports of U.S. products are generally very low.	Hong Kong labeling and residue standards can impact trade.
A wide variety of U.S. products are available to Hong Kong consumers (over 30,000 different items).	Numerous Hong Kong food regulations differ from Codex, which can complicate import clearances.
The link between the Hong Kong Dollar (HKD) to the U.S. Dollar helps insulate the HKD from currency fluctuations.	Hong Kong logistical efficiency involves expensive port handling charges.
In general, implementation and application of regulations is transparent and open.	Hong Kong’s top supermarkets are a duopoly that often request slotting fees.
Hong Kong exporters choose to work with Hong Kong importers and distributors to re-export products to Mainland China because of Hong Kong’s dependable legal system, financial system and rule of law.	Inflation is on the rise in Hong Kong. The increase in food prices may cause some consumers to turn to more lower-price lower-quality food products where U.S. products do not enjoy strong competitive advantage.

Most trans-shipments to Macau are purchased, consolidated, and shipped via Hong Kong.	
Demand is increasing rapidly for “healthy”, high-quality foods, market segments where the United States is especially strong.	
Hong Kong concerns over food safety have made U.S. food products a top choice for quality and safety.	
Hong Kong’s modern and efficient port terminal and free port status make it an attractive destination and for re-exports.	
Hong Kong is a “quality” and trend driven market so price is not always the most important factor for food and beverage purchases.	
Hong Kong is a dynamic market with a sophisticated international community where new high-quality products are readily accepted.	
Lack of local production means virtually no protectionist pressures for food and agricultural products.	
Hong Kong is in an economically stable region.	
Hong Kong’s duopolistic supermarkets have a wide distribution network. Cold chain and distribution channels for food products are generally efficient and dependable, as is the customs clearance process.	

## **SECTION II. EXPORTER BUSINESS TIPS**

### **Importer Lists**

ATO Hong Kong can provide a list of importers to U.S. exporters. Please contact us at [Atohongkong@fas.usda.gov](mailto:Atohongkong@fas.usda.gov) for further information.

### **Language**

The official written languages in Hong Kong are Chinese and English. The official spoken languages are Cantonese (the prominent Chinese dialect in Hong Kong and South China) and English. English is commonly used in business transactions and many citizens are trilingual.

### **Travel Visa**

Hong Kong is a Special Administrative Region of Mainland China with a distinct customs and immigration border with four land border crossings to mainland China. U.S. passport holders do not need a visa to enter Hong Kong but do need a visa to enter Mainland China.

### **Legal System**

Under the principle of “one country, two systems,” Hong Kong’s legal system, which is different from that of Mainland China, is based on the common law, supplemented by written laws and an independent judiciary.

### **Payment**

Hong Kong importers accept letters of credit but after a trading relationship is established, may seek to obtain payment by open account to reduce transaction costs.

### **Import Regulations**

#### **Duties**

With the exception of four types of dutiable commodities, namely liquors, tobacco, hydrocarbon oil and methyl alcohol, food and beverage products are imported to Hong Kong without excise duties.

#### **Certificates & Permits**

Technical requirements for imports vary significantly according to the product. Products that require import permits/health certificates include egg, meat, milk and frozen confections. Local importers are required to apply for import permits. U.S. exporters should supply their agents/importers with any necessary documentation, such as health certificates, issued by the U.S. government.

#### **Labeling**

All prepackaged food products offered for sale in Hong Kong must comply with Hong Kong’s labeling regulations including requirements for allergens and nutrients. Should a U.S. label fail to meet Hong Kong labeling requirements, stick-on food labels at import are allowed and can be arranged by Hong Kong importers with the permission of the manufacturer. The marking or labeling of prepackaged food can be in either English or Chinese language or in both languages. If both languages are used in the marking and labeling of prepackaged food, the name of the food, ingredient lists and nutrition information must be provided in both languages.

#### **Labeling for Biotech Food**

The Hong Kong Government does not have specific regulations regarding the labeling of biotech ingredients in food products. Nevertheless, the Government continues to promote voluntary labeling of any biotech ingredient of 5 percent or more under guidelines issued in 2006 that are advisory in nature and have no legal effect. Negative labeling is not recommended.

#### **Organic Certification**

While the Hong Kong Organic Center provides organic certification for local production, Hong Kong does not have a law regulating organic food products. U.S. organic products may be sold in Hong Kong with the USDA organic logo without further certification.

### SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

The retail and HRI (hotel, restaurant and institutional) sectors present the best opportunity for U.S. exporters. The food processing sector in Hong Kong is relatively small and presents minimal opportunity for market development.

#### Food Retail

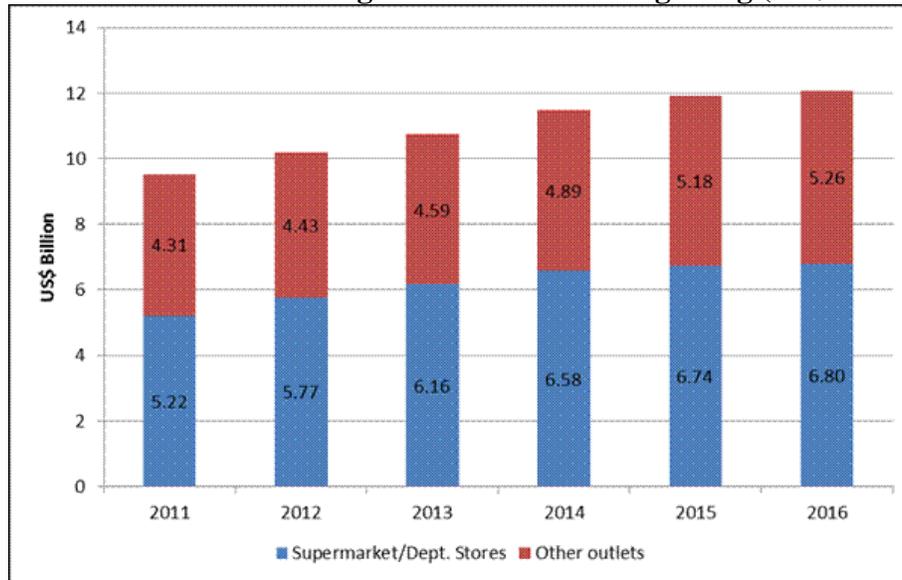
##### Traditional Markets

Traditional street (wet) markets are popular for daily shopping for fresh grocery products in Hong Kong. Some, but not all, stalls in wet markets have freezers and chilling equipment to maintain food quality. U.S. food exporters usually need to work with local importers/agents to place products in traditional markets.

##### Modern Outlets

Street markets competition with modern grocery retail outlets has intensified in recent years. As reflected in Chart 3, supermarket sales have been eroding market share of traditional street markets - from 44 percent of total retail sales in 1995 to 56.4 percent in 2016 - and this trend is expected to continue as consumers seek convenience and high-quality options in larger stores.

**Chart 3 – Food and Beverage Retail Sales in Hong Kong (US\$ billion)**



Total retail sales of food and beverages in Hong Kong reached US\$12.06 billion, representing growth of 1.2 percent compared to 2015, as shown in Table 4. In 2016, supermarkets accounted for 56.4 percent of retail sales within grocery retailers. The supermarket industry is introducing larger size stores to provide more convenience for customers. In addition to traditional grocery and household products, supermarkets are moving towards larger, more modern stores with more fresh food.

**Table 4– Food and Beverage Retail Sales in Hong Kong (US\$ billion)**

Channel	2012	2013	2014	2015	2016	Growth (16 vs 15)
Supermarket/Dept. Stores	5.77	6.16	6.58	6.74	6.80	0.8%
Other outlets	4.43	4.59	4.89	5.18	5.26	1.7%
<b>Total</b>	<b>10.2</b>	<b>10.75</b>	<b>11.47</b>	<b>11.92</b>	<b>12.06</b>	<b>1.2%</b>

(Source: Hong Kong Census and Statistics Department)

Two grocery chains account for about 75 percent of retail sales. Dairy Farm International Holdings remained the leading grocery retailer with its Wellcome supermarket and AS Watson's ParknShop chains. Both chains expanded their premium and upscale outlets recently as consumers continue to seek high-quality, imported gourmet products.

**Table 5 – Profiles of Leading Supermarket Chains in Hong Kong**

Name of Retailer	Ownership	No. of Outlets	Target Customer	Type of Purchasing agent
Wellcome	Dairy Farm Intl Holdings, Hong Kong	Over 280	Middle Class	Importers/Agents Exporters Consolidators
ParknShop	AS Watson, Hong Kong	Over 270	Middle Class	Importers/Agents Exporters Consolidators
CR Vanguard Shops	China Resources Enterprises, China	36 shops	Primarily Local	Importers/Agents Exporters
U-Select	China Resources Enterprises, China	31 shops	Primarily Local	Importers/Agents Exporters
DCH Food Mart	Dah Chong Kong Holdings Ltd, Hong Kong	Over 50 DCH Food Mart & DCH Food Mart Deluxe	Middle Class, Primarily Local	Importers/Agents Exporters
Market Place by Jasons	Dairy Farm Intl Holdings, Hong Kong	42	Affluent	Importers/Agents Exporters Consolidators
AEON Stores (HK) Ltd.	AEON Group, Japan	9 department stores with supermarkets and 3 separate supermarkets	Middle Class	Importers/Agents
YATA	Sun Hung Kai Properties Japan	3 department stores with supermarkets and 6 separate supermarkets	Middle Class, Primarily Local	Importers/Agents

City' Super	City Super Group, Hong Kong	20	Affluent	Importers/Agents Consolidators
Sogo	Lifestyle Intl Holdings, Japan	2	Middle Class, Primarily Local	Importers/Agents
Oliver's The Delicatessen	Dairy Farm Intl Holdings, Hong Kong	1	Affluent	Importers/Agents Consolidators
APITA (Uny)	Uny (HK) Co., Ltd, Japan	1	Middle class, Primarily Local	Importers/Agents

*(Source: Websites of the above supermarkets)*

Many Hong Kong supermarkets charge slotting fees during a trail period for new products, as well as other terms, such as promotion discounts (number of discount promotions offered each year), back-end income (flat rebate per year that a supplier pays to the retail chain based on the annual turnover), D.A. (Distribution allowance - the fee that the supermarkets charge for distributing the products from its warehouse to its many branch stores), and incentive rebates (a percentage of turnover rebated to the supermarkets when sales exceed an agreed amount).

Supermarkets may import direct from a U.S. supplier or may use consolidators, depending on the product and minimum order quantity, to source new products from the U.S. Most major supermarkets like ParknShop and Wellcome offer online grocery shopping platforms that are increasingly appealing to busy Hong Kong shoppers with discounts and delivery services.

To enter the grocery retail market sector, several approaches are possible:

- Establishing a representative office in Hong Kong: A good method to build trade relationships but rents and operating expenses can be costly.
- Working with U.S. Consolidators: Method to supply less than minimum order quantities to importers and retail markets.
- Developing a relationship with a Hong Kong Agent: Well-established companies have extensive distribution networks not limited to one or two supermarkets.
- Exporting Direct to Supermarkets: Branded products that sell direct to supermarkets may be required to provide exclusive sales rights for the products in Hong Kong. In this case, expensive slotting fees may be waived. For non-branded and large turnover products, such as fruit, meat, and vegetables, supermarkets tend to buy direct from overseas exporters for cost savings.

### **Convenience Stores**

Convenience stores, such as 7-Eleven (operated by Dairy Farm) and Circle K (Convenience Retail Asia)

are very popular in Hong Kong with more than 1300 outlets that offer drinks and snacks and some hot food options.

**Table 6 – Profiles of Leading Convenience Stores in Hong Kong**

Retailer Name	Ownership	No. of Outlets	Locations	Purchasing agent	Year established
7-Eleven	Hong Kong	Over 900	Hong Kong	Importers Agents	1981
Circle K	Hong Kong	Over 350	Hong Kong	Importers Agents	1985
VanGO	China	48	Hong Kong	Importers Agents	2007

*(Source: Websites of the above convenience stores)*

Recent expansion of health food, confectioners and regional specialty stores are increasing competition for traditional convenience stores. For example, the “759 Store” started in 2010 with small stores selling pre-packaged products, particularly snacks, has now expanded to over 220 outlets including some larger-sized stores selling more food items including frozen foods, baby foods and other groceries. To place products in convenience stores, U.S. exporters would typically work through such a local distributor since this is the most common supply source for convenience stores.

**Hotel, Restaurant and Institutional (HRI)**

The HRI sector is expected to continue showing positive growth in 2017. Restaurant operators are taking advantage of softening rents to expand strategic outlets while updating menu options for Hong Kong’s enthusiastic “foodie” consumers that demand novel, premium cuisines. In 2016, Hong Kong restaurant food and beverage purchases, valued at US\$4.56 billion, generated estimated sales of US\$13.77 billion, an increase of 1.2 and 2.9 percent, respectively, over 2015 as shown in Table 8. A strong Hong Kong dollar and higher menu prices could negatively influence the amount of the growth rate.

**Table 8 – Hong Kong Restaurants Receipts and Purchases (US\$ Billion)**

	2015	2016	Growth (16 vs15)
Restaurant Receipts	13.38	13.77	2.9%
Restaurant Purchases	4.51	4.56	1.2%

*(Source: Hong Kong Census & Statistics Department, US\$1=HK\$7.8)*

Fast casual dining outlets with moderate prices and attractive décor have been popular with consumers and are expected to continue to see strong growth. Discovering new dishes and sharing them on social

media via photos on Facebook are popular social activities for young adults whose food fervor drives a persistent trend for new and innovative menu options. Hong Kongers frequently dine out with family and friends, a tradition that will continue to provide robust business for the food service industry which offers reasonable prices, comfortable ambience and healthy, innovative menu options produced in an environmentally responsible manner.

For Hong Kong statistical purposes, restaurants are grouped into five broad categories: Chinese, non-Chinese, fast food, bars and other establishments. Hong Kong's Chinese cuisine offerings are popular and, according to Hong Kong Census and Statistics Bureau, account for the largest amount of receipts amongst the 5 restaurant categories. Alternatively, Hong Kong consumers and tourists also enjoy non-Chinese cuisine options, including Western, Japanese, Korean, Thai, Vietnamese and noodle and congee restaurants. Fast food outlets suit Hong Kong's quick-paced lifestyle where dining out twice per day at convenient locations is not uncommon. McDonald's, KFC and Pizza Hut are recognized options across the region as are more local chains such as Café De Coral, Maxim's and Fairwood that serve both Chinese and Western foods. Competition among fast food chains is intense as brands strive to retain customers and raise brand awareness. To further meet competition, fast food operators are updating outlets and adding new healthier food options.

Hong Kong's vibrant nightlife is renowned and is served by more than 1,000 bars, pubs and other eating and drinking establishments across Hong Kong. Although tea holds a traditional preference in Asia, the Asian coffee market is growing and Hong Kong consumers continue to drive an increase in food service coffee demand.

### **Institutional Catering**

Hong Kong is located less than five flying hours from half of the world's population. Connected to over 220 destinations, the Hong Kong airport handled 70.5 million passengers in 2016 and its three aircraft caterers service a capacity of 158,000 meals per day for plane passengers. Given the competition among airlines, airlines have an increasingly high standard for the meals provided to their clients. Some partner with five-star hotels or famous restaurateurs to design menus for business class and first class passengers.

In addition, Hong Kong has raised its profile as a cruise hub with the development of the Kai Tak Cruise Terminal – the former site of the city's urban airport in Kowloon - that can accommodate the largest ships in the cruise industry. The increasing number of calls of luxury cruises to Hong Kong bodes well for the demand for fine dining ingredients. To provide products to the institutional market in Hong Kong, U.S. exporters would commonly work with local importers to explore potential business opportunities and distribution networks.

### **Trends in Promotional/Marketing Strategies and Tactics**

- Identify key players for the products - ATO Hong Kong can provide lists of importers, distributors, commodity cooperators and regional business groups.
- Test marketing may be required prior to establishing a presence in the market.

- Communicate product benefits to end-users - although distributors maintain relationships with their customers as end users assert influence over the buying decisions, it is important to directly educate all stakeholders as to the features and benefits of your products.
- Participate in or visit trade shows – Hong Kong has an excellent reputation for hosting international food and beverage trade shows. In cooperation with cooperators and regional groups, the shows demonstrate the versatility of U.S. food products.
- Stage menu promotions with major restaurant chains would restate benefits.
- Invite restaurant owners/chefs to seminars and/or to the U.S. - ATO Hong Kong/ cooperators organize seminars and trade missions to the U.S. to introduce U.S. products, meet U.S. exporters, and develop trade relationships important to long-term success.

## **Food Processing**

The food processing industry in Hong Kong is small compared to food retail and HRI sectors. The total output of the local food processing industry is estimated below US\$1 billion. Major local production includes instant noodles, macaroni, spaghetti, biscuits, pastries and cakes for both domestic consumption and export. Other significant sectors include canning, preserving and processing of seafood (such as fish, shrimp, prawns, and crustaceans); manufacture of dairy products (fresh milk, yogurt and ice cream), seasonings and spirits.

Based on the trade agreement between Hong Kong and China (called Closer Economic Partnership Arrangement, or CEPA in short), all foods and beverages made in Hong Kong, subject to the CEPA's rules of origin, can enjoy duty-free access to the Chinese mainland. Non-Hong Kong made processed food and beverages products remain subject to rates according to China's tariff schedule.

The CEPA zero tariff product list includes aqua-marine products, food and beverages, (certain dairy products such as yogurt and cheese, certain prepared meats, certain sugar confectioneries and cocoa preparations; certain preserved meats and seafood, bread, biscuits and cakes; preserved vegetables and fruits, fruit juices; sauces, water, etc.) and leather and fur products.

Processed food and beverages items must comply with Hong Kong rules of origin to be imported to China tariff free. The rule of origin of individual products is determined by the manufacturing or processing operation. For example, milk and cream products are considered as "made in Hong Kong" when the manufacturing processes of mixing, freezing sterilization and cooling are conducted in Hong Kong. The origin criteria for nuts is that the baking, seasoning, and/coating must take place in Hong Kong. In the case of ginseng, the principal manufacturing processes of cutting and grinding must be conducted in Hong Kong. More information on CEPA can be found at:

<http://www.tid.gov.hk/english/cepa/>.

Food ingredients are sourced both through direct import by food processors and through consolidators. Hong Kong traders and end-users tend to stay with suppliers with whom they have a relationship. While exporters would do well exploring all channels, patience and understanding are required to establish a relationship of trust sometimes before trading can commence.

## SECTION IV. BEST CONSUMER ORIENTED PRODUCT PROSPECTS

Notes :

- 95% of Hong Kong food supplies are imported. Since Hong Kong’s domestic production is nominal the market size in the following table is equal to retained imports without taking into account local production. U.S. exports to Hong Kong are also based on imports minus exports.
- Import tariff rates for all food and beverage products in the tables are zero except for spirits with alcohol content greater than 30% for which the tariff is 100%.
- Products listed below either enjoy a large market import value or a significant growth rate for the last 5 years (2012-2016).

**Table 9 – Hong Kong: Top 10 Prospects**

Product Category	2016 Retained Imports (MT)	2016 Retained Imports (US\$ million)	2012 – 2016 Average Annual Retained Import Growth	Key Constraints Over Market Development**	Market Attractiveness For USA**
<b>Fish &amp; Seafood Products</b>	254,238 MT	US\$2.74 billion	+6% (volume)  +2% (value)	Asian countries enjoy advantages of proximity. Major suppliers of fish and seafood products in 2016 were China (26%), Japan (15%), U.S. (5%) and Norway (5%).	U.S. fish and seafood products are perceived as high quality and safe. It is anticipated that these seafood products will continue to be popular among HRI sector in Hong Kong.
<b>Fresh Fruit</b>	669,697 MT	US\$1.06 billion	+2% (volume)  +6% (value)	Hong Kong consumers prefer fresh fruit to frozen fruit. Competition from Thailand and China is keen as these countries supply tropical fresh fruit at competitive prices. The shorter transit time for shipments from these countries to Hong Kong also render their products “fresh” to Hong Kong consumers.	U.S. fresh fruit are well known for their variety, good quality and taste.  In 2016, the U.S. was the third largest supplier (15%) of fresh fruit to Hong Kong. Chile and Thailand were the top two suppliers comprising 29% and 19% of import value respectively.
<b>Poultry</b>	277,237	US\$504.6	-14%	Although the U.S. is the leading	U.S. products are highly

	MT	million	(volume)  -10% (value)	poultry supplier to Hong Kong, Brazil is a very strong competitor due to price competitiveness and established business relationship between Brazilian exporters and Hong Kong importers. Similar scenario also applies to China where products are price competitive, and Chinese exporters also enjoy advantages of proximity and relationship.	regarded in quality and safety. More popular U.S. chicken products include chicken wing mid-joints and chicken legs because of their size and quality. These two products are particularly popular in local cuisines.
<b>Pork</b>	330,422 MT	US\$962.0 million	+1% (volume)  -2% (value)	China and Brazil are the top suppliers of pork to Hong Kong. Their products are price competitive.  There is a big demand for price competitive prepared/preserved meatballs and other products typical in Chinese dishes in Chinese restaurants, which are made from pork. China enjoys a low processing cost advantage.	Hong Kong imported US\$125.8 million in pork from the U.S., accounting for 10% of the market share in 2016.  U.S. meat products are generally perceived as high-quality, safe products.
<b>Processed Fruit &amp; Vegetables</b>	209,621 MT	US\$531.7 million	+5% (volume)  +11% (value)	China has consolidated its position as the largest supplier since 2014, accounting for 35% of market share in 2016 by value. Chinese mushroom and truffles remain important ingredients in Chinese cuisines. The U.S. was the 2 <sup>nd</sup> largest (25%) overall supplier.  Some international brands have operations in China and their exports to Hong Kong are considered as imports from China.	U.S. processed fruit and vegetables are well known for their superior quality and tastes. U.S. processed fruits and vegetables such as some potatoes, sweet corn, mushrooms, peaches and pineapples continue to be in large demand in Hong Kong.
<b>Beef</b>	323,634 MT	US\$1.58 billion	+17% (volume)  +18% (value)		Hong Kong consumers have high regards for U.S. beef in terms of quality and safety. The full re-opening of the Hong Kong market for U.S. beef presents good opportunities.
<b>Wine</b>	358	US\$883.3	+3%	Competition is keen in Hong	Hong Kong imported

<b>(Wines, wine, and sparkling wine)</b>	million liters	million	(volume) +2% (value)	Kong. Major competitors include France and Australia. French wine is traditionally popular in Hong Kong.	US\$60 million of U.S. wine in 2016, accounting for 4% of the market share.  Hong Kong consumers are more and more receptive to wine.  The HRI sector in Macau is growing, making it an excellent opportunity for U.S. wine traders to expand exports.
<b>Tree Nuts</b>	64,031 MT	US\$767.5 million	-3% (volume)  0% (value)	The U.S. is very strong in supplying almonds, hazelnuts and pistachios.  Some imports are re-exported to Vietnam and China for processing.	No local production
<b>Dairy Products (Excl. Cheese)</b>	228,472 MT	US\$1.25 billion	+2% (volume)  +3% (value)		Although the Netherlands dominates supply, consumers perceive U.S. dairy products as safe and high quality products.
<b>Organic Food and Beverage</b>	Statistics not available	Statistics not available	Statistics not available	Organic F&B products are generally 20-40% higher in prices compared to non-organic products.  Hong Kong does not regulate organic labeling and standards.	According to Euromonitor, organic packaged food in Hong Kong saw an increase of 5% in current terms in 2016, amid consumers' growing health consciousness which has boosted sales.

**\*\* Ranking and figures are taken from gross import values  
(Source of data: Global Trade Atlas by Hong Kong Census & Statistics Department)**

## **SECTION V. KEY CONTACTS AND FURTHER INFORMATION**

Post Contact  
Foreign Agricultural Service (FAS)  
Home Page: <http://www.fas.usda.gov>

Agricultural Trade Office  
Consulate General of the United States, Hong Kong and Macau  
18<sup>th</sup> Floor, St. John's Building  
33 Garden Road, Central  
Hong Kong  
Tel: (852) 2841-2350  
Fax: (852) 2845-0943  
E-Mail: [ATOHongKong@fas.usda.gov](mailto:ATOHongKong@fas.usda.gov)  
Web site: <http://www.usconsulate.org.hk>  
<http://www.usfoods-hongkong.net>

**Department charged with Food Safety Control**

Food & Environmental Hygiene Department  
43<sup>rd</sup> Floor, Queensway Government Offices  
66 Queensway  
Hong Kong  
Tel: (852) 2868-0000  
Fax: (852) 2834-8467  
Web site: <http://www.fehd.gov.hk>

**Department responsible for the Control of Importation of Plants & Live Animals**

Agriculture, Fisheries & Conservation Department  
5<sup>th</sup> – 8<sup>th</sup> Floors, Cheung Sha Wan Government Offices  
303 Cheung Sha Wan Road  
Kowloon  
Hong Kong  
Tel: (852) 2708-8885  
Fax: (852) 2311-3731  
Web site: <http://www.afcd.gov.hk>

**Department responsible for the Issuance of Licenses for Imported Reserved Commodities**

Trade & Industry Department  
18<sup>th</sup> Floor, Trade Department Tower  
700 Nathan Road  
Kowloon  
Hong Kong  
Tel: (852) 2392-2922  
Fax: (852) 2789-2491  
Web site: <http://www.tid.gov.hk>

**Department responsible for the Registration of Health Foods Containing Medicine Ingredients**

Department of Health  
Pharmaceuticals Registration  
Import & Export Control Section  
18<sup>th</sup> Floor, Wu Chung House  
213 Queen's Road East, Wanchai

Hong Kong  
Tel: (852) 2961-8754  
Fax: (852) 2834-5117  
Web site: <http://www.dh.gov.hk>

**Department responsible for Issuing Licenses for Imported Dutiable Commodities**

Hong Kong Customs & Excise Department  
Office of Dutiable Commodities Administration  
6<sup>th</sup> - 9<sup>th</sup> Floors, Harbor Building  
38 Pier Road, Central  
Hong Kong  
Tel: (852) 2815-7711  
Fax: (852) 2581-0218  
Web site: <http://www.customs.gov.hk>

**Department responsible for Trade Mark Registration**

Intellectual Property Department  
Trade Marks Registry  
24<sup>th</sup> and 25<sup>th</sup> Floors, Wu Chung House  
213 Queen's Road East, Wan Chai  
Hong Kong  
Tel: (852) 2803-5860  
Fax: (852) 2838-6082  
Web site: <http://www.ipd.gov.hk>

**Semi-Government Organization Providing Travel Information**

Hong Kong Tourist Board  
9<sup>th</sup> - 11<sup>th</sup> Floors, Citicorp Center  
18 Whitfield Road, North Point  
Hong Kong  
Tel: (852) 2807-6543  
Fax: (852) 2806-0303  
Web site: <http://www.hktourismboard.com>

**Semi-Government Organization Providing Hong Kong Trade Information**

Hong Kong Trade Development Council  
38<sup>th</sup> Floor, Office Tower, Convention Plaza  
1 Harbor Road, Wan Chai  
Hong Kong  
Tel: (852) 2584-4188

Fax: (852) 2824-0249

Web site: <http://www.tdctrade.com>

## APPENDIX – STATISTICS

**Table A. Key Trade & Demographic Information (2016)**

Agricultural Imports from All Countries / U.S. Market Share (%) <sup>1</sup>	US\$22.4 billion / 18%
Consumer Food Imports from All Countries / U.S. Market Share (%) <sup>1</sup>	US\$19.7 billion / 20%
Edible Fishery Imports from All Countries / U.S. Market Share (%) <sup>1US</sup>	\$3.4 billion / 5%
Population /Annual Growth Rate (%)	7.3 million / 0.6%
Per Capital Gross Domestic Products	US\$43,500
Unemployment Rate (%)	3.4%
Percent of Female Population Empolyed <sup>2</sup>	55%
Exchange Rate (US\$1 = HK Dollars) <sup>3</sup>	HK\$7.762

### Footnotes

- 1 FAS' web-enabled UN Trade database - GATS (HS 6-digit option)
- 2 Percent against total number of women (15 years old or above).
- 3 Hong Kong dollar is pegged to U.S. dollar.