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Hong Kong

Food Service - Hotel Restaurant Institutional

HRI Food Service Sector

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Report Highlights:

U.S. exports of high value food products and seafood to Hong Kong are expected to reach a record level at over US\$2 billion in 2010, making it our 4th largest market for these products after Canada, Mexico and Japan. The global financial crisis did not have a significant impact on Hong Kong's food & beverage imports and spending on food. Economic growth in Hong Kong is expected to be around 5% in 2010, benefitting from the continued economic growth in Mainland China. In addition, it is expected that Hong Kong will remain as one of the top 5 markets for U.S. consumer ready food products in 2011, continuing to be a major buying center and transshipment point for China and Southeast Asia. However, rents and wages are on the rise in Hong Kong and inflation may limit Hong Kong's future economic growth. In addition, Mainland China is expected to take austerity measures to cool down its economy in late 2010 and 2011 and these measures could also impact Hong Kong's economic growth. Even with lower economic growth, post expects that U.S. products will continue to fair well due to competitive prices and consumer confidence in the quality and safety of U.S. products. In addition, the Hong Kong dollar link to the U.S. dollar provides much needed foreign exchange stability among food importers.

Post:

Hong Kong

SECTION I. HONG KONG MARKET PROFILE

HRI Food Service Sector

1. Restaurants

- Despite the global financial crisis, Hong Kong restaurant industry's purchases of over US\$3.5 billion in foods and beverages generated sales of over US\$10.2 billion in 2009. This represented an increase of 0.6% and a drop of only 2.8% respectively over 2008.

Table 1. Hong Kong: Restaurant Receipts and Purchases, in US\$ Million

	2008	2009	2010 est.	Growth 2010 vs 2009
Restaurant Receipts	10,178	10,239	10,750	5.0%
Restaurant Purchases	3,647	3,546	3,700	4.3%

(Source: Quarterly Restaurant Receipts and Purchases, Hong Kong Census & Statistics Department)

Hong Kong economy experiences continued growth and it is expected that restaurant purchases and receipts will grow by 4.3% and 5.0%, reaching US\$3.7 billion and US\$10.75 billion respectively in 2010.

As Asia's most cosmopolitan city, Hong Kong boasts around 11,540 restaurants serving a wide range of world cuisines. These restaurants are comprised of 53% Chinese, 36% non-Chinese restaurants, and 11% fast food outlets. In addition, there are over 1,000 bars, pubs and other eating and drinking establishments.

- **Chinese restaurants:** Chinese restaurants are popular among local citizens and tourists. There are a variety of Chinese restaurants in Hong Kong serving different regional cuisines: Canton, Shanghai, Beijing, Sichuan...etc. A typical lunch at a nice Chinese restaurant costs around HK\$100-300 (US\$12.82-38.46) per person and a typical dinner costs around HK\$150-400 (US\$19.23-51.28) per person.
- **Non-Chinese restaurants:** Many Hong Kong consumers enjoy western food, as do the nearly 30 million tourists (in 2009). 5-Star and other high-end western restaurants are as likely to be patronized by locals as tourists/visitors. Japanese food, fast food chains, coffee houses and casual dining establishments are also increasing their presence. A typical lunch at a western restaurant costs around HK\$100-300 per person and a typical dinner costs around HK\$200-500 (US\$25.64-64.10) per person.
- **Fast food outlets:** Fast food outlets are popular among Hong Kong consumers. The most popular fast food chains in Hong Kong are McDonald's, KFC and Pizza Hut. There are also some large local fast food 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 they

each try to keep meal prices competitive. The average cost is around HK\$25 (US\$3.21) for breakfast, HK\$30 (US\$3.85) for lunch, HK\$20 (US\$2.56) for afternoon tea and HK\$50 (US\$6.41) for dinner. To further meet competition, many fast food operators have renovated their outlets to make them look more modern, spacious and attractive. To meet the demand of a growing number of health-conscious customers, fast food chains have also introduced more new ingredients and developed healthy-food options such as salads, fruits, and fresh juices.

- **Coffee Shops:** The coffee shop market continues to grow in Hong Kong’s commercial areas. The two largest coffee house outlets are Starbucks – operating 109 outlets and Pacific Coffee 53 outlets. Most shops also offer basic menus consisting of muffins, pastries, cakes, sandwiches, and bottled beverages (juices and water). McDonalds has also vigorously expanded its McCafe in order to gain share in this growing market. Of its 154 outlets, 64 include a McCafe inside their shops.
- **Growing Trend – Healthy Eating:** Hong Kong’s food culture is “fresh”. Consumer preference for fresh and live products is due to tradition, as well as concern about food safety. Hong Kong consumers are increasingly health conscious. Hong Kong has over 50 small to medium size health food stores. The two leading supermarket chains (Wellcome and ParknShop) and drug store chains (Manning’s and Watson’s) also sell natural/organic products at their outlets. The growth of “Mix” – a juice bar that also serves food is a good example of a successful “healthy” restaurant chain. Organic foods are also gaining popularity as evidenced by the growth of specialized retail outlets for organic foods. There is increasing opportunity for U.S. products and ingredients in this sector.

2. Hotels

- The number of hotels and available rooms in Hong Kong is growing.

Table 2. Hong Kong: Growth in Number of Hotels/Guesthouses (2008-2009)

	2008	2009	Growth
Number of hotels/guesthouses	695	758	+9%
Number of rooms	60,273	65,386	+8%
Room occupancy rate	85%	77%	-

(Source: Hong Kong Census & Statistics Department)

- According to Hong Kong Tourism Board statistics, tourists spent more than US\$1.37 billion on food and beverages in 2009.
- Many five-star hotels serve U.S. beef, chicken, turkey, pork, eggs, fish and seafood products, fruits and vegetables, processed products and beverages.

- The Hong Kong Government (HKG) provides a searchable list of licensed Hotels & Guest Houses at:
http://www.hadla.gov.hk/en/hotels/search_h.html
http://www.hadla.gov.hk/en/hotels/search_g.html
- A list of Hong Kong hotels are available at:
http://www.hkha.com.hk/doc/mem_eng.pdf
<http://www.discoverhongkong.com/eng/jsp/hotel/search-index.jsp>

3. Institutions

- Institutions like schools, hospitals, and airlines are serviced by a small number of large catering groups who are generally affiliated with the restaurant sector. These caterers mainly source their ingredients from China where supplies are cheaper and more abundant. They also use ingredients from other countries such as the U.S. when they cannot find the same quality products in China.
- **Schools:** As school regulators prohibit primary and lower secondary students from eating their lunch out, students must pack their lunch boxes or subscribe to a school lunch box program. For the academic year 2009/2010, there were 582 primary schools and 523 secondary schools, having a total of 344,748 primary students and 238,026 lower secondary students. About 70% of students join a school lunch program. A typical lunch box consists of some kind of meat, rice and some cooked vegetables. The annual cost of Hong Kong's school lunch program is estimated at US\$250 million. Healthy eating programs are underway to encourage a change in eating trends for school children. Caterers must register with the Hong Kong Food and Environmental Hygiene Department (FEHD) before they are eligible to bid tenders provided by individual schools. ATO Hong Kong can provide U.S. exporters with the list of registered caterers for school lunch boxes.
- **Hospitals:** The Hospital Authority operates 40 hospitals with a total of 27,117 beds and staff size of 55,911. The catering services for hospitals are outsourced on a tender basis; many of which also operate restaurants, fast food chains or school lunch catering services.
- **Airlines:** There are three aircraft catering franchisees at the Hong Kong International Airport, each with a 15-year term. The aircraft caterers provide a comprehensive range of flight catering services. These services include the preparation and assembly of flight meals, loading and unloading of food and other catering loads onto aircraft, and the storage of catering equipment and supplies.

Table 3. Hong Kong: Airline Catering

Catering Franchisee	Size (sq. m.)	Capacity (meals/day)
Cathay Pacific Catering Services	50,400	80,000
Lufthansa Service Hong Kong Ltd	15,000	30,000
Gate Gourmet Hong Kong Ltd	8,850	10,000

(Source: Hong Kong Airport Authority)

Economy

- Hong Kong was only slightly affected by the global financial crisis. GDP and per capita GDP dropped by only 2.5% and 2.8% respectively in 2009. Hong Kong's economy quickly recovered and continued to improve in 2010, particularly with the continued influx of investment from Mainland China. It is expected that GDP and per capita GDP will grow by 5.3% and 5% and reach US\$220 billion and US\$31,400 respectively in 2010.

Table 4. Hong Kong: Gross Domestic Product and GDP per capita

	2008	2009	Growth 09 vs 08	2010*	Growth 10 vs 09
GDP	US\$215 billion	US\$209 billion	-2.5%	US\$220 billion*	+5.3%*
GDP per capita	US\$30,779	US\$29,902	-2.8%	US\$31,400*	+5%*

(* Estimate based on government forecast, analysis of the economy and market trends)

Demographics

- Hong Kong's population was 7 million at the end of 2009. 1.74 million, or 47% of the total labor force, are women. The large number of employed women is an important influence on the demand in the restaurant business.

Table 5. Hong Kong: Labor Force Participation

	2008	% of Total	2009	% of Total
Labor Force-Men	1.95 million	53%	1.96 million	53%
Labor Force-Women	1.7 million	47%	1.74 million	47%
Total	3.65 million	100%	3.7 million	100%

(Source: Hong Kong Census & Statistics Department)

- A typical Hong Kong household spends around US\$2,500 each month to meet its basic living needs, 27% of which was spent on food and beverages (Source: Hong Kong Census and Statistics Department).

Imported Foods vs. Domestic Products

- Due to limited land resources and having a population of 7 million, Hong Kong relies on imports for over 95% of its food supply. In 2009, the local agricultural industry produced US\$72 million worth of products. It is comprised of US\$30 million in crop production

(mainly vegetables), US\$19 million in livestock production, and US\$23 million in poultry production. Local production accounted for 2.4 percent of fresh vegetables, 53.7 percent of live poultry and 6.2 percent of live pigs consumed in the territory (Source: Agricultural Fisheries and Conservation Department).

- Due to its central location, free port status and position as a regional purchasing and distribution center, a significant amount of Hong Kong imports are re-exported.

Table 6. Hong Kong: Imports (2006-2010) of Consumer Oriented Agricultural Products (COAP) & Seafood

Rank	Supplier	(US\$ Million)	2006	2007	2008	2009	2010*	Share 2010	Growth 10 v 09	2010 Re- exports/ Gross Imports
	The World	Gross Imports	7,647	9,098	11,544	12,826	14,496	100%	13%	
		Re-exports	1,775	2,435	3,409	3,824	4,030	100%	5%	
		Retained Imports**	5,873	6,663	8,135	9,001	10,466	100%	16%	28%
1	China	Gross Imports	1,854	2,007	2,215	2,446	2,594	18%	6%	
		Re-exports	296	309	356	334	337	8%	1%	
		Retained Imports	1,558	1,698	1,859	2,112	2,257	22%	7%	13%
2	United States	Gross Imports	875	1,042	1,615	1,972	2,415	17%	22%	
		Re-exports	220	328	609	752	955	24%	27%	
		Retained Imports	655	715	1,006	1,220	1,460	14%	20%	40%
3	Brazil	Gross Imports	645	989	1,441	1,575	1,563	11%	-1%	
		Re-exports	273	491	630	737	613	15%	-17%	
		Retained Imports	372	498	811	838	950	9%	13%	39%
4	Japan	Gross Imports	485	573	603	709	870	6%	23%	
		Re-exports	38	36	41	43	45	1%	4%	
		Retained Imports	446	536	562	665	825	8%	24%	5%
5	Australia	Gross Imports	485	529	613	682	702	5%	3%	
		Re-exports	41	58	59	91	81	2%	-11%	
		Retained Imports	444	470	553	591	621	6%	5%	12%
6	France	Gross Imports	147	251	385	446	587	4%	32%	
		Re-exports	39	88	111	115	142	4%	24%	
		Retained Imports	108	164	274	331	445	4%	34%	24%
7	Thailand	Gross Imports	338	410	486	590	567	4%	-4%	
		Re-exports	161	226	267	350	323	8%	-8%	
		Retained Imports	177	184	219	240	244	2%	2%	57%
8	Canada	Gross Imports	208	217	342	312	390	3%	25%	
		Re-exports	26	43	133	104	117	3%	12%	
		Retained Imports	182	173	209	207	273	3%	32%	30%
9	Netherlands	Gross Imports	166	211	306	323	373	3%	16%	
		Re-exports	34	60	100	95	87	2%	-8%	
		Retained Imports	132	151	206	228	286	3%	26%	23%
10	New Zealand	Gross Imports	191	217	251	257	334	2%	30%	
		Re-exports	75	28	28	36	42	1%	16%	
		Retained Imports	116	189	223	221	292	3%	32%	13%
	Total from Top 10	Gross Imports	5,393	6,447	8,256	9,312	10,395	72%	12%	
		Re-exports	1,203	1,668	2,335	2,658	2,742	68%	3%	

	Suppliers	Retained Imports	4,190	4,779	5,922	6,654	7,653	73%	15%	26%
	Total from	Gross Imports	2,254	2,651	3,288	3,514	4,101	28%	17%	
	Rest of	Re-exports	571	767	1,075	1,166	1,288	32%	10%	
	The World	Retained Imports	1,683	1,884	2,213	2,347	2,813	27%	20%	31%

(Source: Calculations based on World Trade Atlas data)

(* Figures for 2010 were estimated based on figures for the first 7 months & market trend information)

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

- The HRI sector is continually seeking quality fish and seafood supplies. U.S. products are highly respected for their quality and safety. Growing concerns over the safety of Chinese fish and seafood from polluted sources increases opportunities for high quality fish and seafood.
- Thanks to the fast-recovering economy and consumer affluence, retained imports of consumer-oriented agricultural products (COAP) and Seafood products in Hong Kong are expected to grow by 16% in 2010. The U.S. is Hong Kong's second largest supplier of COAP and Seafood products following China. Retained imports of products from China and the U.S. in 2010 are expected to reach US\$2.26 billion and US\$1.46 billion, representing market shares of 22% and 14% respectively.
- Hong Kong's status as a gateway for trade with China and Macau are increasingly opening up greater avenues for U.S. high value food products. In 2010, Hong Kong is expected to import over US\$14.5 billion COAP and Seafood from the world and re-exported 28% of these products. Around 53% of all these re-exports went to China and 10% went to Macau. (Source: Hong Kong Census and Statistics Department)

Outlook in 2010/2011

- Economic growth in Hong Kong is expected to be around 5% in 2010. However, rents and wages are on the rise in Hong Kong and inflation may limit Hong Kong's future economic growth. In addition, Mainland China is expected to take austerity measures to cool down its economy in late 2010 and these measures are expected to slow down Hong Kong's economic growth in 2011.
- However, post expects that U.S. products will continue to fair better than its competitors due to competitive U.S. prices and consumer confidence in the quality and safety of U.S. products. In addition, the Hong Kong dollar link to the U.S. dollar provides much needed foreign exchange stability among food importers. It is expected that Hong Kong will remain one of the top 5 markets for U.S. consumer ready food products in 2011, as it continues to be a major buying center and transshipment point for China and Southeast Asia.

Import Regulations

1. Import Duties & Import Certificates

- With the exception of spirits, all food and beverage products can be imported to Hong Kong duty free. Technical requirements for imports vary significantly according to the product. Products which require import permits/health certificates include meat, milk and frozen confections. The Hong Kong Government (HKG) also plans to implement a health certification requirement for eggs and seafood products. Currently, the HKG accepts import applications from Hong Kong importers. In other words, local importers and not U.S. exporters are required to apply for import permits. U.S. exporters need to supply their agents/importers with necessary documentation such as health certificates from the U.S. government. For details on Hong Kong's general import regulations for food products, please refer to GAIN Report #9018.

2. New Nutritional Labeling Law

- Hong Kong's Legislative Council on May 28, 2008 passed a nutrition labeling regulation, which took effect July 1, 2010. Hong Kong's nutrition labeling regulation requires all prepackaged food sold in Hong Kong have to label the contents energy plus seven nutrients namely; protein, carbohydrate, fat, saturated fat, trans fat, sodium and sugars. Products selling less than 30,000 units a year can apply for small volume exemption provided that the products do not carry any nutritional claims. Traders applying for exemption have to pay HK\$345 (US\$44) per product variety for the first year and HK\$335 (US\$43) for annual renewal.
- Hong Kong's nutrition labeling regulation is unique; as all imported foods making nutrition claims from all sources will have to be re-labeled for the Hong Kong market. Despite the U.S. requiring the labeling of 15 energy/nutrients, U.S. products still cannot meet the Hong Kong nutrition labeling requirements due to different nutrient definitions, rounding practices, and recommendations for daily consumption. Virtually all U.S. products carrying claims will require labeling changes and/or nutrient testing.
- Details of the regulation are contained in the Technical Guidance Notes on Nutrition Labeling and Nutrition Claims, which is available at:
http://www.cfs.gov.hk/english/food_leg/food_leg_nl_guidance.html
- Further supplementary information will be provided in the form of FAQ on the Hong Kong government's Center for Food Safety website:
<http://www.cfs.gov.hk/eindex.html>

- For more information on the impact of Hong Kong's nutrition labeling regulation, please see reports HK8017 & HK7011. (These reports are available at: <http://www.fas.usda.gov/scriptsw/AttacheRep/legacy.asp>)

3. Preservatives Regulations

- Hong Kong amended its Preservatives Regulation, which became effective July 1, 2008. A two-year transitional period for compliance ended on June 30, 2010. Compared to the original regulation, the new regulation no longer allows for the use of propyl para-hydroxybenzoate, but additionally allows the use of the following preservatives:

Guaiac resin
 Isopropyl citrates
 Stannous chloride
 Tertiary butylhydroquinone (TBHQ)
 Thiodipropionic acid
 Dimethyl dicarbonate
 Ferrous gluconate
 Formic acid
 Hexamethylene tetramine
 Lysozyme
 Pimaricin

- Another change brought about by the amendment to the regulation is the adoption of a food category system based on Codex's General Standard for Food Additives (GSFA) and the incorporation of those preservatives and antioxidants, as well as their permitted levels of use, in GSFA.
- To help trade better understand the amended regulation, the HKG issued a "User Guideline", which provides the definition of each food category of the newly adopted food category system. Also, the Guidelines include some questions and answers pertaining to the amended regulations. The full Guidelines are available at the following website: http://www.cfs.gov.hk/english/whatsnew/whatsnew_fstr/files/User_Guideline_e.pdf
- Hong Kong's Preservatives Regulation adopts the principle of a positive list. In other words, Hong Kong does not allow any preservatives or antioxidants in foods if they are not expressly permitted by the Preservatives Regulation. The list of permitted preservatives and their maximum permitted levels may be retrieved from the following website: <http://www.legco.gov.hk/yr07-08/english/subleg/negative/ln085-08-e.pdf>
- More information on the amended Preservatives Regulation, please see gain reports

HK#8021 & HK#7018. (These reports are available at:
<http://www.fas.usda.gov/scriptsw/AttacheRep/legacy.asp>)

4. Biotech Food Related Regulations

- The HKG does not have any specific biotechnology regulations with regard to the labeling of biotech food products. The HKG makes no distinction between conventional and biotech foods. All are subject to the same food safety regulation.
- The HKG, after evaluating the impact of its voluntary labeling scheme for biotech food products, released its conclusions to the Legislative Council on July 8, 2008, suggesting there is no need for a mandatory labeling law in Hong Kong. The HKG noted difficulty in carryout a law that currently does not have an international standard to back it up. As a result of its evaluation, the HKG plans to continue to promote voluntary labeling of GMO products as a viable alternative for the trade.
- The HKG released a set of guidelines on voluntary labeling for biotech foods in 2006. The guidelines on labeling for biotech foods are advisory in nature and do not have any legal effect. Adoption is entirely voluntary and is not binding. The guidelines apply to prepackaged food and are based on the following four principles:
 - The labeling of biotech food will comply with the existing food legislation.
 - The threshold level applied in the guideline for labeling purpose is 5 percent, in respect of individual food ingredient.
 - Additional declaration on the food label is recommended when significant modifications of the food, e.g. composition, nutrition value, level of anti-nutritional factors, natural toxicant, presence of allergen, intended use, introduction of an animal gene, etc, have taken place.
 - Negative labeling is not recommended.
- As the guideline is voluntary, U.S. food exports should not be affected if they choose not to have any biotech labeling. However, it should be noted that the HKG does not encourage negative labeling particularly for the use of the following terms:
 - GMO free
 - Free from GM ingredients, etc
- For products with such definite negative labeling, the HKG may take the initiative to test

the products against GM ingredients and zero tolerance will be adopted for testing purposes. If products are found to have misleading labeling, a retailer may be subject to prosecution under Section 61 – False Labeling and Advertisement of Food or Drugs of Chapter 132 Public Health and Municipal Services Ordinance. (Available at <http://www.legislation.gov.hk/eng/home.htm>)

- If the trade chooses to apply negative labeling, the government advises to use less definite terms such as “sourced from non-GM sources” (which contains less than 5 percent of GM content) and to have documentation to substantiate such declaration.
- For more details on the voluntary labeling guidelines and biotechnology in Hong Kong, please refer to Gain Report HK#8019 & HK#6016 respectively. (These reports are available at: <http://www.fas.usda.gov/scriptsw/AttacheRep/legacy.asp>)
- Hong Kong passed a Genetically Modified Organisms (Control of Release) Ordinance in March 2010. With the expected commencement of the Ordinance in late 2010 or early 2011, there will be documentation requirements for shipments containing genetically modified organisms (GMOs). GMOs in the Ordinance are referred to as LMOs or living modified organisms. According to the announced information, shipments containing GMOs will need to be accompanied by documentation containing the following information:
 - If the identity of the GMO is known, the shipment contains such a GMO; if the identity of the GMO is not known, the shipment may contain such a GMO;
 - The GMO is not intended for release into the environment;
 - The common name, scientific name and, where available, commercial name of the GMO;
 - The transformation event code of the GMO or, where available, its unique identifier code; and,
 - The details of the importer or exporter (such as name, address and contact information) for further information.
- There is no specific requirement regarding the form of documentation accompanying GMO shipments. The use of a commercial invoice or other documents required by existing documentation systems would be sufficient.

Table 7. Hong Kong: Summary of the Key Strengths and Challenges for the Market

Strengths	Weaknesses
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<p>The Hong Kong market is one of the top markets in the world for food and beverages, processed, fresh and frozen gourmet products. U.S. exports of high value food products and seafood to Hong Kong is expected to reached US\$2 billion in 2010, making it the 4th largest market for the U.S.</p>	<p>U.S. food products are not always price competitive. China is the largest competitor of U.S. food products.</p>
<p>Hong Kong is a major trading hub where buyers make purchasing decisions for hundreds of millions of dollars of consumer oriented products that are transshipped to China and S.E. Asia.</p>	<p>Lengthy transportation time associated with importing U.S. food products to Hong Kong can make them less competitive than products available in the region or from China, Australia New Zealand. Their proximity avails for quicker delivery of product (processed and fresh).</p>
<p>U.S. food products enjoy an excellent reputation among Hong Kong consumers, as they are renowned for high quality and food safety standards, as well as healthy and nutritious.</p>	<p>The importance of Hong Kong as a transshipment point and buying center for China and elsewhere is not widely known to U.S. exporters.</p>
<p>The U.S. is the 2nd largest food supplier to Hong Kong next to China.</p>	<p>Hong Kong labeling and residue standards differ in some cases with U.S. standards, which can impede trade.</p>
<p>Technical barriers to imports of U.S. products are generally very low.</p>	<p>Numerous HK food regulations are not in line with Codex, which can complicate import clearances.</p>
<p>There is a wide variety of U.S. products available to Hong Kong consumers (over 30,000 different items). The link between the Hong Kong Dollar (HKD) to the U.S. Dollar help insulate the HKD from currency fluctuations.</p>	<p>While Hong Kong has one of the busiest container terminals in the world, it also has the most expensive port handling charges.</p>
<p>Most trans-shipments to Macau are purchased, consolidated and shipped via Hong Kong.</p>	<p>Hong Kong's top supermarkets are a duopoly that often request slotting fees.</p>
<p>In general, HKG in its implementation and application of regulations is transparent and open.</p>	
<p>Hong Kong exporters choose to work with Hong Kong importers and distributors to get their products to China because of Hong Kong's dependable legal system, contracts and rule of law.</p>	
<p>Hong Kong concerns over food safety have made U.S. food products as a top choice for quality and safety.</p>	
<p>Hong Kong's modern and efficient port terminal and free port status make it an attractive destination and for re-exports.</p>	
<p>Hong Kong is a "quality" driven market so price is not always the most important factor for food and</p>	

beverage purchases.	
Hong Kong is a dynamic market with a sophisticated international community where new high quality products are readily accepted.	
Products containing biotech ingredients are not controversial in Hong Kong in general.	
Lack of local production means virtually no protectionist pressures for food and agricultural products.	
Hong Kong is in an economically vibrant region and its economy is expected to continue its growth in 2011.	
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. ROAD MAP FOR MARKET ENTRY

Exporting and Selling

- Since very few hotels, restaurants or institutions import directly from exporters, most suppliers sell to importers for further distribution to the HRI sector in this market.

Establishing a Business in Hong Kong

If U.S. restaurant chains or caterers want to establish a stronger foothold in Hong Kong, they are allowed to incorporate freely. However, there are two market entry channels that U.S. companies may consider in their attempt to establish a presence in Hong Kong's HRI sector.

1. Franchising

- The concept of franchising has been growing in Hong Kong for the past decade. Nearly 80 % of the franchise operations in Hong Kong are of U.S. origin. Home-grown franchises have also developed, especially in catering.

2. Joint Ventures

- Joint ventures or strategic alliances can be very helpful in entering the market, and are particularly important in competing for major catering projects.
- In order to attract foreign investment, the HKG set up a special department called "Invest Hong Kong" to help overseas companies establish a presence in Hong Kong by providing all the support needed to establish and expand their operations (www.investhk.gov.hk).
- Entering the Hong Kong market with products suitable for the HRI trade can be handled in a number of ways. Certainly the end customer, the hotel, restaurant, institution or caterer has an influence on the selection of products or ingredients but the choice is all very much guided by a network of reliable and trusted suppliers.

3. Setting up a Representative Office

- One of the most effective but costly means that U.S. companies can use to sell their products to this market is to set up a representative office in Hong Kong. Information on how to set up a new business in Hong Kong can be found at: <https://www.success.tid.gov.hk/tid/eng/blics/index.jsp#>

4. Appointing Agents

- U.S. exporters may consider hiring a local agent. A key consideration is whether the prospective agent has a good marketing record and widespread distribution network. The advantage of having an agent is that it can help with marketing and distribution. Some companies may secure a very competitive price package with TV/magazine/radio for advertisements. In addition, well-established companies have extensive distribution networks not limited to the HRI sector but also to retail outlets.
- Importers and distributors tend to focus on specific categories of products and end markets. Research should be carried out to ensure the importer/distributor selected is appropriate for your products.

Marketing Strategies

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

- Communicate product benefits to end-users - although distributors maintain the relationships with their customers, 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 of hosting international trade shows. In cooperation with cooperators and regional groups, the shows will demonstrate the versatility and safety of U.S. food products. Some major shows include:

Table 8. Hong Kong: Trade Shows Featuring Food Products

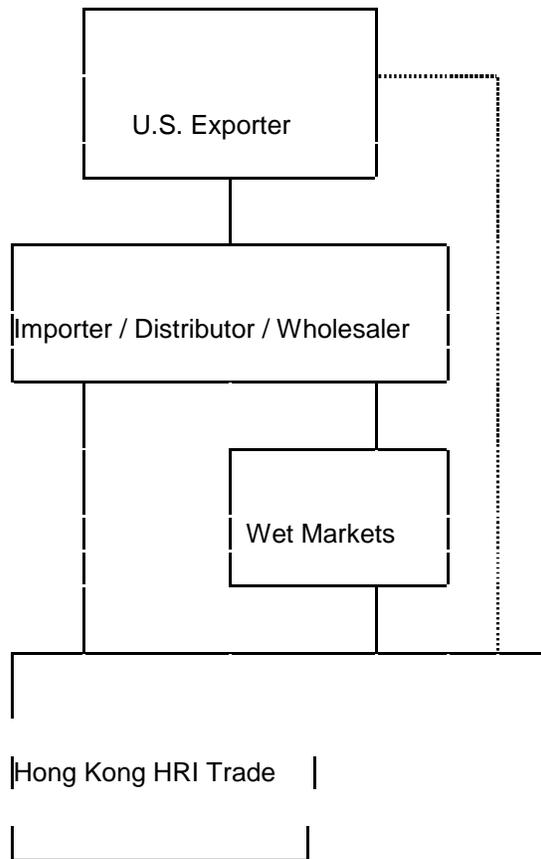
3 rd Hong Kong Int'l Wine & Spirits Fair	http://hkwinefair.hktdc.com	Nov 4-6, 2010
HOFEX 2011	http://www.hofex.com	May 11-14, 2011
Natural Products Expo Asia	http://www.naturalproductsasia.com	Aug 2011
Restaurant and Bar	http://www.restaurantandbarhk.com	Sep 2011
Asian Seafood Exposition	http://www.asianseafoodexpo.com	Sep 2011
Asia Fruit Logistica	http://www.asiafruitlogistica.com	Sep 2011

- Stage menu promotions with major restaurant chains - Menu promotion dollars will be maximized if spent on promotion events held with the major restaurant chains. With the restaurant chains' announced intention to have an image overhaul, this provides for an opportunity to introduce new U.S. foods.
- 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. with an intention to introduce U.S. products, meet U.S. exporters, and share with them food service operations in the U.S.

MAP Program

Small to medium sized U.S. food companies wishing to export their products can get funding assistance from the USDA Market Access Program (MAP). The reimbursement rates for branded promotions are equal to the percentage of U.S. origin content of the promoted agricultural commodity or a rate of 50 percent, whichever is the lesser. If you are a producer or exporter and want to participate in the MAP, please contact a trade association that represents your specific product. If no trade association is applicable, please contact one of the four State regional trade groups: Food Export USA - Northeast (FEUSA), Food Export Association of the Midwest USA (FEA), Southern US Trade Association (SUSTA), and Western US Agricultural Trade Association (WUSATA). For details of the MAP program and a list of trade associations, please contact our office or visit the website: <http://www.fas.usda.gov/mos/programs/maptoc.html>

Market Structure



- The market structure for Hong Kong typically involves a dedicated importer/distributor who deals with the U.S. exporter and maintains relationships with local resellers. Some special items are imported directly by large hotels, restaurant chains and institutions but most tend to outsource the import burden.
- Hong Kong is a mature trading port and as such has developed an effective network of importers, distributors and wholesalers that support the HRI trade.
- Most major importers/distributors service multiple reseller sectors including HRI/food service, retail and wet markets.
- ATO Hong Kong has a resourceful database of Hong Kong importers servicing the HRI trade. For information regarding specific category suppliers, the ATO Hong Kong can provide additional information.
- Given below is a partial list of catering franchises in Hong Kong.
Ajisen-Ramen (catering - Japanese noodles restaurant)
Coffee Chateau (catering - retail of coffee and tea)
Double Star (catering - coffee shop)

Genki Sushi (catering - Japanese restaurant/takeaway)
 Grappa's Ristorante (catering - Italian restaurant)
 Hardee's (catering - fast food restaurant)
 Hui Lau Shan (catering - herbal tea house and health food)
 Hung Fook Tong (catering - herbal tea house)
 Jollibee (catering - restaurant)
 Kentucky Fried Chicken (catering - fast food restaurant)
 Kung Wo Tong (catering - herbal tea house)
 Kung Wo Beancurd Products (catering - beancurd drinks and products)
 Magic House Superstore Ltd (catering - ice cream and snacks)
 McDonald's (catering - fast food restaurant)
 Mian Cafe (catering - cafe)
 Mrs. Fields Cookies (catering - specialty bakery)
 Pie & Tart Specialists (catering - pie and tart)
 Pizza Box (catering - pizza delivery)
 Pizza Hut Restaurants (catering - restaurants)
 Saint's Alp (catering - Taiwanese tea house)
 Strawberry Forever (catering - western dessert house)
 TCBY, The Country's Best Yogurt (catering - frozen yogurt)
 TGI Friday's (catering - restaurant)
 Xian Zong Lin (catering - Taiwanese tea house)
 Yoshinoya (catering - Japanese restaurant)

- A selection of restaurants:

Table 9. Hong Kong: Selected Restaurants

Company Name	Type of Food	No. of Outlets
Maxims	Chinese Restaurants /Chinese fast food / lunch boxes	302
McDonalds	Fast Food - Burgers	154+ (64 McCafe)
Café de Coral	Chinese fast food / lunch boxes	146
Fairwood	Chinese Fast food	94
KFC	Fast Food - Chicken	71
Starbucks	Coffee & snacks	109
Pizza Hut	Pizza, local menu	42
Pacific Coffee	Coffee & Snacks	53
Deli France	Bakery, Fast Food Sandwiches	40
Steak Expert	Steak house	24
Spaghetti House	International	24
Epicurean	International	24
Igor's Group	International	31

Lan Kwai Fong Entertainment	International	5
Oliver's Super Sandwich	Fast Food Sandwiches / Salads	19
Mix	California Smoothies & Wraps	9
Pret a Manger	Fast Food Sandwiches / Salads	8
Chiram Restaurants Ltd	International	6
Eclipse Management	International	10
Outback Steakhouse	Australian / American style Steak House	7
Red Ant	Chinese	8
Elite Concepts	International	8
California Pizza Kitchen	American style pizza	4
Dan Ryan's	American Style dining	3
Ruby Tuesday's	American Style dining	4
Burger King	Fast Food - Burgers	15
Jimmy's Kitchen	International	2
Ruth's Chris Steakhouse	American Style Steak House	2
Bubba Gump	American Style dining	1
Harlan's	International	1
Lawry's The Prime Rib	American Steak House	1
Morton's the Steakhouse	American Steak House	1
TGI Fridays	American Style dining	1
Tony Roma's	American Style dining	2

SECTION III. COMPETITION

Note: Estimated statistics for 2010; Market Share in terms of Import Value

Source: World Trade Atlas – Hong Kong Census & Statistics Department

Table 10. Hong Kong: Major Product Categories of Hong Kong's Imports of COAP and Seafood Products and Competition

Product Category	Major Supply Sources	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Breakfast Cereals & Pancake Mixes Imports US\$33 million 11,000 MT Retained Imports US\$30 million 10,300 MT	1. China – 54% 2. Thailand – 12% 2. U.S. – 11%	China is the largest supplier, imports include some international brands, which have manufacturing establishments in China. In recent years, Thailand has been a popular tourist destination for Hong Kong residents, who are becoming increasingly receptive to Thai	Local production is insignificant

		<p>tastes and cuisine. This is conducive to the growth of Thai food exports to Hong Kong.</p> <p>Melamine was found in eggs and dairy products from China and that has led consumers to pay more attention to food safety and seek high quality products from other supplying countries.</p>	
<p>Red Meats, fresh, chilled/frozen</p> <p>Imports US\$2.7 billion 1,300,000 MT</p> <p>Retained Imports US\$1.68 billion 504,000 MT</p>	<ol style="list-style-type: none"> 1. Brazil – 31% 2. U.S. – 16% 3. China – 9% 4. Germany – 8% 	<p>Products from Brazil and China are price competitive, but they are of different market segments from U.S. products.</p> <p>U.S. market share dropped from 21% in 2003 to 3% in 2005 as a result of the ban on U.S. bone-in beef. Market share then increased gradually following Hong Kong’s opening to U.S. beef since the beginning of 2006. Hong Kong currently allows U.S. boneless beef derived from animals less than 30 months of age.</p> <p>Bone-in beef and offals from the U.S. are not yet allowed entry into Hong Kong. Hong Kong Government adopts zero tolerance on bone fragments.</p> <p>U.S. beef is highly regarded in Hong Kong. It is always the top choice for high-end restaurants and sophisticated consumers. U.S. beef is largely for the high-end market.</p>	<p>Local production is largely sold/ marketed as freshly slaughtered meats.</p>

<p>Red Meats, Prepared/preserved</p> <p>Imports US\$580 million 315,000 MT</p> <p>Retained Imports US\$460 million 235,000 MT</p>	<p>1. China – 31%</p> <p>2. Spain – 11%</p> <p>3. U.S. – 11%</p>	<p>Chinese supplies dominate the market because there is a big demand for price competitive prepared/preserved meatballs and other products typical in Chinese dishes in Chinese restaurants and processing in China is cost effective.</p>	<p>Local production is insignificant.</p>
<p>Poultry Meat (Fresh, chilled & frozen)</p> <p>Imports US\$1.7 billion 1,090,000 MT</p> <p>Retained Imports US\$930 million 426,000 MT</p>	<p>1. Brazil – 39%</p> <p>2. U.S. – 34%</p> <p>3. China – 14%</p>	<p>Brazil became the leading supplier of poultry for Hong Kong market in 2004, when Hong Kong banned entry of U.S. poultry products (between February 11, 2004 and April 30, 2004) due to outbreaks of Avian Influenza cases in the U.S. Though the ban was then lifted, Brazil continues to be the largest supplier due to price competitiveness and established business relationship between Brazilian exporters and Hong Kong importers.</p> <p>The reduced supplies of live chickens to Hong Kong have resulted in increased demand for chilled whole chickens from China.</p> <p>Hong Kong’s certification requirement for U.S. chicken feet, which took effect in May 2005, has reduced U.S. chicken feet supplies to Hong Kong. By the requirement, U.S. chicken feet are required to have ante mortem and post mortem inspection.</p>	<p>Local production is sold/ Marketed as freshly slaughtered meats.</p> <p>HRI sector tends to use chilled and frozen chicken products rather than freshly slaughtered chickens because the latter are far more expensive.</p>
<p>Dairy Products</p> <p>Imports US\$640 million 172,000 MT</p> <p>Retained Imports US\$566 million</p>	<p>1. Netherlands – 30%</p> <p>2. Japan – 15%</p> <p>3. Ireland –</p>	<p>Netherlands is strong in dairy product supplies and it has an established position in Hong Kong.</p> <p>Dairy products from Netherlands and New Zealand primarily include concentrated dairy and</p>	<p>Local companies supply fresh milk drinks, which are processed in Hong Kong with milk originated from farmlands in the southern part of China.</p> <p>Local companies can</p>

158,000 MT	15% U.S. – 1%	cream. Chinese dairy products to Hong Kong primarily include not-concentrated milk and cream. Dairy products from the U.S. primarily include ice cream. Melamine was found in eggs and dairy products from China and that has led consumers to pay more attention to food safety and seek high quality products from other supplying countries.	easily fulfill local milk registration requirements.
Eggs Imports US\$130 million 1.84 billion eggs Retained Imports US\$128 million 1.83 billion eggs	1. China – 57% 2. U.S. – 18% 3. Thailand – 9%	Eggs from China are price competitive. However, since 2006, when some Chinese eggs were found tainted with Sudan Red (which is a dye for industrial use), Hong Kong consumers lost confidence in the safety of all Chinese eggs. U.S. dominates the white egg markets. Melamine was found in eggs and dairy products from China and that has led consumers to pay more attention to food safety and seek high quality products from other supplying countries.	Local production is insignificant.
Fresh Fruit Imports US\$1.4 billion 1,400,000 MT Retained Imports US\$730 million 574,000 MT	1. U.S. – 25% 2. Thailand – 22% 3. Chile – 19%	U.S. fresh fruits are highly regarded as having good quality. Thai Trade commission in Hong Kong aggressively sponsors trade promotion activities. Thai’s tropical fruits are very popular in Hong Kong. Chile’s biggest fruit item to Hong Kong is grapes. The supply season is different from the United States	No local production.
Fresh Vegetables Imports	1. China – 70%	Products from China are very price competitive. Due to expensive operation costs, some	Local production is about 5 % of total demand. Production costs, both in

<p>US\$207 million 615,000 MT</p> <p>Retained Imports US\$198 million 606,500 MT</p>	<p>2. U.S. – 9%</p> <p>3. Australia – 4%</p>	<p>farmers in Hong Kong have move their operations to China and sell their products back to Hong Kong.</p> <p>High-end restaurants and five-star hotels prefer to use high quality U.S. products. A lower U.S. dollar value helps U.S. exports to Hong Kong.</p>	<p>terms of land and labor, in Hong Kong are high. The Hong Kong Government has encouraged organic farming so as to find the niche market for local vegetables.</p>
<p>Processed Fruit & Vegetables</p> <p>Imports US\$350 million 230,000 MT</p> <p>Retained Imports US\$255million 180,000 MT</p>	<p>1. China – 30%</p> <p>2. U.S. – 31%</p> <p>3. Thailand – 8%</p>	<p>Supplies from China are price competitive. In addition, some international brands have operations in China and their exports to Hong Kong are considered as imports from China.</p> <p>Products from the U.S. are more for the high-end market. Potato chips and French fries are major U.S. export categories to Hong Kong.</p>	<p>Local production is insignificant.</p>
<p>Tree Nuts</p> <p>Imports US\$710 million 180,000 MT</p> <p>Retained Imports US\$400 million 77,500 MT</p>	<p>1. U.S. – 69%</p> <p>2. Iran – 21%</p> <p>3. Mexico – 4%</p>	<p>39% of the tree nuts imported to Hong Kong are pistachios.</p> <p>The U.S. is very strong in supplying almonds, hazelnuts and pistachios.</p> <p>Some of the imports are re-exported to Vietnam and China for processing.</p>	<p>No local production</p>
<p>Fruit & Vegetable Juices</p> <p>Imports US\$24 million 19,000 MT</p> <p>Retained Imports US\$21 million 16,900 MT</p>	<p>1. U.S. – 32%</p> <p>2. China – 15%</p> <p>3. Australia – 9%</p>	<p>U.S. products are highly regarded in the local market.</p> <p>Products from China include international brands manufactured in China.</p> <p>Australian products are generally perceived as natural.</p>	<p>Local companies are well established in the market with well distribution and marketing network. However, they are rarely considered as premium products.</p>
<p>Wine</p> <p>Imports US\$734 million 34 million liters</p>	<p>1. France – 56%</p> <p>2. U.K. – 16%</p>	<p>France is the major supplier for wine. French wine is highly regarded in Hong Kong though expensive.</p>	<p>Hong Kong does not have any wine production.</p>

Retained Imports US\$590 million 24 million liters	3. Australia – 7%	Hong Kong people are becoming more familiar with U.S. wine, in particular California wine.
	4. U.S. – 6%	The Hong Kong Government abolished the tax on wine in February 2008. The new policy has attracted more wine imports into Hong Kong.

SECTION IV. BEST CONSUMER ORIENTED PRODUCT PROSPECTS

Notes

- :
- 1 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.
 - 2 Import tariff rates for all food and beverage products in the tables are zero except for spirits with an alcohol content greater than 30%, which is 100%.
 - 3 Products listed below are either enjoying a large market import value or a significant growth rate for the last 5 years (2005-2009).

Table 11. Hong Kong: Top 10 Prospects in 2010

Product Category	2009 Retained Imports (MT)	2009 Retained Imports (US\$ million)	2005 – 2009 Average Annual Retained Import Growth	Key Constraints Over Market Development	Market Attractiveness For USA
Fish & Seafood Products	Volume statistics not available	US\$2.2 billion Expected to reach US\$2.5 billion in 2010	+8.8% (value)	Major suppliers of fish and seafood products are Japan (17%), China (15%), Australia (11%), Indonesia (5%), and the US (4%).	U.S. fish and seafood products are perceived as high quality and safe. Many 5-star hotels in Hong Kong are carrying Alaska seafood products such as king salmon, king crab, snow

					crab, black cod and halibut. It is anticipated that these seafood products will continue to be popular among HRI sector in Hong Kong.
Fresh Fruit	541,822 MT Expected to reach 574,000 MT in 2010	US\$613 million Expected to reach US\$730 million in 2010	-0.8% (volume) +6.6% (value)	The Hong Kong fresh fruit market had negative volume growth over the past 5 years because of bad crops in some categories. 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 travel 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 large variety, good quality and tastes. U.S. was the largest supplier (25%) of fresh fruit to Hong Kong, followed by Thailand (22%). The top U.S. fruit exports to Hong Kong (in 2009) were citrus products (US\$97 million), grapes (US\$77 million), apples (US\$47 million), cherries (US\$34 million), plums, sloes & peaches (US\$11 million) and strawberries (US\$13 million). These U.S. products will continue to be popular among Hong Kong consumers.
Poultry Products	316,491 MT Expected to reach 426,000 MT in 2010	US\$609 million Expected to reach US\$930 million in 2010	-2.4% (volume) +10% (value)	Brazil is the leading supplier of poultry for Hong Kong. Brazil moved in as the no. 1 poultry exporter to Hong Kong when U.S. poultry imports were temporarily banned during February 11 to April 30, 2004 due to Avian Influenza cases in the United States. Though the ban was later lifted, Brazil continues to	U.S. exported US\$168 million worth of chicken products to Hong Kong, accounting for 14% of the market share. U.S. products are highly regarded in food quality and food safety. More popular U.S.

				<p>be the largest supplier due to its price advantage and its exporters' relationships with Hong Kong importers.</p> <p>The reduced supplies of live chickens from China to Hong Kong have resulted in increased demand for chilled whole chickens from China as an alternative.</p> <p>Hong Kong's certification requirements for U.S. chicken feet, which took effect in May 2005, reduced U.S. chicken feet supplies to Hong Kong. By the requirement, U.S. chicken feet are required to have ante mortem and post mortem inspection.</p>	<p>chicken products include chicken wing mid joints and chicken legs because of their sizes and quality. These two products are particularly popularly among Hong Kong style cafes.</p>
Pork	<p>157,850 MT</p> <p>Expected to reach 160,480 MT in 2010</p>	<p>US\$462 million</p> <p>Expected to reach US\$425 million in 2010</p>	<p>+3% (volume)</p> <p>+16% (value)</p>	<p>China and Brazil are the top suppliers of pork to Hong Kong because their products are very price competitive.</p> <p>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 the advantage of low processing cost.</p>	<p>U.S. exported US\$62 million worth of pork to Hong Kong, accounting for 12% of the market share.</p> <p>U.S. products are highly regarded for quality and food safety.</p>
Processed Fruit & Vegetables	<p>176,228 MT</p> <p>Expected to reach 180,000 MT in 2010</p>	<p>US\$262 million</p> <p>Expected to reach US\$255 million in 2010</p>	<p>+3% (volume)</p> <p>+7% (value)</p>	<p>The U.S. is the largest supplier (32%), closely followed by China (29%).</p> <p>Some international brands have operations in China and their exports to Hong Kong are considered as</p>	<p>U.S. processed fruit and vegetables are well known of their superior quality and tastes. U.S. processed fruit and vegetables such as potatoes, nuts, sweet corn,</p>

				imports from China.	mushrooms, peaches and pineapples will continue to be in large demand in Hong Kong.
Beef, Frozen	91,829 MT Expected to reach 119,000 MT in 2010	US\$317 million Expected to reach US\$435 million in 2010	+20% (volume) +31% (value)	<p>Because of BSE cases in the U.S., Hong Kong currently allows boneless beef derived from cattle under 30 months of age from U.S. E.V (Export Verification) approved plants.</p> <p>Bone-in beef and variety beef from the U.S. are not yet allowed in.</p> <p>Currently only 25 plants have been EV approved and are eligible to export beef products to Hong Kong.</p> <p>Short U.S. beef supplies make U.S. beef very expensive.</p> <p>Brazil beef took the opportunity to gain market share. Brazil beef imports grew from US\$49 million in 2004 to US\$211 million in 2009.</p>	U.S. exported US\$69 million worth of frozen beef to Hong Kong in 2009, accounting for 17% market share. Although U.S. beef was banned in Hong Kong in 2004 and 2005, Hong Kong consumers still have high regards for U.S. beef in terms of quality and safety.
Wine	25.4 million liters Expected to reach 24 million liters in 2010	US\$399 million Expected to reach US\$590 million in 2010	+20% (volume) +59% (value)	<p>Competition is keen in Hong Kong. Major competitors come from France and Australia. French wine is traditionally more popular in Hong Kong.</p>	<p>U.S. exported US\$40 million of wine to Hong Kong in 2009, accounting for 8% of the market share.</p> <p>The HKG abolished the import tax on wine and beer in February 2008. The HRI sector in Macau is growing, making it an excellent opportunity for U.S.</p>

					<p>wine traders to expand their exports.</p> <p>Hong Kong consumers are more and more receptive to wine. The total elimination of the excise tax on wine would probably help nurture wine drinking culture in Hong Kong.</p>
Tree Nuts	<p>85,779 MT</p> <p>Expected to reach 77,500 MT in 2010</p>	<p>US\$397 million</p> <p>Expected to reach US\$400 million in 2010</p>	<p>+19% (volume)</p> <p>+20% (value)</p>	<p>38% of the tree nuts imported to Hong Kong are pistachios.</p> <p>The U.S. is very strong in supplying almonds, hazelnuts and pistachios.</p> <p>Some of the imports are re-exported to Vietnam and China for processing.</p>	No local production
Fruit & Vegetable Juices	<p>18,683 MT</p> <p>Expected to reach 16,900 MT in 2010</p>	<p>US\$25 million</p> <p>Expected to reach US\$21 million in 2010</p>	<p>+0.4% (volume)</p> <p>-1% (value)</p>	<p>The U.S. is still the market leader, exported US\$9.6 million worth of fresh fruit juices to Hong Kong, accounting for a market share of 34%.</p>	<p>Given the high quality of U.S. fruit & vegetable juices, U.S. fruit and vegetable juices such as orange juices, apple juices, grape juices, grapefruit juices, tomato juices and pineapple juices are expected to continue to be very popular in 2010.</p>
Organic Food and Beverage	<p>Statistics not available</p> <p>(The size of the Hong Kong organic food and beverage market is estimated at US\$500</p>	Statistics not available	Statistics not available	<p>Organic F&B products are generally 20-40% higher in prices compared to non-organic products.</p> <p>There are many organic standards in the market and the poor quality of a country's organic products may negatively affect the image of</p>	<p>As Hong Kong consumers are becoming more health-conscious, the demand for organic products will continue to grow in 2010.</p> <p>USDA Organic enjoys an excellent</p>

	million, with an annual growth of 10-15%)			organic products from all supplying countries.	<p>reputation among consumers in Hong Kong. Consumers generally have more confidence on USDA Organic standards than other countries’.</p> <p>Grain products, soybeans, cereals, oats, noodles...etc are in good demand.</p> <p>Other products such as organic meat (beef and pork), condiments, poultry, eggs etc are starting to have more interest in the market.</p> <p>There is also a strong demand for organic vegetables and fruits, organic coffee and tea products.</p>
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SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Post Contact

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

Agricultural Trade Office
American Consulate General
18th Floor, St. John’s Building
33 Garden Road, Hong Kong
Tel: (852) 2841-2350
Fax: (852) 2845-0943
E-Mail: ATOHongKong@fas.usda.gov
Web site: <http://www.usconsulate.org.hk>
<http://www.usfoods-hongkong.net>

Department to Implement Food Safety Control Policy

Food & Environmental Hygiene Department
43/F., Queensway Govt Offices

66 Queensway, Hong Kong
Tel: (852) 2868-0000
Fax: (852) 2834-8467
Web site: <http://www.fehd.gov.hk>

Department to Control the Importation of Plants & Live Animals

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

Department to Issue License for Imported Reserved Commodities

Trade & Industry Department
18/F., 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 to Register Health Foods Containing Medicine Ingredients

Department of Health
Pharmaceuticals Registration
Import & Export Control Section
18th 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 to Issue License for Imported Dutiable Commodities

Hong Kong Customs & Excise Department
Office of Dutiable Commodities Administration
6-9th 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 for Trade Mark Registration

Intellectual Property Department
Trade Marks Registry

24th and 25th 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
9th - 11th floors, Citicorp Center,
18 Whitfield Road, North Point, Hong Kong
Tel: (852) 2807-6543
Fax: (852) 2806-0303
Home Page: www.hktourismboard.com

Semi-Government Organization Providing Hong Kong Trade Information

Hong Kong Trade Development Council
38th Floor, Office Tower, Convention Plaza
1 Harbor Road, Wan Chai, Hong Kong
Tel: (852) 2584-4188
Fax: (852) 2824-0249
Home Page: <http://www.tdctrade.com>