Hong Kong
Market Development Reports
Hong Kong Pet Food Market Brief
1999

Prepared by:
Howard R. Wetzel & George Ferris
U.S. Consulate General, Hong Kong

Drafted by:
Eastern Strategic Consulting Limited

Report Highlights:
The Market for pet food is competitive and has declined over the last few years due to recent regulations on the restriction of pet ownership in public housing. Most major international brands are present in the Hong Kong market, with all major U.S. brands strongly represented. There is no immediate need for strategic planning modification.
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Methodology

The goal of this report is to provide a brief on the pet food market in Hong Kong as well as future developments.

For Hong Kong currency figures, the exchange rate used is US$ 1 = HK$ 7.78

Main Findings

The market for pet food in Hong Kong is competitive and declining due to recent regulations on the restriction of pet ownership in public housing. As most major international brands are already present, new entrants are not expected to create a significant impact in the market. Besides, all major U.S. brands are already strong in Hong Kong (Effem Foods, Iams, Hill’s, Natures Recipe, etc.). Future competition will likely occur within major U.S. brands instead of U.S. versus brands from other countries.

As pricing is expected to further reduce in the near term, profitability will be affected. Therefore, caution should be taken to further reduce cost and overhead expenditures.

US products are already well received and distributed. There is no immediate need for strategic modification and change.

Market Access Statement

LABELING REQUIREMENTS

The Food and Drugs (Composition and Labeling ) Regulations require food manufacturers and packers to label products in a prescribed, uniform and legible manner. The following information is required to be marked on all prepackaged food except for ‘exempted items’ as provided in the Regulations. Prepackaged food means food packaged in such a way that the contents cannot be altered without opening or changing packaging and the ready for presentation to the ultimate consumer or a catering establishment as a single food item.
1 Name of the Food

   a) Prepackaged food shall be legibly marked or labeled with its name or designation.
   b) The food name should not be false, misleading or deceptive but should serve to make
      the nature and type of food known to the purchasers.

2 List of Ingredients

   a) Preceded by an appropriate heading consisting of the words “ingredients”,
      “composition”, “contents” or words of similar meaning, the ingredients
      should be listed in descending order of weight or volume determined
      when the food was packaged.
   b) If an additive constitutes one of the ingredients of a food, it should be listed by its
      specific name or by the appropriate category (e.g. Preservative, artificial sweetener,
      etc.) Or by both name and category.

3) Indication of “best before” or “use by” date

   Prepackaged food shall be legibly marked or labeled with the appropriate durability indication
   as follows:

   a) a “best before” (in Chinese characters as well) date; and
   b) in the case of a prepackaged food which, from the microbiological point of view, is
      highly perishable and is likely, after a short period, to constitute an immediate danger to
      human health, a “use by” (in Chinese characters as well) date.

   The words “use by” and “best before” in English lettering and Chinese characters followed by the date
   which specific properties of the food can be retained, to indicate the shelf life of the food. The “use b
   “best before” date should be shown either in Arabic numerals in the order of day, month
   and year (or month and year in certain circumstances) or in both the English and Chinese languages.
   For specific details refer to the Regulation. Website: http://www.info.gov.hk/justice

4) Statement of Special Conditions for Storage or Instruction for Use

   If special conditions are required for storage to retain the quality, or special instructions are ne
   prepackaged food use, a statement should be legibly marked on the label.
5) Name and Address of Manufacturer or Packer

Prepackaged food shall be legibly marked or labeled with the full name and address of the manufacturer or packer, except under the following situations:

a) The package is marked with an indication of the country of origin, and the name and address of the distributor or brand owner in Hong Kong, and the address of the manufacturer or packer of the food in its country of origin has been submitted in writing to the Director of Health.

b) The package is marked or labeled with an indication of its country of origin and with a code identifying the manufacturer or packer in that country, and particulars of the code and of the manufacturer have been submitted in writing to the Director of Health.

6) Count, Weight or Volume

The food label should include the numerical count or net weight or net volume of the food.

7) Appropriate Language

The marking or labeling of prepackaged food can be in either the English or the Chinese language or in both languages. If both the English and Chinese languages are used in the labeling or marking of prepackaged food, the name of the food and the list of ingredients shall appear in both languages.
**Exempt from labeling regulations:** Individually wrapped confectionery products and preserved fruits intend sale as a single item; Prepackaged foods for sale to catering establishment for immediate consumption and th containing more than 1.2 percent alcohol by volume.

Under the amended Food and Drugs (Composition and Labeling) Regulations, it is illegal to sell any food after its “use by” date. Furthermore, any person who, other than the food manufacturer or packer or without their written authorization, removes or obliterates any information on the label required under these regulations commits an illegal act.

**IMPORT DUTIES**

Hong Kong is a free port which does not impose any import tariffs on products with the exception of four dutiable products: liquor, tobacco products, hydrocarbon oils and methyl alcohol. Local importers have to apply for a licence from the Hong Kong Customs and Excise Department for the importation of dutiable commodities. In addition, a licenced importer has to apply for a permit for each and every consignment. The current duties are as follows:

- Cigarettes per 1000 sticks: US$98.45
- Cigars per kg: US$126.74
- Beer & liquor with less than 30% alcohol: 30%
- Liquor with more than 30% alcohol: 100%
- All wines: 60%
The Hong Kong pet food market is very competitive, with a large variety of products being offered and a downward trend in pricing.

As the Hong Kong government banned pet ownership in public housing in 1996, interest in owning pets has significantly declined in 1997, causing pet food demand to decrease by 15% in 1997.

1998 and 1999 should expect a slight decline, or more likely, stabilization at 1997 demand levels.

More than 90% of total consumption is for dog and cat food. The others are mostly food for fish, birds and, emerging in popularity, hamsters and rabbits. This report will focus quite exclusively upon dog and cat food.

The ratio of dog versus cat food demand in Hong Kong is about 1 to 2, or 65% to 35%, totalling 12,000 MT being consumed in 1997.

The ratio of dry versus wet/canned food is about one to one.

Dog and cat foods are separated into popular versus high-end brands, each having their own market segment defined by the different channels of distribution.

Popular brands like Pedigree, Whiskas, Friskies, etc, are mostly distributed through supermarket chain (like Wellcome, Park’N Shop).

High-end brands like Iams, Hill’s, Nature’s Recipe, etc., are sold only at pet care locations, which includes dog and cat shops, pet supply stores, veterinary clinics, and the SPCA (Society for the Prevention of Cruelty to Animals).

The current ratio between popular (e.g. Pedigree and Whiskas) and high-end brands (e.g. Iams, Hill’s, Nature’s Recipe, etc) is 60% to 40%.

Effem Foods, producing Pedigree and Whiskas, dominates the supermarket retail sector, with more than 70% market share. Effem Foods also sell their products in most pet care locations, but they are far from being the market leader in that segment.

Iams products dominate the pet care market segment, with more than 60% share within the segment followed by Hill’s, with about 20% share.

Most major brands, especially US brands, have entrenched positions in the Hong Kong market, with very little room for other competitors.
Imports of dog and cat food into Hong Kong grew at double digit annual average growth rates in the early 1990s. Imports peaked in 1994, and declined at 10-12% each year since 1995 then stabilized in 1997, at 12,000 MT per annum.

The decline was caused by the Hong Kong government’s strict enforcement of policies controlling pet ownership.

1996 was affected the most since the control and enforcement was then the most strict.

1997 saw a 4% increase as enforcement slightly relaxed, and pet food imports were back to 1995 levels.

Forecast for 1998-99 is to remain at the 1997 level.

The official statistics of dog and cat food imports should be reduced by about 10% to reflect the actual import levels as importers typically declare other pet supplies as pet food shipments.

In early 1996 the HK government banned pet ownership in all public housing. Pet owners were forced to find alternative accommodation within an unrealistically short period of time. The result was mass destruction of pets and pet owners emotionally devastated by their loss.

Source: Hong Kong Census and Statistics Department (HKCSD)
The American brand shares of dog and cat food imports grew rapidly from 1992 to 1997 at the expense of Australia’s market share, which shrunk from almost half in 1992 to one-quarter share in 1997.

US branded products continue to gain market share in Hong Kong despite the slowing down of overall consumption.

Japan entered the Hong Kong market in 1995 and 1996 with premium brands pet food, replacing Taiwan’s 2% import share.

The rate of decline from 1995 to 1997 was about 15%, which is accounted for by the estimated 20% decrease in dog ownership.

The value of imports showed slight, but steady growth from 1992 to 1997. Overall growth for 5 years is 13% (2% annual average growth rate).

Prices increased as more premium brands (mostly US products) entered the HK market and increased local market share.

As competition increased, price increases have remained minimal.

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**Dog and Cat Food Imports by Country (1992)**

- USA: 44%
- Australia: 44%
- Thailand: 8%
- Others: 2%
- Canada: 2%

**Dog and Cat Food Imports by Country (1997)**

- USA: 53%
- Australia: 26%
- Thailand: 10%
- Others: 2%
- China: 6%
- Japan: 1%

**Source:** HKCSD
By Country And Product

An overview of products being imported by country(1997). Note that the USA branded products have a cumulative market share of approximately 87% as American multinationals produce in a number of countries and export into Hong Kong.

**Thailand 10%**
- Carat (Japan)
- Mimy (Japan)

**PR China 6%**
- Pedigree (USA)
  - (Beijing Factory)

**Australia 26%**
- Effem Foods (USA)
- Pedigree
- Whiskas

**Canada 2%**
- Whiskas (USA)
- Premium 168

**Japan 1%**
- Mu(u) Brand

**USA 53%**
- Iams
- Hills
- Purina
- Others:
  - Propane and
  - Natures Recipes

Source: HKCSD
The trend of re-exports of dog and cat food basically follows that of imports, but in a much more drastic manner. The volume fluctuated 3 to 4 times from 1993 to 1996. A peak in 1994 showed the highest level of regional distribution as imports reached 13,000 MT. The large dip from 1994 to 1996 indicate an overall volume decrease caused by reduced imports/local consumption.

Re-export value fluctuated a great deal as well:

The value decreased from HK$8.8/kg (FOB) to HK$7.0/kg in 1994/95, which is the result of expanded regional distribution of medium and low-end pet foods at reduced pricing to countries like the Philippines. Re-export values drastically increased to HK$13-14 in 1996 and 1997 as suppliers like Iams expanded into regional markets, especially China.
In 1992 and 1993, more than 90% of re-exports were directed to Macau and China, reflecting Hong Kong’s position as a key location for pet food transhipment.

Macau re-exports increased more than 300% in 1993-94 and reduced somewhat in 1996-97.

Re-exports to China have been erratic in the past 5 years as pet ownership fluctuated a great deal.

1994 and 1995 experienced much regional distribution activity as Hong Kong distributors targeted more re-export destinations like USA, UK, Malaysia, and The Philippines.

1996 and 1997 saw an overall decrease of trade activities for dog and cat food, affecting re-exports.

China and Macau again dominated the re-export destination market.
There are no exclusive manufacturers of pet food in Hong Kong. However, Park N Shop, a large-scale supermarket retailer, repackages and sells cat food under their own brand, along with many other retail products.

The domestic export chart as shown below is based on Park N Shop’s exports to China (mainly to Guangdong Province), the quantity being insignificant in comparison to imports and local consumption.

There is no fixed pattern for domestic pet food exports, as it is shown below. The erratic pattern is mainly because China’s (or Guangdong’s) demand is unstable, and also the effect of inconsistent re-export volume into the country.

It should be cautioned that domestic exports include other repacked quantities. For example Iams cat food is repacked into smaller bags and sold to Guangdong. Such pet food packing is not available in the Hong Kong market.

Dog and Cat Food Domestic Exports

Source: HKCSD
Local consumption of pet food in 1997 amounted to 13,000 MT. More than 90% was dog and cat food, at about 12,000 MT. Others pet foods were for fish, birds, hamsters, and other small animals. Almost all local demand is supplied through imports. Park N Shop is the only major local repacker and the quantity is insignificant. Overall, pet food demand is declining and is expected to remain flat or continue to fall in the future.


Source: Eastern Strategic Consulting Limited
Dog and cat food in Hong Kong are separated into two (2) categories: Popular and High-end.

Popular brands include Purina, Pedigree, Chum, etc. for dogs, and Purina Cat-Chow, Whiskas, Park N Shop, etc. for cats.

High-end products include Iams/Eukanuba, Hill’s Science Diet, Natures Recipes, etc. for both dogs and cats.

The market share of each brand is depicted by the status, of whether it is popular or high-end. As the marketing channel for each type of pet food is different, so is the overall segmentation.

Popular brand pet foods are distributed primarily through supermarket chains, with very few through pet supply stores and pet shops.

High-end pet foods are almost exclusively distributed through pet shops, pet supply stores, veterinary clinics, and very rarely in supermarkets.

Iams dominates the high-end market segment, with more than 60% market share, followed by Hill’s (~20%), and Nature’s Recipes.

On the popular side, Effem Foods (Pedigree and Whiskas) is the predominant market leader, with more than 70% market share.
Source: Eastern Strategic Consulting Limited
By combining both popular and high-end segments, the overall market share of various brands of dog and cat foods are as follows:

<table>
<thead>
<tr>
<th>Brand</th>
<th>Market Share (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Popular Brands</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effem products</td>
<td>42%</td>
<td>60%</td>
</tr>
<tr>
<td>Others</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td><strong>High-End Brands</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iams/Eukanuba</td>
<td>24%</td>
<td>40%</td>
</tr>
<tr>
<td>Hill’s</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Eastern Strategic Consulting Limited
The overall split between dog and cat food in Hong Kong is approximate 1 to 2 (or 35% to 65%).

Since the per capita pet consumption of dog food ranges from 2 to 5 times that of cat food, it can be estimated that there are at least the same number of cats and dogs in Hong Kong.

This estimate is based on the fact that Hong Kong owners usually do not provide sufficient space for their pets.

Dog and Cat Food Segmentation

The Ratio of dog and cat food to other pet food is about 90% to 10%.

Among the other pet foods, more popular are foods for fish, birds, hamsters, and rabbits. Others are insignificant.

Dog and Cat Food Versus Other Pet Food

Source: Eastern Strategic Consulting Limited
Segmentation of dry and wet foods for dogs and cats depends to a great extent on the type of product and distribution channel.

C Popular brands like Pedigree and Whiskas are distributed in supermarkets. The ratio of dry to wet food is 35% : 65%
C High-end brands like Iams, Hills, Nature’s Recipe, etc, are distributed in pet shops and pet supply stores. The dry to wet food ratio is 65% : 35%
C The overall dry to wet food ratio is therefore approximately equal (1 to 1).

This situation is based upon the following facts

C Wet food is generally lower priced and yields higher profit margins. Therefore supermarkets, being very competitive at present, choose to focus on wet food, which would allow more room for price reduction.
C Dry foods are known to be more nutritious and better for pet health, which is the focus of most pet shops. Therefore, more dry foods are sold in pet shops and pet supply stores.
Hong Kong supplies a wide variety of dog and cat food.

Most popular brands have at least three (3) or more varieties/formulation offered.

Some brands like Mu (Japan) have twelve (12) different recipes.

Most high-end brands like Iams, Hill’s, and Nature’s Recipe have 4-6 different recipes for each and wet product type.

Typical product offerings for high-end dry food are:

- Puppy and kitten food
- Adult dog and cat food (most popular)
- Pet food for aged or over-weight animals
- Skin and fur supplement/enhancement pet food
- Others

As for wet food, the variety is much greater, typically there are:

- Tuna, seafood, lamb and rice, and chicken for cats
- Beef, lamb, chicken and other meat, and seafood for dogs

Increased product varieties have directly resulted in greater brand competition and therefore lower prices.

Both popular and high-end foods prices have decreased by more than 10% over the past 12-18 months. The outlook is further decline, but to a lesser extent than before.
Dog and cat foods are locally distributed through two channels:

<table>
<thead>
<tr>
<th>Distribution Channel</th>
<th>Specific Location</th>
<th>Major Brands</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarket Retail</td>
<td>C Wellcome</td>
<td>C Popular brands</td>
<td>Extensive reach to consumers</td>
</tr>
<tr>
<td></td>
<td>C Park N Shop</td>
<td>C Pedigree/Whiskas</td>
<td>Very price competitive</td>
</tr>
<tr>
<td></td>
<td>C Sogo</td>
<td>C Friskies</td>
<td>Focused mostly on wet food</td>
</tr>
<tr>
<td></td>
<td>C Etc.</td>
<td>C Purina, etc.</td>
<td></td>
</tr>
<tr>
<td>Pet Care</td>
<td>C Dog and cat shops</td>
<td>C High-end brands</td>
<td>Business expected to sustain or slightly</td>
</tr>
<tr>
<td></td>
<td>C Pet supplies stores</td>
<td>C Iams</td>
<td>decline</td>
</tr>
<tr>
<td></td>
<td>C Veterinary clinics</td>
<td>C Hill’s</td>
<td>Several new entrants in recent years</td>
</tr>
<tr>
<td></td>
<td>C SPCA</td>
<td>C Nature’s Recipes, etc.</td>
<td>increase price competition</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Many pet shops are now offering discounts</td>
</tr>
</tbody>
</table>

At present, the supermarket chains have a higher market share, the ratio to pet care is 2 to 1, or 65% to 35% respectively, primarily due to:

C More extensive reach by supermarkets in all locations in Hong Kong
C Lower pricing at the supermarket level
C Dogs and cats usually enjoy wet food more, which is the primary focus of supermarkets
In Hong Kong, dog and cat foods account for more than 90% (by weight) of total pet food consumed. These are dry foods that account for very little on a weight basis. Distributors are usually the pet store themselves, therefore the market is very fragmented. Rabbits and hamsters are increasingly popular in Hong Kong, but the overall number remains insignificant. Other pet varieties are rare in Hong Kong.
Like many other consumer products in Hong Kong, pet food is a very competitive market.

Currently most major brands in the World have been introduced into the small and compact Hong Kong market.

Several brands entered the market in the past 2-3 years, creating more severe downward pressure on price.

The overall trend of dog and cat food pricing has been downward in the past two (2) years.

Prices of both popular and high-end brands should further decline. High-end brands are expected by 5% and popular brands by 10%.

Packaging and pricing of dog and cat food are as follows:

<table>
<thead>
<tr>
<th>Brand (dry)</th>
<th>Product</th>
<th>Price (HK$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iams/Eukanuba</td>
<td>3 kg paper bag</td>
<td>105</td>
</tr>
<tr>
<td></td>
<td>7.5 kg bag</td>
<td>198</td>
</tr>
<tr>
<td></td>
<td>15 kg bag</td>
<td>295</td>
</tr>
<tr>
<td>Hill's Science Diet</td>
<td>5 lb bag</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>20 lb bag</td>
<td>205</td>
</tr>
<tr>
<td></td>
<td>40 lb bag</td>
<td>365</td>
</tr>
<tr>
<td>Nature’s Recipes</td>
<td>5 lb bag</td>
<td>87</td>
</tr>
<tr>
<td></td>
<td>9 kg bag</td>
<td>190</td>
</tr>
<tr>
<td>Propane(dry)</td>
<td>9 kg</td>
<td>190</td>
</tr>
<tr>
<td></td>
<td>40 lb</td>
<td>By order only</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Brand (dry)</th>
<th>Product</th>
<th>Price (HK$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purina (dry)</td>
<td>4 lb regular</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>4 lb lamb formula</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>8 lb bag</td>
<td>110</td>
</tr>
<tr>
<td>Pedigree (wet)</td>
<td>17 kg bag</td>
<td>By order only</td>
</tr>
<tr>
<td></td>
<td>190 g can</td>
<td>6.3</td>
</tr>
<tr>
<td></td>
<td>400 g can</td>
<td>9</td>
</tr>
<tr>
<td>Nature’s Recipes (dry)</td>
<td>700 g can</td>
<td>13.9</td>
</tr>
<tr>
<td>Top Dog (wet)</td>
<td>400 g can</td>
<td>5.6</td>
</tr>
<tr>
<td>Chum (wet)</td>
<td>700 g can</td>
<td>10.2</td>
</tr>
<tr>
<td>Cesar (wet)</td>
<td>100 g soft pack</td>
<td>9</td>
</tr>
</tbody>
</table>
## Cat food

<table>
<thead>
<tr>
<th>Brand</th>
<th>Product</th>
<th>Price (HK$)</th>
<th>Brand</th>
<th>Product</th>
<th>Price (HK$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iams(wet)</td>
<td>85 g can</td>
<td>6</td>
<td>Whiskas(wet)</td>
<td>190 g can</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td>170 g can</td>
<td>9.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hill’s Science Diet</td>
<td>155 g can</td>
<td>10</td>
<td></td>
<td>400 g can</td>
<td>8.6</td>
</tr>
<tr>
<td>Nature’s Recipes (wet)</td>
<td>156 g can</td>
<td>11</td>
<td>Kitty’s Dinner(wet)</td>
<td>170 g can</td>
<td>3.5</td>
</tr>
<tr>
<td>Premium 168(wet)</td>
<td>85 g can</td>
<td>5.5</td>
<td>Iams(Dry)</td>
<td>3 kg paper bag</td>
<td>135</td>
</tr>
<tr>
<td>Nutro(wet)</td>
<td>85 g can</td>
<td>6</td>
<td>Hill’s Science Diet</td>
<td>(dry)</td>
<td>10 lb bag</td>
</tr>
<tr>
<td>Triumph(wet)</td>
<td>85 g can</td>
<td>5.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carat(wet)</td>
<td>90 g can</td>
<td>5</td>
<td>Nature’s Recipe(dry)</td>
<td>4 lb bag</td>
<td>95</td>
</tr>
<tr>
<td>Mimy(wet)</td>
<td>95 g can</td>
<td>5</td>
<td>Nutro(dry)</td>
<td>3 lb bag</td>
<td>85</td>
</tr>
<tr>
<td>Other</td>
<td>85 g can</td>
<td>7</td>
<td>Purina’s Cat Chow</td>
<td>510 g box</td>
<td>17</td>
</tr>
<tr>
<td>Tresor(wet)</td>
<td>100 g soft pack</td>
<td>7</td>
<td>Purina’s Delicat(dry)</td>
<td>510 g plastic bottle</td>
<td>26.9</td>
</tr>
<tr>
<td>Favourites Premium</td>
<td>100 g soft pack</td>
<td>14</td>
<td>Whiskas Tasty Bites</td>
<td>500 g box</td>
<td>17.9</td>
</tr>
<tr>
<td>Kitty’s Supreme(wet)</td>
<td>100 g soft pack</td>
<td>5.9</td>
<td>Friskies(dry)</td>
<td>500 g box</td>
<td>18.7</td>
</tr>
</tbody>
</table>
Hong Kong has no import duty imposed on food products, including pet food.

Packaging requirements must comply with the HK Food and Drug Regulations, which include proper labelling of items, ingredients, shelf-life, storage and handling instructions, and other product specifications in volume and weight, and the manufacturer’s/packer’s name and address.

Regulations pertaining to food imports are as follows:

- A health certificate from the country of origin must be obtained to certify that:
  - The products were manufactured and packed under proper hygienic condition as approved by the origin country, and samples inspected by a method approved by that country.
  - Sample inspection report by chemical analysis and bacteriological examination, showing contents of fats, sugar, milk-solids, and bacteria count (this condition is not strictly enforced for pet food).

Details of import regulations can be obtained from the Hong Kong government, Department of health at Wu Chung House, 18th Floor, 213 Queen’s Road East, Wanchai, Hong Kong:

Also, the Heath Department provides hotline telephone service for import regulation at (852) 2893-3547.
US companies have captured a dominant market position as the leading group of pet food suppliers in Hong Kong accounting for approximately 87% of supply. This includes most products that come from the second largest importing country, Australia, which is largely imports from Effem Foods, a division of Mars Corporation.

Almost all major brands are already available in the competitive and declining Hong Kong market. New entrants are not likely to create a significant impact in this mature market.

US pet food suppliers should at least be able to maintain current market position.

Competition is expected to occur between U.S. brands, i.e. Iams, Hills, Natures Recipes, etc., as opposed to competition with other countries.

As further price reduction is very likely in 1998, caution must be exercised in terms of cost reduction enhancement in order to maintain profitability.
**Icevil Limited (agent: Iams)**
3/F, Kingsun Computer Industry Building
40 Shek Pai Wan Road,
Aberdeen, Hong Kong
Tel: (852) 2555-8402
Mr. Lai (marketing manager)

**Effem Foods HK Ltd**
Room 1003-4 Houston Centre,
63 Mody Road,
Tsim Sha Tsui, HK
Tel: (852) 2721-7477, 2369-2920
Ms Jessie Ng/Ms Alice Khoo

**New Champion Trading Company Ltd**
Flat A3, 3/F, Leechung Street,
Chaiwan, Hong Kong
Tel: (852) 2889-0980
Mr. Ow (marketing manager)

**Inchcape JDH Ltd (Effem products)**
JDH Centre, 2 On Ping Street
Siu Lek Yuen, Shatin, HK
Tel: (852) 2635-5555
Ms. Doris Cheung (pet food division)

**Waylun Trading Company Ltd**
(Agent: Propane)
Room 401, 4/F, Informtech Industrial Centre 10-12
Yuen Shun Circuit, Siu Lek Yuen
Shatin, Hong Kong
Tel: (852) 2677-8033
Ms Halen (sales department)

**The East Asiatic Company Ltd**
(Effectem products)
CRE Building, 297 Hennessy Road,
Wanchai, Hong Kong
Tel: (852) 2586-6888

**United Aquarium Supplies Company**
Tsuen Wan, HK
Tel: (852) 2493-8231

**C. Vetapet & Co. Ltd**
(Distributor: Premium 168 and other European brands)
Room 1534, Profit Industrial Bldg,
1-15 Kwai Fung Crescent,
Kwai Chung, N.T.
Hong Kong

**Agricultural Trade Office**
18th 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
Contact: Mr. Howard Wetzel
## List of Important Government Web Sites and E-Mail Addresses

<table>
<thead>
<tr>
<th>Department</th>
<th>Web Site</th>
<th>E-Mail Address</th>
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<td><a href="http://www.info.gov.hk/censtatd/">http://www.info.gov.hk/censtatd/</a></td>
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