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Report Highlights:

Hong Kong has become an increasingly important market for consumer-oriented American foods. Hong Kong imported US\$1.4 billion of consumer-oriented products from the U.S. in 2000. Of all U.S. consumer-oriented American exports to Hong Kong, poultry meat, fresh fruit, red meats and ginseng are the leading items.

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SECTION I. MARKET OVERVIEW

- S Hong Kong has become an increasingly important market for consumer-oriented American foods. Hong Kong imported US\$1.4 billion of consumer-oriented products from the U.S. in 2000. Of all U.S. consumer-oriented American exports to Hong Kong, poultry meat, fresh fruit, red meats and ginseng are the leading items. For fish and seafood products, Hong Kong had an import market of US\$1.9 billion with U.S. products accounting for 3% of the market share.
- S Due to limited land resources and rapid urbanization, Hong Kong has to rely heavily on imports for its food supply. In 2000, local production contributed only 7% of fresh vegetables, 20% of live poultry, and 23% of live pigs.
- S Being one of the most affluent economies in Asia, Hong Kong has a per capita GDP at around \$24,137. Hong Kong's GDP grew by 0.5% in the second quarter of 2001. The government has revised downward its forecast of GDP growth for 2001 from 3% to 1%. Adversely affected by the slowdown in the US and European economies, the pace of economic recovery in Hong Kong was sluggish in the first half of 2001. Hong Kong is basically an export-oriented economy. The external sector is still susceptible to the weak import demand of the developed economies Hong Kong services. On the demand side, consumer spending remained sluggish due to the continued weaknesses in the asset markets and the worsening labor market condition. Hong Kong is currently experiencing relatively high unemployment of 4.7%.
- S The economy downturn in the past few years and present high unemployment have affected consumers' eating and shopping habits. Whereas most people used to eat out frequently, now more are shopping for groceries and preparing more meals at home, or eating more meals at low-end or fast food restaurants. Hong Kong's relatively sophisticated shoppers are buying an increasing percentage of their groceries in supermarkets, as opposed to traditional wet markets. Demand for grocery store products, meats, poultry, eggs, and fresh fruit continue to be very strong.
- S According to the Hong Kong Agriculture, Fisheries and Conservation Department, Hong Kong's average daily aggregate consumption of major fresh foodstuffs in 2000 was: 1730 tons of fresh fruits (down 4% from 99), 1,750 tons of fresh vegetables (up 59% from 99), 190 tons of live poultry (same as 99), 190 tons of fresh eggs (down 5% from 99), 460 tons of fish (up 12% from 99), 6,300 head of live pigs (up 2% from 99) and 160 head of live beef cattle (down 11% from 1999). Hong Kong consumers in general still prefer fresh foodstuffs particularly fish. However, there has been growing popularity of frozen foodstuff because many working women cannot afford the time to do grocery shopping daily.
- S Also, there is excellent potential growth in the processed/convenience sectors of Hong Kong's retail food market for U.S. high value consumer foods such as grocery items, wine, health food, etc. Because of established ties and traditional relationships, most of Hong Kong's supermarket chains traditionally looked to the EU, Australia, New Zealand, and Canada for supplies. In recent years, however, buying habits are shifting and many more American items are now available on local grocery store shelves.
- S Demographic Factors: 1. An increasing number of women in the work force. In 2000, 49.2% of women in Hong Kong were in the labor force. 2. A youthful work force: 59% of labor force is in the age group of 25 - 44. These two demographic trends indicate that there is a good potential for "convenience" foods. In

addition, younger population is very receptive to new food varieties.

Advantages	Challenges
World's freest economy (Heritage Foundation's 2001 Index of Economic Freedom). Consistent free trade and free enterprise policies. No import duty except on liquor, cigarettes, hydrocarbon oils and methyl alcohol. Separate customs territory from Mainland China. No foreign exchange controls	Severe competition between different supplying countries, aided by weaker foreign currencies.
	A very price sensitive market; importers' buying decisions depend largely on price.
H.K. dollar pegged to the U.S. dollar, so U.S. products are not subject to price fluctuations based on exchange rates.	U.S. products are disadvantaged by a higher transport cost when compared with Australian and Chinese products.
Foreign and local businesses operate on a level playing field	Lack of trader and consumer awareness of U.S. foods. Traditional preference for European foods, due to previous ties with the U.K.
As one of the most affluent economies in Asia, a market leader for new products.	A virtual duopoly in food retailing allows retailers to change high slotting (shelf space) fees.
International city; residents travel frequently and are receptive to western and novel food	
Port facilities are world-class, making Hong Kong a regional trade center and entrepot.	

SECTION II. EXPORTER BUSINESS TIPS

Importer lists: ATO provides Hong Kong importer lists to US exporters and assists to arrange meeting appointments provided adequate lead time is given.

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. In general, all correspondence can be in English.

Travel Visa: Even though Hong Kong is now part of China, there is still a border boundary between Hong Kong and China. If you are traveling with a U.S. passport, you do not need a travel visa for Hong Kong. However, if you are planning to go to Mainland China, you need to apply for a travel visa into China.

Legal System: Hong Kong's legal system is firmly based on the rule of law and the independence of the judiciary. Hong Kong's legal system is separate from Mainland China. Also, Hong Kong is a separate customs territory from China.

General Consumer Tastes and Preferences:

- S Traditionally, Hong Kong consumers shop for food daily because of a preference for fresh food. Most shopping is still done in traditional markets including wet markets and mom-and-pop shops. However, sales in supermarkets are increasing. Starting 1998, sales in supermarkets overtook traditional markets and accounted for 54% of total retail sales on food and drinks.
- S Due to the increasing prevalence of dual income families, ready-to-cook food has become more popular. The major supermarket chains in Hong Kong have been putting more emphasis on convenience foods.
- S Because of the limited living space in Hong Kong, it is inconvenient for Hong Kong consumers to store food products. Therefore, bulk pack food products do not sell in Hong Kong, and small package food products are preferred.
- S Hong Kong consumers have become increasingly more aware of food safety issues and nutrition of food products.

AC Nielsen Survey

- S There are 2.123 million households in Hong Kong. Each household on average spends US\$247 on food monthly (excluding eating out in restaurants). According to a survey conducted by AC Nielsen, a household with children spends 20% more on food than those without children. Children aged around 5 to 9 like snacks such as biscuits and candies while youngsters aged from 10 to 19 like drinks.
- S The same survey also showed that Hong Kong people spend 25% more on Sunday than on weekdays. With regard to frequency, each household on average makes 21 shopping trips for food each month. Families with children shop as frequent as 26 times each month and those without children 16 times only. In terms of shopping frequency, Hong Kong consumers rank second in the world after Italians.
- S According to AC Nielsen's survey, the average monthly household expenditure on convenience or ready to cook food was about US\$8 , accounting for approximately 3% of total food retail sales. Among all convenience food, instant noodles are the most popular followed by frozen dim-sum and canned soup.

To better understand Hong Kong consumers' preferences for western foods, the Hong Kong Agricultural Trade Office commissioned a pilot study from a Hong Kong market research firm on consumer preferences among Hong Kong Chinese consumers for four different categories of food products: hot dogs, salty snacks, fruit juice beverages and celery. The purpose of the study is to identify consumer attitudes and buying habits so as to help U.S. exporters gain an insight as to how to introduce western foods in the most effective way to Hong Kong consumers. For details, please refer to Gain Report # HK0056.

General Import and Inspection Procedures:

Food products can be imported to Hong Kong duty free. As for technical import requirements, the basic tenet is that no food intended for sale should be unfit for human consumption. Products which require import permits/health certificates include meat, milk and frozen confections. The Hong Kong government accepts import applications from Hong Kong importers; U.S. exporters are not required to apply for import permits. However, U.S. exporters may need to supply their agents/importers with necessary documentation such as health certificates from the U.S. government.

The Hong Kong Food and Environmental Hygiene Department requires importers to provide an official

certificate for the importation of meat products, frozen confection and dairy products. When a consignment arrives and before its release, the products will be inspected and if necessary sampled. Upon the satisfaction of the Department, a "release" letter will be issued to the importer. Traders are required to submit import and export declarations to the Hong Kong Customs and Excise Department. A declaration charge of 0.025% applies for imports and exports.

Labeling of Genetically Modified (GM) Foods

In February 2001, the Hong Kong government released a consultation paper on labeling of GM foods. The consultation period ended on May 31, 2001. The government is currently reviewing the comments received during the consultation period.

The consultation sets out three options: 1) a purely voluntary system; 2) a mandatory system, and 3) an initial voluntary system followed by a mandatory system. Hong Kong's labeling policy is largely patterned after the GM food labeling guidelines being formulated within Codex. It will apply on pre-packaged foods only and is considering a threshold of 5%.

Currently Hong Kong is deciding which of the three biotech food labeling options to adopt and considering the comments gathered during the consultation period. The government has not set a deadline as to when it will announce the conclusions drawn from the consultation. However, if mandatory labeling is adopted, the earliest effective date would be mid-2003 because of the legislative process and an 18 month grace period preceding any regulatory changes.

For more information on food import regulations, please also refer to the "Hong Kong Food and Agricultural Import Regulations and Standards, Importation of Food & Agricultural Products to Hong Kong 2001". Gain Report #HK1043.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Among the three major market sectors of Hong Kong: 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 very small and presents less opportunity for market development.

Food Retail

- S** Total retail sales of food and drinks in Hong Kong for 2000 reached US\$6.303 billion, rising 3% from US\$6.097 billion in 1999. For January - July 2000, retail sales of food, alcoholic drinks, and tobacco for traditional markets increased 4.2%, while that for supermarkets increased 2.4 %, compared with the same period last year.
- S** Retail establishments in 1999 amounted to 15,855, which included (1) 99 supermarkets and convenience stores establishments (including retail outlet branches, estimated at about 740) and (2) 15,756 wet market stall and "mom and pop" shop operators. Retail shops in Hong Kong generally are very small in size, about 98% of which hire less than 10 employees.
- S** Although the supermarket category constitutes a very tiny number of Hong Kong's total retail outlets, its share in terms of retail sales is significant : 44% of total sales in 1995, 45% in 1996, 44 % in 1997 and 54 % in 1998. 1999 and 2000. The significant jump since 1998 may indicate that supermarkets have taken much

business away from traditional wet markets.

Pattern of purchasing fresh food

- S The Hong Kong government conducted a survey on the pattern of purchasing fresh food. Of 1.9 million households surveyed between October and November 2000, 87.6% usually chose to purchase fresh food from wet markets, while 12.4% usually chose to purchase fresh food from supermarkets.
- S Comparing households shopping in wet markets with those in supermarkets, it was found that the older the decision-makers responsible for purchasing fresh food produce in the households, the higher was the tendency of the households to go to wet markets to purchase fresh food. Some 94.7% of the households with decision-makers aged 60 and over usually chose to purchase fresh food from wet markets and the percentage decreased to 74.2% for those households with decision-makers aged below 30.
- S Analyzed by educational attainment, households with decision-makers having higher educational attainment had higher tendency to purchase fresh food from supermarkets as against wet markets. Some 95.2% of the households with decision-makers having primary educational attainment chose to purchase fresh food from wet markets while 85.3% for households with tertiary education decision-makers.
- S Regarding the outlets for purchasing the respective types of fresh food, about 90% of the households purchased fish, seafood and meat products from wet markets. For vegetables, fruits and eggs, the percentages of households which purchased these types of fresh food from wet markets were relatively lower, at 86.8%, 79.3% and 77.4% respectively.

Supermarkets

There are two dominant supermarket chains in Hong Kong: The Welcome Co. Ltd. (252 outlets) and Park’N Shop (200 outlets). Park’N Shop and Welcome account for about 80 percent of the supermarket turnover. Both supermarkets are able to work closely with real estate developers to open stores in strategic locations, thus maintaining their significant market share. The other players include: China Resources Supermarket (CRC), Dah Chong Hong, Jusco and City Super.

Almost all Hong Kong supermarkets require listing fees, that is, a fee charged to allow a new product to be put on their shelves. This is a one-off fee for a trial period. The listing fees are extremely negotiable and vary greatly among different supermarket chains. For example, Welcome and Park’N Shop, which have many branch stores, have expensive listing fees. A product with five SKU categories is expected to pay US\$26,000 to US\$39,000. On the other hand, Jusco, a supermarket in a Japanese department store, charges US\$150 for all its stores. The agent will not bear this cost, which is transferred to the principal. In short, all supermarkets require listing fees except those belonging to Japanese department stores. (Jusco is the only Japanese department store food retailer that requires a listing fee.)

U.S. exporters should be prepared to encounter numerous trading term demands from Hong Kong food retailers, such as promotional discounts (number of discount promotions offered each year); back-end income (flat rebate per year that a U.S. exporter has to pay to the retail chain based on the annual turnover); D.G.A. (Distribution allowance - the fee that the supermarkets charge for distributing the products from its warehouse to its many branch stores); and incentive rebate (a percentage of turnover rebated to the supermarkets in case sales exceed the agreed amount). It can be expected that the bigger the supermarket, the harsher the trading terms. For general reference, about 15 percent of the annual turnover has to be rebated to the major supermarkets and 8

percent to small ones.

Some significant supermarket highlights in the past year included the closure of Carrefour and Market Republic. In December, 2000 home delivery supermarket chain adMart admitted defeat, while Guangnan (KK) became the latest in a string of competitors to fall. Guangnan had a total of 34 chain stores which were closed in June this year without giving any prior notice. In August, Welcome announced that it bought 8 of Guangnan's stores. New entrants seem unlikely to emerge because of Hong Kong's small and competitive market. ParknShop and Welcome keep on expanding. ParknShop continues to develop its "superstore" concept by converting more and more of its stores to superstores. One significant feature of the superstores is that they provide fresh provisions, thus taking businesses away from wet markets.

Market Entry Approach:

1. Through setting up a representative office in Hong Kong: While this is the most effective approach, it is very costly.
2. Through U.S. Consolidators: Major supermarkets in Hong Kong work with U.S. consolidators for some of their products. However, the product quantities requested per shipment are usually small, especially when new products are purchased to test the market.
3. Through Hong Kong agents: This is the most popular approach. 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 one or two supermarkets.
4. Direct to Supermarkets: For branded products to sell direct to supermarkets, supermarkets usually require exclusive rights in selling the products in Hong Kong through their own outlets only. Otherwise, they will not consider any direct imports. In this case, expensive listing 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 to cut costs.

Direct selling to supermarkets is difficult to handle because they demand strict on-time delivery and very often will not be able to take a whole container. Logistics is the largest problem that U.S. exporters have to deal with if they want to sell direct to supermarkets. However, they can better test the market if they deal directly with retailers.

Convenience Stores

There are around 570 convenience stores in Hong Kong. Two major chains dominate the market: 7-Eleven (420 outlets) and Circle K (141 outlets). They are targeting the customer age group of 15-35. Convenience stores are characterized by round-the-clock operation. Since only a limited choice of brand names is available and prices are generally less competitive, most purchases are "convenience" in nature, i.e. goods are normally bought in small quantities for immediate consumption. The average store size of a convenience store is 1,000 sq. ft. Listing fees are also required for convenience stores.

Market Entry Approach:

Convenience stores only buy goods from local importers and agents. Therefore, U.S. food exporters have to go through Hong Kong importers to have their products sold in convenience stores.

Traditional Markets

Traditional markets include wet markets and mom-and-pop shops. They are widespread throughout the territory. Traditional markets used to account for a lion's share of food retails. For example, they occupied around 54 percent of total retail food sales between 1995 and 1997. Yet supermarkets sales exceeded traditional markets sales in 1998, 1999 and 2000 and the dominating trend of the former is likely to persist and enlarge in the future. Despite the growing significance of supermarkets in terms of food retailing, traditional markets remain as key food retail outlets, particularly for seafood, meat and groceries. Mom-and-pop shops around the housing estates and schools are ideal retail outlets for drinks and snack foods. Wet markets in Hong Kong have changed gradually over the years. The newly built markets are air-conditioned and more hygienic and more environmentally pleasant than the old ones. Some, but not all, stalls in wet markets have freezers and chilling equipment which is necessary to maintain food quality. One feature of traditional markets is that stalls are small, but the service they offer is personal.

Market Entry Approach:

U.S. exporters must go through local importers/agents that have a good distribution networks.

Trends in Promotional/Marketing Strategies and tactics

- *Supermarkets expanding store size:* The supermarket industry is undergoing a face-lift to introduce larger size stores. Supermarkets are moving towards larger, more modern stores with more fresh food.

- *Internet direct sales of food:* Currently Park'N Shop, Welcome, and CitySuper are the three supermarkets offering grocery shopping over their websites. The service is however not attracting a lot of interest, due to the convenience of shopping in Hong Kong, security concerns and the cost of delivery. According to a survey conducted by an independent consulting company, 43% of the adult population are internet users. Only 7% of net users are online shoppers, while books are the most popular Internet purchase.

- *Growing awareness of U.S. products fit supermarkets' needs to diversify product range:* With awareness of the high quality and variety of U.S. food products increasing among supermarkets, there are many opportunities to introduce new U.S. products to the local market. ATO Hong Kong has found the combination of a U.S. buying mission and a follow-up in-store promotion to be highly effective. Buyers from Hong Kong supermarkets realize the quick-changing consumption temperament of local consumers, and many have expressed to us the need to source new products to capture changing tastes. With strong support from exporters and state regional trading groups, we continue efforts to arrange buying missions and help supermarkets expand the range of U.S. products they carry. To this end, we ask for exporters' active participation.

- *Consumers become increasingly health-conscious, and organic products pick up in popularity:*

There has been a gradual change in what consumers want in Hong Kong. The importance of meat, especially red meat, has declined, while poultry and other food groups, such as fruits and vegetables, are gaining in popularity. Consumers increasingly look for freshness, healthiness, new varieties and shorter meal-preparation time for food. Consumers want foods of higher nutritional value, but also increasingly pay attention to food safety and hygiene.

The market for organic food, especially fresh vegetables, has picked up considerably in the last year. Park'N Shop, the biggest supermarket in Hong Kong, set up a separate organic food section in many of their stores in the past year. A trader of mainland grown organic vegetables has seen his orders steadily increasing. A local

producer of organic vegetables said his produce has been experiencing strong demand, and his farm broke even two years after it started operating in 1988. Organic produce typically costs 5 - 6 times more than vegetables grown traditionally, but the middle class and expatriates in Hong Kong are willing to pay for what they perceive as “safe” and “hygienic” products. (A report on Organic Products is available, #HK0008)

For further information on the Hong Kong food retail sector, please refer to “Retail Food Sector Report 1999” (Gain Report #HK0071).

Hotel, Restaurant and Institutional (HRI)

Restaurants

The number of restaurants and eating places in Hong Kong is among the highest in the world on a surface area or per capita basis. The number of eating places has doubled from 4368 in 1980 to 9818 in 1998. Total sales of all the eating establishments in 2000 were over US\$7.465 billion. Local households spend approximately between 50 and 60 percent of their food budget on dining out. Since Hong Kong people usually have small homes, they prefer to entertain at restaurants instead of in the home.

The local Chinese population, especially the under 30 age group, is opting for more western lifestyles and eating habits, and are moving toward higher consumption of convenience foods. McDonald’s, Dominos, Pizza Hut, Kentucky Fried Chicken, Hardee’s, Fairwood, Café de Coral, Starbucks and others have all grown rapidly in numbers over the past years and now have become fixtures in the Hong Kong market. The fastest developing sector of the market is the fast food outlets. While fast food business have recorded strong growth providing budget alternatives for Hong Kong consumers during the Asian Financial Crisis, post-crisis consumer sentiments have changed. Consumers are now more value conscious, and demand better “bang for the buck”. This change in sentiment has forced the major fast food operators, Café De Coral, Maxim’s and Fairwood, to innovate their menus by introducing numerous new ingredients, such as breaded chicken patties, premium juice drinks, etc. Café de Coral and Fairwood are also renovating their older restaurants and adding “cyber corners” to give them a more upscale look, in order to create more value in patrons’ minds.

In 1999, there were over 10,001 restaurants and about 86 hotels in Hong Kong catering for a large percentage of the 13 million tourists each year and for local consumers. The tourism and hospitality industry is poised to get a major boost when the Hong Kong Disneyland theme park opens in 2005.

Market Entry Approach:

- Because of small individual consumption, local hotels, restaurants and most fast food operators usually cannot afford to import directly. The distribution of food and beverages to these operators is generally through import agents. U.S. exporters should contact Hong Kong importers to explore potential business opportunities.

Trends in Promotional/Marketing Strategies and tactics

- *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.

- *Setting up of several fast food and takeaway websites:* In the past 6 months, several meal delivery sites have begun operation to cater to the home delivery market. They take advantage of the high internet usage rate in Hong Kong - close to 40% of the population has internet access - and the predominant use of the internet to quickly retrieve information. Web surfers can log on to their site and browse menus to order food online to be delivered to their homes.

Food Processing

The food processing industry in Hong Kong is relatively small compared to food retail and HRI sectors. The total output of the local food processing industry was US\$2.3 billion in 1997 and there were 732 food processing establishments as of December 1999. Baking is the largest sector in Hong Kong's processed food and beverage industry. Major products of the industry include biscuits, pastries and cakes for both domestic consumption and export. Other significant sectors include instant noodles and other pasta production; canning, preserving and processing of seafood (such as fish, shrimp and prawns, and crustaceans); manufacture of dairy products (fresh milk, yogurt and ice cream); seasonings; and spirits. Due to limited space and relatively expensive labor, the current trend for Hong Kong food processing companies is to establish plants in the Southern China region instead of Hong Kong because of lower costs in China. The growth prospects for the local food processing industry are limited. Hence the food processing sector presents fewer opportunities for U.S. exporters.

Market Entry Approach:

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

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

15 consumer food/edible fishery products which offer outstanding US export opportunities

Year 2000	HK's imports from the US US\$ thousand	Market share of US products %
Poultry	471,347	54.9
Oranges	87,508	64.7
Grapes	67,087	45.6
Beef	62,995	37.1
Ginseng	53,966	37.9
Almonds	40,826	91
Snack food	39,822	10.9
Fruit & veg. drink concentrate	38,888	19.5
Dairy products	35,384	9.6
Variety meats, pork	33,539	29
Variety meats, beef	24,199	26.4
Molluscs	23,513	4.8
Soup & broth	15,882	75.6
Frozen potatoes	15,188	96.3
Pistachios	12,314	34.1

Source : Hong Kong Census & Statistics Department

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Foreign Agricultural Service (FAS) Home Page: http://www.fas.usda.gov	
Hong Kong Contacts	
Agricultural Trade Office of the American Consulate General - Hong Kong 18 A, 33 Garden Road, Central, Hong Kong Tel: (852) 2841-2350 Fax: (852) 2845-0943 E-mail: ATOHongKong@fas.usda.gov Home Page: http://www.USfoods-hongkong.net	
OR	http://www.usconsulate.org.hk/ato

<p>(Food safety control policy) Food & Environmental Hygiene Department Food and Public Health Branch 43rd floor, Queensway government offices 66 Queensway Hong Kong Tel: (852) 2867-5511 Fax: (852) 2893-3547 E-mail: enquiries@fehd.gov.hk Home Page: http://www.fehd.gov.hk</p>	<p>(Importation of plants & live animals) Agriculture, Fisheries and Conservation Department 5th to 8th floors, Cheung Sha Wan Government Offices 303 Cheung Sha Wan Road Kowloon Hong Kong Tel: (852) 2708-8885 Fax: (852) 2311-3731 E-Mail: afcdenq@afcd.gcn.gov.hk Home Page: http://www.info.gov.hk/afcd</p>
<p>(Trade Statistics) Census and Statistics Department 16th -22nd and 25th floors, Wanchai Tower, 12 Harbor Road, Wan Chai, Hong Kong Tel: (852) 2582-4807 Fax: (852) 2802-4000 E-mail: genenq@censtatd.gcn.gov.hk Home Page: http://www.info.gov.hk/censtatd</p>	<p>(Licence 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) 2852-3027 Fax: (852) 2581-0218 E-mail: customeq@customs.gcn.gov.hk Home Page: http://www.info.gov.hk/customs</p>
<p>(Hong Kong companies registration) Companies Registry 12th-15th, 17th and 29th floors, Queensway Government Offices, 66 Queensway, Hong Kong Tel: (852) 2234-9933 Fax: (852) 2869-6817 E-mail: crenq@cr.gcn.gov.hk Home Page: http://www.info.gov.hk/cr</p>	<p>(Trade Promotion and Hong Kong 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 E-mail: hktcdc@tdc.org.hk Home Page: http://www.tdctrade.com</p>
<p>(Hong Kong Travel Information) Hong Kong Tourist Association 9th - 11th floors, Citicorp Center, 18 Whitfield Road, North Point, Hong Kong Tel: (852) 2807-6543 Fax: (852) 2806-0303 E-mail: info@hkta.org Home Page: www.hkta.org</p>	

APPENDIX I. STATISTICS

Table A. Key Trade & Demographic Information

Year 2000

Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$7,663 million/21%
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$5,266/26%
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$1,946/3%
Total Population (Millions) / Annual Growth Rate (%)	6.797 million/1.5%
Urban Population (Millions) / Annual Growth Rate (%)	6.797 million/1.5 %
Number of Major Metropolitan Areas	One (Hong Kong as a whole)
Size of the Middle Class (Millions) ^{1/}	2 million
Per Capita Gross Domestic Product (U.S. Dollars)	\$24,137
Unemployment Rate (%)	4.7%
Per Capita Food Expenditures (U.S. Dollars)	\$2,026
Percent of Female Population Employed	49.2%
Exchange Rate (US\$1 = HK currency)	HK\$7.75

Footnotes

1/ The middle class is based on the expenditure pattern of households, which had an average monthly expenditure of \$2387 - 4193. The average household size is 3.3 persons.

Table B. Consumer Foods & Edible Fishery Product Imports

Hong Kong Imports	Imports from the World			Imports from the U.S.			U.S. Market Share		
	1998	1999	2000	1998	1999	2000	1998	1999	2000
(IN MILLIONS OF DOLLARS)									
CONSUMER-ORIENTED AG TOTAL	5,521	5,363	5,266	1,542	1,394	1,353	28	26	26
Snack foods (Excl. Nuts)	260	253	248	22	23	21	8	9	9
Breakfast Cereals & Pancake Mix	13	19	19	4	7	7	32	40	36
Red Meats, Fresh/Chilled/Frozen	629	543	677	129	109	126	21	20	19
Red Meats, Prepared/Preserved	193	175	179	36	37	36	19	21	20
Poultry Meat	807	908	837	472	543	480	59	60	58
Dairy Products (Excl. Cheese)	360	316	324	37	37	31	10	12	9
Cheese	28	28	31	3	3	4	11	11	13
Eggs & Products (Excl. Cheese)	110	87	90	25	18	21	23	21	24
Fresh Fruit	900	802	749	371	198	230	41	25	31
Fresh Vegetables	173	188	185	48	40	33	28	21	18
Processed Fruit & Vegetables	367	335	308	112	105	92	30	31	30
Fruit & Vegetable Juices	21	23	21	9	11	9	43	50	42
Tree Nuts	115	124	141	36	44	70	31	36	50
Wine & Beer	226	171	159	33	19	14	15	11	9
Nursery Products & Cut Floweres	33	41	53	1	2	1	2	4	2
Pet Foods (Dog & Cat Food)	15	19	22	6	8	10	42	41	43
Other Consumer-Oriented Products	1,273	1,331	1,222	199	188	169	16	14	14
FISH & SEAFOOD PRODUCTS	1,606	1,589	1,946	50	47	51	3	3	3
Salmon	34	40	54	0	0	0	1	1	1
Surimi	19	4	5	0	0	0	0	0	1
Crustaceans	449	469	538	6	5	5	1	1	1
Groundfish & Flatfish	94	98	114	4	4	4	4	5	4
Molluscs	371	383	451	15	18	22	4	5	5
Other Fishery Products	640	595	783	24	18	19	4	3	2
AGRICULTURAL PRODUCTS TOTAL	8,844	7,586	7,663	1,999	1,619	1,600	23	21	21
AGRICULTURAL, FISH & FORESTRY TOTAL	11,966	10,660	11,049	2,134	1,751	1,747	18	16	16

Source : World Trade Atlas

Table C. Top 15 Suppliers of Consumer Foods & Edible Fishery Products

Hong Kong Imports - top 15 Ranking

CONSUMER-ORIENTED AG TOTAL				FISH & SEAFOOD PRODUCTS			
	1998	1999	2000		1998	1999	2000
	Value	Value	Value		Value	Value	Value
	(IN MILLIONS OF DOLLARS)				(IN MILLIONS OF DOLLARS)		
United States	1,542	1,394	1,353	China	220	214	242
China	1,163	1,280	1,267	Australia	155	188	225
Brazil	202	219	257	Japan	193	176	202
Thailand	234	233	253	Thailand	115	114	134
Australia	259	240	244	Indonesia	138	108	117
Netherlands	307	233	209	New Zealand	72	77	77
New Zealand	148	139	165	Taiwan	47	57	72
Japan	175	175	157	Spain	31	35	71
Canada	142	124	134	Canada	48	56	61
France	114	100	104	Vietnam	68	53	60
Korea, South	135	144	97	South Africa	27	39	55
United Kingdom	139	116	96	Norway	32	42	51
Malaysia	106	102	88	United States	50	47	51
Chile	85	89	75	Philippines	32	32	48
Taiwan	83	75	73	India	30	37	45
--The World--	5,521	5,363	5,266	--The World--	1,606	1,589	1,946

Source : World Trade Atlas