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Report Highlights:

Macau is one of the most popular culinary destinations in Asia and received over 39 million visitors in 2019. Macau's food service sector sales reached US\$1.47 billion, and fastest growing U.S. products included distilled spirits, spices, fruit and vegetable juices, coffee, poultry, fresh fruit, beef, nursery products, tree nuts, and food preparations. Its economic growth is expected to slow down due to the worldwide coronavirus outbreak and travel restrictions within Asia. The Macau government has launched multiple stimulus measures to help Macau residents and businesses cope with the adversity, and Macau's economy is expected to pick up in the latter half of 2020 when the coronavirus situation improves.

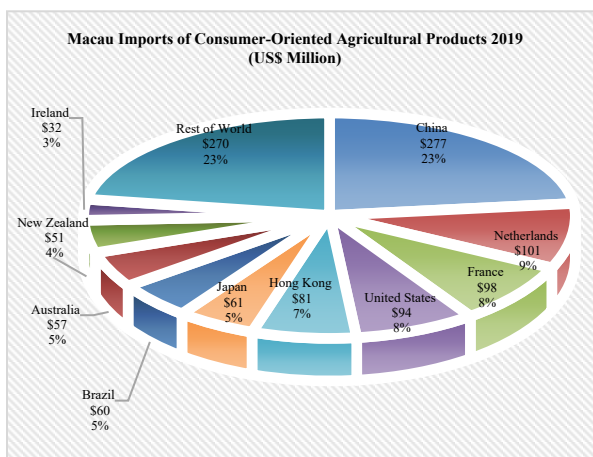
Market Fact Sheet: Macau

Executive Summary

Macau is located at the entrance of the Pearl River Delta, about 90 miles southeast of Guangzhou, China and 37 miles southwest of Hong Kong. It covers 12.7 square miles, around one-sixth the size of Washington, D.C. and has a population of 679,600. Macau's per capita GDP was over US\$79,977 in 2019, one of the highest in the world. Macau is a major tourist destination in Asia and welcomed over 39 million visitors in 2019. Due to limited arable land, essentially all food in Macau is imported. In 2019, imports of agricultural and related products reached US\$1.64 billion.

Imports of Consumer-Oriented Agricultural Products

Macau imports of Consumer-Oriented Agricultural Products reached US\$1.18 billion in 2019, or 72 percent of overall agricultural imports. The most popular imported products were dairy products, food preparations, fish products, wine and beer, distilled spirits, poultry, pork, fresh fruit, snack foods, and beef. China, the Netherlands, France, the United States, and Hong Kong were the top five suppliers, respectively.



Food Processing Industry

Land is limited and expensive in Macau. Therefore, the local food-processing sector is small. Imports of bulk and intermediate agricultural commodities in 2019 were US\$36.78 million and US\$103.47 million, respectively, together representing only 8.55 percent of agricultural imports.

Food Service Industry

According to the latest figures (2018), Macau's food service sector sales reached US\$1.47 billion, 7 percent more than 2017. The Macau food service sector consists of Chinese restaurants, local-style cafes, western restaurants, Japanese and Korean restaurants, other Asian restaurants, fast food restaurants, coffee shops, bars and lounges, and cooked food stalls. Many of these food service outlets are located in hotels and casinos. Macau has over 120 hotels and guesthouses, and 41 casinos. Major Five-Star hotels include: Altira, Regency Art Hotel, Conrad Macau, Resort Grande Coloane, Four Seasons Hotel, Royal, Grand Hyatt Macau, Sands, Grand Lapa, Hotel Sofitel Macau de Ponte 16, Grande Lisboa, The Venetian Macau, L' Arc Macau, Wynn, Lisboa, Wynn Palace, MGM Macau, MGM Cotai, Nüwa, and Hotel Okura Macau.

Quick Facts CY 2019

Imports of Consumer-Oriented Ag. Products

US\$1.18 billion

Top 10 Consumer-Oriented Ag. Imports

Dairy products, food preparations, fish products, wine and beer, distilled spirits, poultry, pork, fresh fruit, snack foods, and beef

Top Growth of Consumer-Oriented Ag. Imports

Distilled spirits, spices, fruit and vegetable juices, coffee, poultry, fresh fruit, beef, nursery products, tree nuts, and food preparations

Food Industry by Channels

Consumer-Oriented Ag. Products:

- Imports US\$1.18 billion
- Exports US\$30.85 million
- Net Imports US\$1.15 billion
- Retail food sales US\$613.11 million
- Restaurant receipts US\$1.47 billion (2018)

Tourism/Gaming

No. of hotels and guesthouses: 123

No. of casinos: 41

No. of tourists: 39.4 million

Gaming revenue: US\$36.24 billion

GDP/Population

Population: 679,600

GDP: US\$53.86 billion

GDP per capita: US\$79,977

Strengths/Weaknesses/Opportunities/Challenges

<i>Strengths</i>	<i>Weaknesses</i>
<ul style="list-style-type: none"> - Free and fast-growing market with affluent customers - U.S. products are perceived as high-quality products 	<ul style="list-style-type: none"> - Cost of shipment from the U.S. is high - Order size of importers is small
<i>Opportunities</i>	<i>Challenges</i>
<ul style="list-style-type: none"> - Macau customers are open to new products - Macau is a major trading tourist destination in Asia 	<ul style="list-style-type: none"> - Keen competition from other food supplying countries - Strengthening U.S. dollar will make U.S. products less price competitive

Data and Information Sources: U.S. Census Bureau Trade Data, Nevada Gaming Control Board, Global Trade Data Monitor, Macao Financial Services Bureau, Macao Gaming Inspection, and Coordination Bureau, Macao Government Information Bureau, Macao Government Tourism Office, Macao Statistics and Census Service

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SECTION I. MARKET SUMMARY

Macau is located at the entrance of the Pearl River Delta, about 90 miles southeast of Guangzhou, China and 37 miles southwest of Hong Kong. It covers an area of 12.7 square miles¹, around one-sixth the size of Washington, D.C. and has a population of 679,600². Formerly a Chinese territory under Portuguese administration, Macau became a Special Administrative Region (SAR) of the People's Republic of China on December 20, 1999. Pursuant to a 50-year transition period, the Macau SAR (MSAR) maintains a high degree of autonomy in all matters except foreign, defense, and security affairs.

With its unique blend of European and Chinese cultures, Macau's economy is growing steadily with a per capita GDP at US\$79,977³ in 2019, one of the highest in Asia. Macau has enjoyed an influx of international investment over the last decade to develop its casino resorts as it is the only legal gambling site in China. The pace of its economic growth has far surpassed expectations. The gaming industry's gross revenue in 2019 amounted to US\$36.24 billion⁴, more than three times the total gaming revenue of Nevada⁵. Gaming by itself is the largest source of direct tax in Macau. The tax revenue from gaming represented around 80 percent⁶ of Macau's total revenue.

The Macau government intends to expand Macau's attraction as a tourist and leisure hub including the growth of hotels, family-friendly mega resorts, and accompanying HRI outlets. Macau also looks to diversify into a multi-platform entertainment destination. Meetings, Incentives, Conferences, and Exhibitions (MICE) is another area that the Macau government is targeting for development.

U.S. Food and Beverage Exports to Macau⁷

Due to production limitations, virtually all of Macau's food requirements are imported. In 2019, Macau's total global imports of agricultural, food, and fisheries reached US\$1.64 billion. Among them, US\$1.18 billion, or 72 percent, were consumer-oriented agricultural products. The vast majority of Macau's imports were transshipped via Hong Kong as Macau lacks a deep-water port.

Hotel, Restaurant, and Institutional (HRI) Sector

Supported by inbound tourism and gaming resorts, Macau's HRI sector has developed rapidly over the past two decades. With an average of over three million visitors each month, Macau's world-class gaming resorts have pushed the demand for high-quality food ingredients to serve their guests and provide staff meals.

According to the latest statistics⁸, a total of 2,345 restaurant and foodservice facilities were in operation in 2018, an increase of 39 facilities over 2017. The presence of 20 Michelin-starred restaurants⁹ in Macau for 2019 bodes well for the HRI sector. Macanese food, which is a fusion of Portuguese, African, Southeast Asian, and Chinese cooking, is gaining international recognition, as is Macau as a

¹ Macao Government Information Bureau

² - ditto -

³ Macao Statistics and Census Service

⁴ Macao Gaming Inspection, and Coordination Bureau

⁵ Nevada Gaming Control Board

⁶ Macao Financial Services Bureau

⁷ Global Trade Data Monitor

⁸ Restaurants and Similar Establishments Survey 2018, Macao Statistics and Census Service

⁹ Michelin Guide Macau

culinary destination following an influx of internationally renowned restaurant brands and celebrity chefs.

Restaurant receipts amounted to US\$1.47 billion (MOP11.83 billion) in 2018, up by 7 percent year-on-year, attributable to an increase in the number of food service outlets and steadily growing economy. Restaurant expenditures totaled US\$1.43 billion (MOP 11.57 billion) and US\$527.37 million (MOP 4.23 billion) of which, or 37 percent, was spent on purchases of goods.

Table 1: Receipts and Expenditures of Various Types of Restaurants in Macau in 2018 (US\$ million)¹⁰

	Number	Receipts	Expenditure
Chinese Restaurants	622	642	620
Local-style Cafes and Congee & Noodle Shops	858	305	299
Western Restaurants	210	157	160
Japanese and Korean Restaurants	140	102	101
Other Asian Restaurants	106	45	47
Fast-food Restaurants	45	104	94
Coffee Shops	126	42	39
Bars & Lounges	34	10	15
Cooked Food Stalls	78	6	3
Others	126	53	55
Total	2,345	1,466	1,434

Outlook for 2020

Macau's economy is highly dependent on its tourism and gaming industries. World-wide travel restrictions due to the coronavirus outbreak are slowing down Macau's economic growth and food demand. For the first quarter of 2020, Macau's gaming revenue dropped by 60 percent year-on-year¹¹. For the first two months of 2020, Macau's import of consumer-oriented agricultural products reached US\$188.45 million¹², a small growth by 4 percent year-on-year.

In February, the Macau Government launched a series of measures involving aggregate financial support of up to MOP40 billion (US\$5 billion) to help Macau residents' businesses cope with adversity brought on by the COVID-19 pandemic. The Macau Government will also create an additional MOP10 billion (US\$1.24 billion) fund¹³ to further expand its financial support. It is expected that Macau's economy will gradually pick-up in the latter half of 2020, when the coronavirus situation improves.

¹⁰ Restaurants and Similar Establishments Survey 2018, Macao Statistics and Census Service

¹¹ Macao Gaming Inspection, and Coordination Bureau

¹² Global Trade Data Monitor

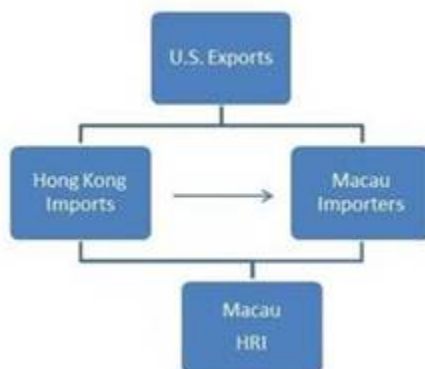
¹³ Macao Government Information Bureau

Table 2 – Major Advantages and Challenges in the Macau Markets

Advantages	Challenges
Macau’s per capita GDP was over US\$79,977 in 2019, one of the highest in the world.	Order size of importers is small
Macau is a major tourist destination in Asia. In 2019, Macau received over 39 million tourists.	Strengthening U.S. dollar will make U.S. products less price-competitive.
U.S. food products enjoy an excellent reputation among Macau consumers and visitors, as they are renowned for high-quality and food safety standards.	Transportation time, costs, and product seasonality for U.S. food and beverage products to Macau can make them less competitive than products available from regional suppliers such as China, Australia, and New Zealand.
Macau is a quality and trend driven market, so price is not always the most important factor for food and beverage purchases.	The importance of Hong Kong as a transshipment point and buying center for Macau is not widely known to U.S. exporters.

SECTION II. ROAD MAP FOR MARKET ENTRY

Market Structure



Entry Strategy

Food and beverage suppliers from the United States seeking to enter the Macau food service market will need to work primarily with importers in Hong Kong who are engaged in the Macau market and have good connections with Macau's HRI sector and distribution network. U.S. exporters may also work directly with Macau's food importers. Hong Kong is the primary trading partner for consumer-oriented products and many U.S. suppliers develop long-term relationships with Hong Kong buyers who provide effective linkages to Macau.

To enter the Macau market, some strategies and tactics to consider include:

- Identification of key players - ATO Hong Kong can provide lists of importers, distributors, USDA commodity cooperators and state/regional trade groups.
- Establishment of a presence in the market – test marketing and stakeholder education may be required prior to entry.
- Invitation to foodservice buyers to seminars and/or to the United States - ATO Hong Kong/ USDA cooperators organize seminars and trade missions to introduce U.S. products and U.S. exporters to Macau buyers.

A list of hotels in Macau:

<http://www.macauhotel.org/hotel>

A list of restaurants in Macau:

<https://www.macaotourism.gov.mo/en/dining/qtsas-restaurant>

A list of Macau food and beverage traders:

http://www.macaueport.com/english/members_list.php?category_id=11

SECTION III. COMPETITION

Due to land constraints, Macau produces a minimal amount of its food requirements, depending on global sources to meet most of its needs. Macau imports of Consumer-Oriented Agricultural Products reached US\$1.18 billion in 2019. Major suppliers included China (23%), the Netherlands (9%), France (8%), and the United States (8%).

Table 3 – Macau Imports of Consumer-Oriented Ag. Products (2015-2019)¹⁴
(Value in US\$ million)

Category	2015	2016	2017	2018	2019	Percentage of Gross Imports	Growth 19 v 18
Imports	1,138	1,034	1,077	1,178	1,182	100%	0.3%
Exports	24	44	91	70	31	3%	-56%
Net Imports	1,114	990	986	1,108	1,151	97%	13%

¹⁴ Global Trade Data Monitor

As seen at Table 3, Macau retained most of its food and beverage imports, partly for food retail consumption and more for their stronger food service sector, which includes their over 39 million tourists each year.

Table 4 – Top 10 Macau Imports of Consumer-Oriented Agricultural Products and Competition¹⁵

Product Category	Gross Import 2019		1st Supplier*	2nd Supplier*	U.S. Ranking*
	US\$ million	Quantity			
Dairy Products	230	22,259 Tons	Netherlands (37%)	New Zealand (15%)	13 (0.7%)
Food Preps. & Misc. Bev	203	36,976 Tons	China (24%)	Hong Kong (17%)	3 (9%)
Fish Products	183	30,738 Tons	China (35%)	Japan (12%)	7 (4%)
Wine & Beer	140	21 million Liters	France (57%)	Australia (10%)	6 (3%)
Distilled Spirits	111	1.9 million Liters	China (41%)	France (38%)	5 (0.5%)
Poultry Meat & Prods. (ex. eggs)	80	32,221 Tons	China (68%)	Brazil (17%)	3 (6%)
Pork & Pork Products	76	27,306 Tons	Brazil (38%)	China (29%)	8 (3%)
Fresh Fruit	60	43,427 Tons	China (24%)	U.S. (23%)	2 (23%)
Snack Foods NESOI	56	10,686 Tons	Japan (30%)	China (24%)	8 (3%)
Beef & Beef Products	55	9,633 Tons	U.S. (30%)	Brazil (29%)	1 (30%)

(* based on import value)

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

Table 5 – Best Growths of Macau’s Imports of Consumer-Oriented Agricultural Products¹⁶

Category	2015 (US\$ million)	2019 (US\$ million)	Average Annual Growth
Distilled Spirits	38	111	31%
Spices	0.9	2	20%
Fruit & Vegetable Juices	3	6	20%
Coffee	8	15	18%
Poultry Meat & Prods. (ex. eggs)	45	80	15%
Fresh Fruit	35	60	14%
Beef & Beef Products	33	55	14%

¹⁵ Global Trade Data Monitor

¹⁶ - ditto -

Nursery Products	5	8	11%
Tree Nuts	9	14	10%
Food Preps. & Misc. Bev	143	203	9%

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Post Contact

Agricultural Trade Office
 Consulate General of the United States
 Hong Kong and Macau
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 33 Garden Road, Central, Hong Kong
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Website: <http://www.usconsulate.org.hk>
<https://www.usfoods-hongkong.net>

Other Macau Government / Semi-Government Contacts

Macao Government Tourism Office

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 Fax: (853) 2851-0104
 Email: mgto@macaotourism.gov.mo
 Website: <http://www.macaotourism.gov.mo>

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Attachments:

No Attachments.