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Report Highlights:

Hong Kong is the sixth-largest export market for U.S. consumer-oriented agricultural products by value. Hong Kong is an attractive market for innovative U.S. food and beverage products as well as a gateway to the region. In 2020, Hong Kong's retail food sector sales maintained at \$12.7 billion, and the stable trend is expected to continue. The Hong Kong Government has launched multiple stimulus measures to help local residents and businesses cope with the COVID-19 adversity, and Hong Kong's economy is expected to pick up in the latter half of 2021 when the coronavirus situation improves.

Market Fact Sheet: Hong Kong *

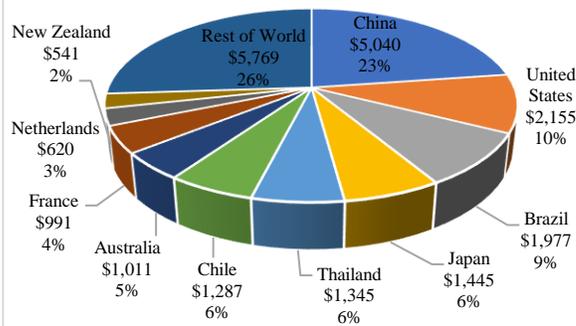
Executive Summary

Hong Kong has a population of 7.5 million and its per capita GDP was \$46,701 in 2020, one of the highest in Asia. Hong Kong is a vibrant city and a major gateway to Asia. Consumers are sophisticated and enjoy cosmopolitan food and beverage tastes. Due to limited arable land, around 95 percent of food in Hong Kong is imported. In 2020, Hong Kong's total imports of agricultural and related products reached \$25.5 billion.

Imports of Consumer-Oriented Agricultural

Hong Kong imports of Consumer-Oriented Agricultural Products reached \$22 billion in 2020, or 87 percent of overall agricultural imports. The more popular products imported were fresh fruit, seafood, beef, pork, dairy products, poultry meat, prepared food, wine, bakery products, and non-alcoholic beverages. China, the United States, and Brazil were the top three suppliers.

Hong Kong Imports of Consumer Oriented Agricultural Products 2020 (\$ million)



Food Processing Industry

Land is limited and extremely expensive in Hong Kong. Therefore, the local food processing sector is small. Imports of bulk and intermediate agricultural commodities were \$403 million and \$2.1 billion respectively, representing 1.6 percent and 8.2 percent of overall agricultural imports.

Food Retail Industry

In 2020, Hong Kong's retail food sector sales maintained at \$12.7 billion. The Hong Kong food retail market is made up of supermarkets, convenience stores, and traditional markets. Supermarkets account for over 62 percent of retail food sales. There are 790 supermarkets, 1,300 convenience stores, and nearly 100 traditional markets in Hong Kong, making food shopping very convenient. Online food sales were \$436 million in 2020.

Food Service Industry

The Hong Kong HRI food service market is made up of hotels, restaurants, and institutions, with most food and beverage sales at restaurants. In 2020, Hong Kong's restaurant receipts dropped 29 percent to \$10.2 billion. There are around 15,000 restaurants in Hong Kong.

Quick Facts CY 2020

Imports of Consumer-Oriented Ag. Products

\$22 billion

Top 10 Consumer-Oriented Ag. Imports

Fresh fruit, seafood, beef, pork, dairy products, poultry meat, prepared food, wine, bakery products, and non-alcoholic beverages.

Top Growth of Consumer-Oriented Ag. Imports

Tea, pet food, fresh vegetables, fresh fruit, eggs, processed vegetables, prepared food, condiments and sauces, and beef.

Food Industry by Channels

Consumer-Oriented Ag. Products:

- Gross imports \$22 billion
- Re-exports \$6.96 billion
- Retained imports \$15.2 billion
- Retail food sales \$12.7 billion
- Restaurant receipts \$10.2 billion

GDP/Population

Population: 7.5 million
GDP: \$349 billion
GDP per capita: \$46,701

Strengths/Weaknesses/Opportunities/Challenges

- | | |
|--|---|
| - Large and free market with affluent customers. | - Cost of shipment from the U.S. is high. |
| - U.S. products are perceived as high-quality. | - Order size of importers is small. |

Opportunities

- Hong Kong customers are open to new products.
- Hong Kong is a major trading hub for Asia.

Challenges

- Keen competition from other food supplying countries.
- Strengthening U.S. dollar will make U.S. products less price competitive.

SECTION I. MARKET SUMMARY

Total exports of U.S. agricultural and related products to Hong Kong reached \$2.2 billion¹ in 2020, making Hong Kong the thirteenth-largest U.S. export market by value. For U.S. consumer-oriented exports, Hong Kong ranked sixth in 2020, with exports reaching \$1.9 billion². Top categories for U.S. agricultural exports to Hong Kong included: beef, tree nuts, fresh fruit, prepared food, seafood, poultry meat, pork, pet food, wine, and processed vegetables³.

In addition to being a dynamic market, Hong Kong is also a trading hub where buyers make purchasing decisions for a vast range of consumer-oriented products that are transshipped to China and other parts of Asia. Most of Macau's food imports are purchased, consolidated, and shipped via Hong Kong.

Due to land constraints, local agricultural production in Hong Kong is minimal. As a market which imports 95 percent of local food requirements, Hong Kong at large welcomes foods from around the world. The import regime is transparent. Food and beverage products are imported to Hong Kong without tax or duty with the exception of four commodities, namely liquors, tobacco, hydrocarbon oil, and methyl alcohol. For more information on Hong Kong food import regulations, please refer to [GAIN Report HK2021-0031](#).

Hong Kong recorded per capita GDP of \$46,701⁴ in 2020, one of the highest in Asia. However, food imports to Hong Kong are expected to grow at a slow pace in 2021 because of the coronavirus pandemic. For the first three months of 2021, U.S. consumer-oriented exports to Hong Kong reached \$347 million, a drop of 24 percent⁵. In 2020, Hong Kong's economy contracted by 6.1 percent in real terms from 2019. Considering the latest internal and external situations as well as the stimulus effect of the fiscal measures, the real GDP growth forecast for 2021 as a whole is 3.5 - 5.5 percent⁶.

Food and Beverage Retail Sales in Hong Kong

Despite the adverse impact of COVID-19, Hong Kong's retail food sector sales rose slightly at 0.06 percent to \$12.68 billion in 2020.

Table 1 – Food and Beverage Retail Sales in Hong Kong (\$ billion)⁷

Channel	2016	2017	2018	2019	2020	Share (2020)	Growth (20 vs 19)
Supermarket/Dept. Stores	6.80	6.85	7.12	7.18	7.89	62%	+10%
Other outlets	5.26	5.43	5.68	5.49	4.79	38%	-13%
Total	12.06	12.28	12.8	12.67	12.68	100%	+0.06%

The Hong Kong food retail market is made up of supermarkets, convenience stores, and traditional markets.

¹ USDA/FAS Bico Reports, U.S. Census Bureau Trade Data

² USDA/FAS Bico Reports, U.S. Census Bureau Trade Data

³ USDA/FAS Bico Reports, U.S. Census Bureau Trade Data

⁴ "Economic and Trade Information on Hong Kong", Hong Kong Trade Development Council

⁵ USDA/FAS Bico Reports, U.S. Census Bureau Trade Data

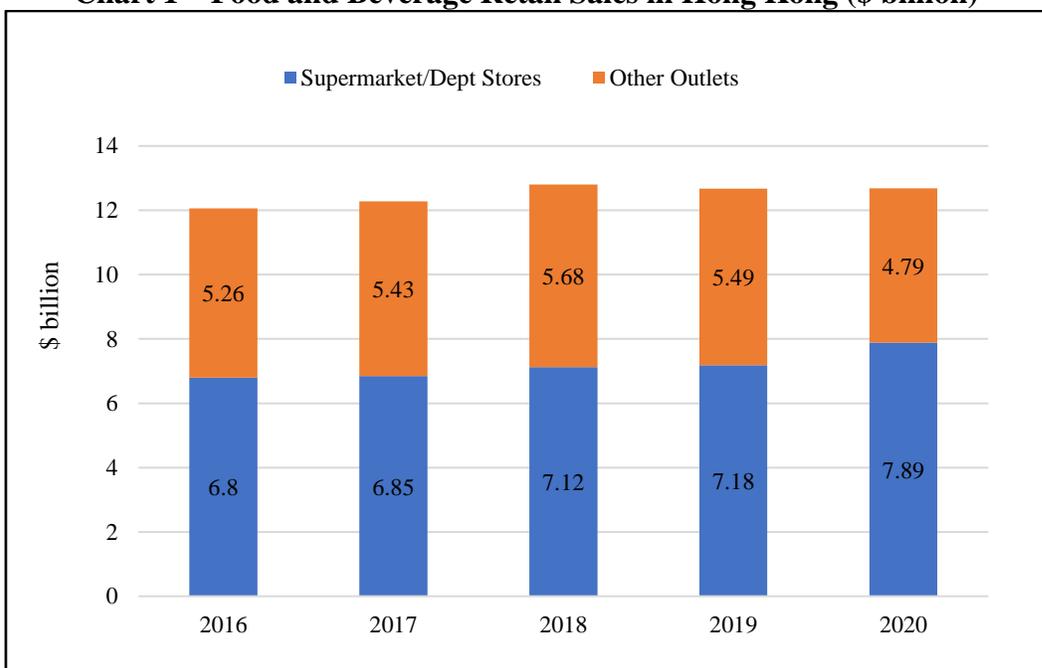
⁶ "Economic and Trade Information on Hong Kong", Hong Kong Trade Development Council

⁷ Hong Kong Census and Statistics Department

“Supermarket/Department Stores” include sales of supermarkets, convenience stores, and food and beverage sections at department stores. They are the modern grocery outlets that provide consumers with convenient and high-quality options. In addition to groceries, these stores offer a more comprehensive shopping experience with increased items of fresh food, bread and pastry, organic options, and hot takeout meals.

“Other outlets” refers to the traditional markets, also called wet markets, mom-and-pop stores, bakeries, fresh fruits stalls, etc. These outlets are usually smaller in scale and U.S. food exporters probably need to work with local importers/agents to place products in this sector of the market. Some Hong Kong consumers prefer these stores due to proximities, established relationships, and perception that meat, fish, and produce in traditional shops are fresher.

Chart 1 – Food and Beverage Retail Sales in Hong Kong (\$ billion)⁸



There are 790 supermarkets⁹, 1,300 convenience stores¹⁰, and close to 100 traditional markets¹¹ in Hong Kong, making food shopping very convenient.

Traditionally, Hong Kong consumers shop daily because of a preference for fresh food. Much of the shopping is still done in traditional markets including street markets and locally-owned shops. Overall, street market sales trend toward fresh foods while supermarkets dominate in processed, chilled and frozen, high-value added, and canned food products. The competition between street markets and supermarkets has intensified in recent years.

⁸ Hong Kong Census and Statistics Department

⁹ “Supermarkets in Hong Kong, China”, Euromonitor International

¹⁰ “Convenience Stores in Hong Kong, China”, Euromonitor International

¹¹ Hong Kong Food and Environmental Hygiene Department

Although the number of supermarket outlets is expected to remain stable, the market share for supermarket sales is expected to continue in the future at the expense of traditional street markets. The supermarket’s share in terms of total retail sales rose from 44 percent of total sales in 1995 to 62 percent in 2020.

Online shopping continues to grow especially under COVID-19. In 2020, food and drink e-commerce reached \$436 million, a significant increase of 80 percent over 2019, and it is estimated to reach \$554 million¹² by 2025.

Outlook for 2021

While Hong Kong food retail sales remained stable, COVID-19 has adversely affected the food service sector more, and also food imports into Hong Kong. There are however signs of recovery. For the first quarter of 2021, Hong Kong year-on-year GDP grew by 7.9 percent¹³, and Hong Kong’s imports of consumer-oriented agricultural products for the first four months of 2021 reached \$8.6 billion, an increase of nearly 13 percent over the same period in 2020¹⁴.

The Hong Kong government has implemented multiple measures to support businesses and individuals as the pandemic continues to severely damage the global economy. The total relief provided by the Hong Kong Government has reached HK\$318 billion (\$41 billion)¹⁵, and Hong Kong’s economy is expected to pick up in the latter half of 2021 when the coronavirus situation improves.

Table 2 – Major Advantages and Challenges in the Hong Kong Market

Advantages	Challenges
Hong Kong is one of the top markets in the world for food and beverages, processed, fresh, and frozen gourmet products. U.S. exports of consumer-oriented agricultural products to Hong Kong were \$1.9 billion, making it the sixth-largest market for the United States in 2020.	Transportation time and costs, combined with seasonality determining product availability (e.g. fresh produce) associated with importing U.S. food and beverage products to Hong Kong can make them less competitive than products available from regional suppliers such as China, Australia, and New Zealand.
Hong Kong is a major trading hub where buyers make purchasing decisions for a vast range of consumer-oriented products that are transshipped to China and other parts of Asia.	The importance of Hong Kong as a transshipment point and buying center for regional markets is not widely known to U.S. exporters.
U.S. food products enjoy an excellent reputation among Hong Kong consumers, as they are renowned as high-quality and safe.	Hong Kong labeling requirements and residue standards can impact trade.
Hong Kong is a quality and trend-driven market, so price is not always the most important factor for food and beverage purchases.	

12 “Food and Drink E-Commerce in Hong Kong, China”, Euromonitor International

13 Hong Kong Census and Statistics Department

14 Trade Data Monitor

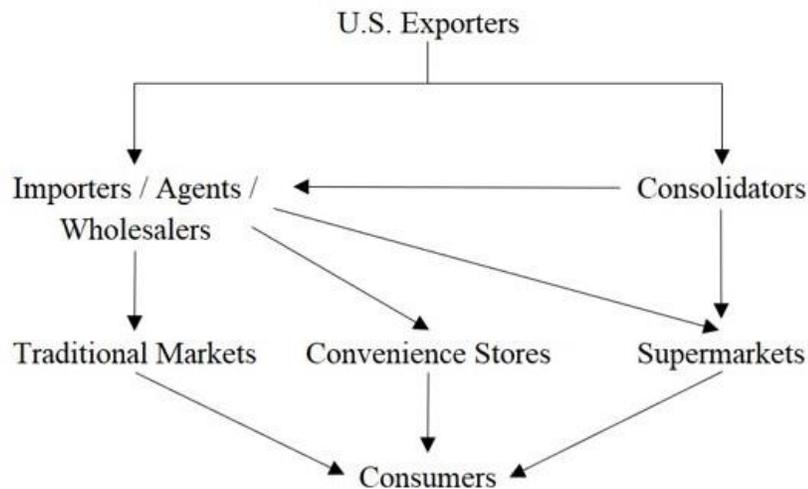
15 Anti-epidemic Fund, Hong Kong SAR Government

SECTION II. ROAD MAP FOR MARKET ENTRY

New-to-market exporters may consider several approaches to enter the Hong Kong retail market:

- Establishing a representative office in Hong Kong: A good method to build trade relationships and implement marketing programs, but operating expenses can be high.
- Working with a U.S. trading company: Some companies serve U.S. exporters and Hong Kong importers so both sides can benefit from expanded options and cost-effective shipping.
- Developing a relationship with a Hong Kong agent: Well-established companies have extensive distribution networks to supermarkets, other retail outlets, and many also cover non-retail sectors. Hong Kong agents very often request exclusive sales rights. This is common in Hong Kong due to the small geographical size.
- Exporting direct to supermarkets: Branded products that sell direct to supermarkets may be required to provide exclusive rights for the products in Hong Kong. In this case, expensive slotting fees may be waived. For non-branded and large turnover products, supermarkets tend to buy direct from overseas exporters for cost savings.

Market Structure



- U.S. exporters intending to sell to retail outlets can utilize one of the above channels. Some supermarkets source through U.S. consolidators as well as local agents and importers.

A. Supermarket

Two major grocery chains, Wellcome and ParknShop, dominate the supermarket category with nearly 70 percent market share combined¹⁶. Both chains recently expanded their premium and upscale outlets as consumers continue to seek high-quality, imported gourmet products.

¹⁶ “Supermarkets in Hong Kong, China”, Euromonitor International

Table 3 – Leading Supermarket Chains¹⁷

Name of Retailer	No. of Outlets
Wellcome	Over 280 (with different names and store formats)
ParknShop	Over 260 (with different names and store formats)
U-Select	71 shops
DCH Food Mart	53 DCH Food Marts
YATA	3 department stores with supermarkets and 9 separate supermarkets
AEON Stores (HK) Ltd.	9 department stores with supermarkets and 2 separate supermarkets
City'Super	4 stores
APITA (Uny)	3

Expansion of health food, confectioners, and chain stores such as “[759](#)”, “[Kai Bo](#)¹⁸”, “[Best Mart 360](#)” and “[PrizeMart](#)” are increasing competition for supermarkets and convenience stores.

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

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

B. Convenience Stores

There are more than 1,300 convenience stores in Hong Kong offering drinks, snacks, and some hot food options.

Table 4 – Profiles of Leading Convenience Stores in Hong Kong¹⁹

Retailer Name	No. of Outlets
7-Eleven	963
Circle K	340
VanGo	34

¹⁷ Websites of the retailers

¹⁸ Website in Chinese only

¹⁹ “Convenience Stores in Hong Kong, China”, Euromonitor International

C. Traditional Markets – Wet Markets and Independent Grocery Stores

Traditional markets include wet markets and mom-and-pop shops. They are widespread throughout Hong Kong. They are favored for daily, neighborhood shopping especially amongst an older consumer base. Due to size restrictions, many of these stores work with importers to buy smaller batches.

D. Online Shopping of Foods and Beverages

Online food sales reached \$436 million²⁰ in 2020. Hong Kong consumers are information savvy, with nearly 100 percent smartphone users and high social media participation rate at 83 percent. Many food retailers and e-commerce platforms such as [HKTV Mall](#) provide modern and alternative shopping experience to Hong Kong consumers. This new form of shopping is expected to expand as more product varieties be available on e-commerce platforms, and consumers grow more confident in the quality and authenticity of products available online.

SECTION III. COMPETITION

Due to land constraints, Hong Kong produces a minimal amount of its food requirements, depending on global sources to meet about 95 percent of its needs. Hong Kong imports of Consumer-Oriented Agricultural Products from all origins reached \$22 billion in 2020.

Table 5 – Hong Kong Imports of Consumer-Oriented Ag. Products (2016-2020)²¹

Partner	Calendar Year (Value: \$ million)					Growth 20 v 19	Share 2020
	2016	2017	2018	2019	2020		
China	4,851	5,089	5,161	4,969	5,040	1%	23%
United States	4,146	4,346	4,298	3,375	2,155	-36%	10%
Brazil	2,047	2,234	2,475	1,998	1,977	-1%	9%
Japan	1,227	1,196	1,373	1,337	1,445	8%	7%
Thailand	883	847	929	1,039	1,345	30%	6%
Chile	822	698	1,205	1,436	1,287	-10%	6%
Australia	1,329	1,321	1,220	1,140	1,011	-11%	5%
France	1,480	1,438	1,540	1,179	991	-16%	4%
Netherlands	1,222	1,082	999	854	620	-27%	3%
New Zealand	388	481	541	672	541	-20%	2%
Total of Top 10 Partners	18,395	18,733	19,740	18,001	16,411	-9%	74%
Total of Rest of the World	6,651	6,813	6,850	6,455	5,769	-11%	26%
World	25,046	25,546	26,590	24,456	22,180	-9%	100%

²⁰ “Food and Drink E-Commerce in Hong Kong, China”, Euromonitor International

²¹ Calculations based on Trade Data Monitor data

**Table 6 – Top 10 Hong Kong Imports of
Consumer-Oriented Agricultural Products and Competition²²**

Product Category			Major Supply Sources²³
Fresh Fruit			
Gross Imports	\$3.68 billion	1,804,167 MT	1. Chile – 34%
Retained Imports	\$1.15 billion	618,089 MT	2. Thailand – 22%
			4. United States – 7%
Fish Products			
Gross Imports	\$3 billion	331,297 MT	1. China – 35%
Retained Imports	\$2.61 billion	291,012 MT	2. Japan – 16%
			6. United States – 3%
Beef and Beef Products			
Gross Imports	\$2.92 billion	719,694 MT	1. Brazil – 44%
Retained Imports	\$2.8 billion	688,306 MT	2. United States – 23%
			3. Australia – 5%
Pork and Pork Products			
Gross Imports	\$1.65 billion	651,816 MT	1. Brazil – 24%
Retained Imports	\$1.48 billion	592,566 MT	2. China – 14%
			6. United States – 7%
Dairy Products			
Gross Imports	\$1.36 billion	261,998 MT	1. Netherlands – 26%
Retained Imports	\$700 million	205,349 MT	2. New Zealand – 22%
			10. United States – 3%
Poultry Meat and Products			
Gross Imports	\$1.16 billion	566,968 MT	1. China – 44%
Retained Imports	\$1.01 billion	475,448 MT	2. Brazil – 21%
			3. United States – 9%
Soup and Other Prepared Food			
Gross Imports	\$1.1 billion	140,173 MT	1. United States – 18%
Retained Imports	\$343 million	105,258 MT	2. China – 18%
			3. Japan – 13%
Wine and Related Products			
Gross Imports	\$1.06 billion	55 million liters	1. France – 60%
Retained Imports	\$923 million	47 million liters	2. Australia – 10%
			5. United States – 5%
Bakery Products			
Gross Imports	\$870 million	302,234 MT	1. China – 37%
Retained Imports	\$407 million	229,601 MT	2. Japan – 20%
			9. United States – 3%
Non-Alcoholic Beverages			
Gross Imports	\$866 million	317 million liters	1. China – 76%
Retained Imports	\$745 million	189 million liters	2. Japan – 4%
			4. United States – 3%

²² Calculations based on Trade Data Monitor data

²³ Ranking and market share by gross import value in 2020

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

Table 7 – Best Growths of Hong Kong’s Imports of Consumer-Oriented Agricultural Products²⁴

Category	(Value: \$ million)		Average Annual Growth
	2016	2020	
Tea	119	242	19.39%
Dog & Cat Food	108	171	12.12%
Fresh Vegetables	459	712	11.60%
Fresh Fruit	2,595	3,680	9.13%
Eggs & Products	196	242	5.32%
Processed Vegetables	428	515	4.72%
Soup & Other Food Preparations	959	1,098	3.44%
Condiments & Sauces	280	319	3.34%
Beef & Beef Products	2,606	2,917	2.86%

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Post Contact

Agricultural Trade Office, Consulate General of the United States, Hong Kong and Macau
18th Floor, St. John’s Building
33 Garden Road, Central, Hong Kong
Tel: (852)-2841-2350
Fax: (852)-2845-0943

Email: Atohongkong@fas.usda.gov

Website: <http://www.usconsulate.org.hk>

<http://www.atohongkong.com.hk>

Other Hong Kong Government / Semi-Government Contacts

Please refer to [GAIN Report HK2021-0031](#)

* **Data and Information Sources:** U.S. Census Bureau Trade Data, Trade Data Monitor, Euromonitor International, Hong Kong Census and Statistics Department, and Hong Kong Trade Development Council. Currency in U.S. dollars unless otherwise stated.

Attachments:

No Attachments

²⁴ Calculations based on Trade Data Monitor data