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**Prepared By:** ATO Hong Kong Staff

**Approved By:** Garrett McDonald

**Report Highlights:**

Bite size local news, Post reports and activity summaries wrapped by ATO Hong Kong. In this issue: ATO Hong Kong launches Delicious USA 2024 with a record 51 restaurants offering Hong Kong and Macau patrons a chance to “Taste the Finest;” California Wine Institute brings top talent to showcase California wines in Hong Kong; American Hardwood Export Council recognized at the American Institute of Architects Gala Dinner; ATO Hong Kong talks cotton and design with the Hong Kong Design Institute; two Hong Kong bars make the global Top 50 Bars list; shrinkflation hits retail consumers; and Hong Kong eyes a future “low-altitude economy.”

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wrapped by ATO Hong Kong

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## ***Delicious USA 2024 Invites Hong Kong and Macau to Taste the Finest!***



On November 4, 2024, ATO Hong Kong, accompanied by U.S. Consul General, Greg May and Deputy Consul General David Schlaefer, kicked off the Delicious USA 2024 restaurant campaign. The launch party included over 40 traditional and social media contacts who were invited to sample an array of expertly prepared U.S. ingredients donated by over two dozen industry partners. This year's month-long promotion, which encourages patrons to "Taste the Finest," features a record 51 restaurants across Hong Kong and Macau. The campaign, which will run from November 11 – December 12, showcases the diversity, versatility, quality, and sustainability of American agriculture. For more information and a complete list of participating restaurants, please visit [www.delicioususa.com.hk](http://www.delicioususa.com.hk)



ATO Hong Kong thanks our outstanding trade and industry partners for supporting Delicious USA 2024: American Pistachio Growers, California Wine Institute, Cherry Marketing Institute, Hormel Foods, New York Wine & Grape Foundation, Raisin Administrative Committee, Sunkist, U.S. Dairy Export Council, USA Rice Federation, U.S. Rice Producers Association, USA Poultry & Egg Export Council, U.S. Meat Export Federation, Arcticold Food, Constellation Brands, Dah Chong Hong, DKSH, Etak International, Eastern Zone Co Ltd, E. & J. Gallo Winery, Golden Gate Wines, Metro Alliance, Walton Possession and Wilson International Frozen Foods Ltd.



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## California Wine Institute and Top U.S. Wine Expert Impress Hong Kong Wine Industry



On October 23, ATO Hong Kong joined California Wine Institute at an exclusive masterclass hosted by Karen MacNeil, named one of the “100 Most Influential People in Wine”, and author of the award-winning book *The Wine Bible* with over one million copies sold. At the event, over 60 industry professionals and media representatives were introduced to the important concepts of “*What Makes Great Wine Great*”, followed by a tasting of nine selected California wines. During the first eight months of 2024, U.S. wine exports to Hong Kong dropped 39 percent to \$16.9 million, as Hong Kong’s wine market continues to struggle amid a sluggish economy, fewer tourists, and changing trends in alcohol consumption. Participants in the event, including top wine importers, shared positive feedback with ATO staff and left impressed with the characteristics and qualities of California wines.

## American Hardwood Export Council Celebrated at American Institute of Architects Gala



On October 25, ATO Hong Kong joined American Hardwood Export Council (AHEC) at the 2024 American Institute of Architects (AIA) International Conference Gala Dinner. Over 350 architects, designers and professionals in engineering, planning and construction attended the event. The AIA recognized AHEC for their strong support of AIA programming and highlighted U.S. hardwood as a natural and sustainable material for architectural and interior design.

## ATO Hong Kong Visits the Hong Kong Design Institute



On October 30, 2024, ATO Hong Kong met with the Department Head for Fashion and Image Design at the Hong Kong Design Institute (HKDI), a member the Vocational Trade Council, the largest vocational and professional education provider in Hong Kong. During the visit, HKDI welcomed collaboration with ATO and the U.S. cotton industry to provide students with a better understanding of functionality of U.S. cotton as a design material. HKDI also welcomed engagement in other design areas, such as interior and furniture design with U.S. hardwoods.

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## ECONOMY

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### **Hong Kong Ranks As The Freest Economy Worldwide By Fraser Institute [[The Standard](#), Oct.17]**

Hong Kong has been ranked the world's freest economy among 165 economies in the "Economic Freedom of the World: 2024 Annual Report" by Fraser Institute, climbing one spot from last year. The city ranked first in "Freedom to trade internationally" and "Regulation", and third in "Sound money." A government spokesman emphasized Hong Kong's free market advantages and commitment to protecting rights and freedoms. **ATO Notes:** Hong Kong is an open market for trade in agricultural products, with duties only applying to certain types of alcoholic beverages. Most U.S. food and beverage products can freely enter Hong Kong, often with minimal SPS and labeling requirements.

### **September Consumer Price Index Rises 2.2 Percent Year-on-year [[The Standard](#), Oct.22]**

Hong Kong's Consumer Price Index (CPI) rose by 2.2 percent in September, compared with 2023. The data fell short of the market expectation of 2.4 percent. Netting out the effects of all the government's one-off relief measures, the underlying inflation rate in September was 0.9 percent, lower than the 1.2 percent recorded the month before. Among the various components, year-on-year increases in prices were recorded for alcoholic drinks and tobacco at 21.4 percent, and meals out and takeaway food at 1.8 percent. On the other hand, basic food and durable goods declined 0.4 percent from the prior year. **ATO Notes:** Inflation on basic food products is minimal in Hong Kong. Most upward pricing pressure for food is the result of higher rent and utility costs.

## HOTELS, RESTAURANTS, AND INSTITUTIONS

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### **Hong Kong May Soon Have Drones Delivering Letters, Medication and Takeaway [[SCMP](#), Oct.19]**

Hong Kong authorities are considering amending regulations to allow drones to deliver lighter items like letters and medication as part of a "low-altitude economy." The government is reviewing civil aviation laws and discussing cross-boundary routes with mainland authorities. **ATO Notes:** While Hong Kongers' new consumer behavior of "heading north to Shenzhen" for shopping and dining is still trending, Shenzhen is also leading the low-altitude economy, with a planned addition of 1,000 low altitude flight routes by 2025, [according to the Shenzhen Government](#). The development of a low-altitude economy in Hong Kong could benefit local QSR sales.

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## **Restaurants Hit With Higher Costs As Hong Kong Readies Penalties For Plastic Cutlery [[SCMP](#), Oct.20]**

Some Hong Kong restaurants report a 30% rise in the cost of disposable utensils ahead of the end of a grace period for a ban on single-use plastics. Suppliers of eco-friendly cutlery see a 30% drop in business, as consumers are reluctant to pay extra. Some consumers have expressed concern about the quality of paper-made utensils, preferring to use utensils at home. **ATO Notes:** The most substantial operational costs for restaurants in Hong Kong are rent, labor, and ingredients. However, the higher costs for disposable utensils adds to an already burdensome overhead, especially for outlets that rely heavily on carryout and delivery sales.

## **Top Muslim Body In Hong Kong Aims To Certify 500 Halal Restaurants Amid Tourism Push [[SCMP](#), Oct.20]**

A major Hong Kong Islamic organization aims to certify over 500 halal restaurants by the end of 2025, up from 142 currently approved, to attract more Muslim tourists. Chief Executive John Lee Ka-chiu encouraged tourism businesses to cater to Muslim visitors by offering better dining options and facilities. The organization plans to diversify halal-certified eateries and seeks government support to maintain trust and quality in halal certification, crucial for attracting tourists from Muslim-majority countries. **ATO Notes:** Currently, Hong Kong has over 300,000 Muslim residents and the government is working on measures to lure tourists from the Muslim world. In addition to high rents and labor costs, halal restaurants in the city face challenges sourcing high-end halal ingredients, which could present an opportunity for U.S. companies able to provide halal certification to their customers for premium U.S. beef, cheese and other ingredients.

## **2 Hong Kong Bars Make The World's 50 Best Bars 2024 List, With One Debuting At No. 2 [[SCMP](#), Oct.23]**

Known for its Italian-inspired drinks, Bar Leone in Hong Kong's Central district, ranked No. 2 globally and No. 1 in Asia on Asia's 50 Best Bars list this year. The list, prepared by the UK-based media group William Reed, also produces similarly titled lists like The World's 50 Best Restaurants and The World's 50 Best Hotels. **ATO Notes:** The Hong Kong government's (HKG) announcement lowering the duty on imported alcoholic beverages with an alcohol content above 30 percent is expected to support growth in cocktail culture in the region, which already includes over 600 bars and pubs. See ATO Hong Kong's GAIN report [Hong Kong Lowers Liquor Tax in Boost to Distilled Spirits Trade](#).

## **MGM And Chef Nic Fire Up The Third Edition Of 'MGM Chef Nic Gastronomusic Fest' [[Macau Daily Times](#), Oct.18]**

MGM and Hong Kong celebrity Nicholas "Chef Nic" Tse are hosting the third edition of the "MGM Chef Nic Gastronomusic Fest" on November 30 and December 1 at MGM COTAI. The event features over 20 new culinary delights from Chef Nic and MGM's celebrity chefs, along with performances by nine pop singers from Hong Kong, South Korea, and Thailand. The festival promises a multi-sensorial experience, combining gastronomy and music, and aims to showcase Macau as a UNESCO Creative City of Gastronomy. **ATO Notes:** There are currently six casino operators in Macau, namely: MGM China (U.S.), Sands China (U.S.), Melco Resorts & Entertainment, Galaxy Entertainment Group, Wynn Macau (U.S.) and SJM Resorts. As a condition of their current licenses, the operators are obliged to increase their non-gaming investment to support the Macau government's vision to develop a highly diversified tourism industry. The gastronomic and entertainment events at these casinos could present an opportunity for high-value food and beverages.

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## **Raffles Macau Celebrates Luxury, Unveiling ‘Long Bar’** [[Macau Daily Times, Oct.24](#)]

The event, “A Celebration of Raffles Luxury,” is a collaboration between Accor Group’s Raffles Hotel and Galaxy Macau. The new hotel features 450 elegantly designed suites with exceptional service and dining options, including a speakeasy version of the Raffles Long Bar. **ATO Notes:** The new project reflects the efforts of Galaxy Macau to develop non-gaming business. In the second quarter of 2024, the per-capita spending of overnight visitors in accommodation and food & beverage held steady at \$259, compared to 2023.

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## **RETAIL**

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## **Food Fest To Be Spiced Up With Lots Of Spirits, Games And Prizes** [[The Standard, Oct.18](#)]

The 11th Hong Kong Food Carnival, organized by the Chinese Manufacturers' Association, will be held from October 26 to November 3 at Kwai Chung Sports Ground. Featuring over 300 booths, the event will showcase more than 100 types of local and international cuisine, wines, and beers. It includes five zones: healthy food, leisure food, catering equipment, chillax, and yummy food. The 9-day event is expected to attract 200,000 visitors and generate HK\$100 million. **ATO Notes:** Organizing the food festival serves as a major event to attract tourists and residents, boosting food and beverage consumption in Hong Kong. Taking place right after the Wine and Dine Festival, this yearly Food Carnival spans 9 days and highlights the unique culinary culture of Hong Kong. It features live performances, chef demonstrations, and games. ATO Hong Kong recently met with the leadership of the Chinese Manufacturer’s Association and can connect U.S. companies or associations interested in joining next year’s Hong Kong Food Carnival.

## **Northbound Travel Trends Means Retail Industry Needs To Advance And Reform, Says CE** [[The Standard, Oct.17](#)]

Chief Executive John Lee Ka-chiu urged the retail industry to adopt new practices in the face of northbound travel trends. Lee described the increase in northbound consumption as beneficial, enhancing local market competitiveness. He encouraged SMEs to develop new initiatives to attract consumers, such as creating photo spots and appealing events, emphasizing the importance of experimentation during this transformation. **ATO Notes:** Hong Kong retail sales experienced a decline for the seventh consecutive month on an annual basis in September, decreasing by 6.9 percent. The ongoing trend of people from Hong Kong traveling to mainland China for shopping and leisure activities continued to impact the market. Preliminary statistics released by the Census and Statistics Department indicated that total retail sales amounted to HK\$29.6 billion in September.

## **Vendors At Hong Kong Lunar New Year Fair Worried Over Retail Slump, Bids For Stalls Weak** [[SCMP, Oct.23](#)]

Vendors at Hong Kong’s largest Lunar New Year fair are concerned about business performance, with most successful bids for dry goods stalls falling from the average price from the most recent edition. Vendors secured stalls at lower prices than previous years, reflecting economic pessimism but hope for

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good turnout. **ATO Notes:** The trend of northbound travel during longer holidays will likely impact local spending during Lunar New Year, however, sales to tourists at cultural fairs and events are expected to remain strong as many prefer such venues over traditional shopping malls.

## **Hong Kong Consumer Watchdog Uncovers Widespread Shrinkflation Among Supermarket Products [[SCMP](#), Oct.15]**

Hong Kong's Consumer Council has found that most surveyed supermarket products have reduced weight or volume by up to 30 percent without price changes, while 16 items increased in cost by up to 26.2 percent. The watchdog pointed out that South Korean and French authorities had put in place corresponding measures such as requiring traders to declare product quantity changes, either on packaging or at stores, to protect consumers against shrinkflation. The council suggested unit pricing to aid consumer comparisons and called for transparency in product size changes to protect consumers.

**ATO Notes:** In September, supermarket sales in Hong Kong declined for the seventh month year on year, to \$548 million. Requiring size and quantity change notifications for products could add to costs for retailers, who are already facing challenges due to higher operating costs and sluggish consumer spending.



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## **TRADE**

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## **Two-tiered Liquor Tax Is A Balanced Approach: Algernon Yau [[The Standard](#), Oct.18]**

The two-tier liquor tax system announced in the recent policy address, aims to reduce the duty rate for liquor with an import price over \$25.60 (HK\$200) from 100 percent to 10 percent for the portion above \$25.60 (HK\$200). The duty rate for liquor priced at \$25.60 (HK\$200) or below remains unchanged. This measure aims to balance concerns about alcohol abuse and boost trade in high-end spirits. In 2008, the red wine tax was abolished, which significantly boosted red wine imports and re-exports, and created jobs. **ATO Notes:** Amid some concerns over public health, the Hong Kong government has emphasized that the duty reform encourages consumers to “drink better” instead of “drinking more.” The lower duty is expected to support greater consumption of distilled spirits and is particularly beneficial to premium brands. For more information, see ATO Hong Kong’s GAIN report [Hong Kong Lowers Liquor Tax in Boost to Distilled Spirits Trade](#).

## **Hong Kong Suspends Imports Of Poultry Meat And Products From Five U.S. Counties [[CFS - Press Release](#), Oct. 29; [CFS - Press Release](#), Nov. 5]**

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department (FEHD) has suspended poultry imports from Clackamas County, Oregon, Kings County and Tulare County, California, Cache County, Utah and Franklin County, Washington following a notification from the World Organization for Animal Health (WOAH) about outbreaks of highly pathogenic avian influenza (HPAI).

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## ATO LOOK AHEAD CALENDAR



The ATO events calendar informs our readers of activities and events that ATO Hong Kong is hosting, sponsoring, or otherwise participating in. Updates will be added as new events are confirmed. If you have questions about any of the upcoming events, please contact us at [ATOHongKong@usda.gov](mailto:ATOHongKong@usda.gov).



## UPCOMING EVENTS

<b>10/31-11/7</b>	JEBN Retail In-store Promotion (ATO HK)
<b>11/4</b>	Delicious USA 2024 Media Launch (ATO HK)
<b>11/7-9</b>	Hong Kong International Wine & Spirits Fair
<b>11/8</b>	The Geographical Diversity of U.S. Wine with Mr. Reeze Choi (3rd of ASI Best Sommelier of the World 2023) (ATO HK)
<b>11/11 - 12/12</b>	Delicious USA 2024 Restaurant Promotion in Hong Kong and Macau - Taste the Finest (ATO HK)
<b>11/19</b>	The Great American Texas BBQ 2024 (USMEF, USAPEEC, ATO HK)
<b>11/22-24</b>	International Food Beverage Asia Fair in Macau
<b>Dec 2024</b>	<b>12/4</b> China Cotton Day (CCI)
<b>2025</b>	<b>2/6-9</b> Pet Show Hong Kong
	<b>2/21-23</b> Vegetarian Food Asia
	<b>5/14-16</b> HOFEX / ProWine



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## **Attachments:**

No Attachments.