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Report Highlights:

Bite size local news, Post reports and activity summaries wrapped by ATO Hong Kong. In this issue: Fourth U.S. Food & Beverage Showcase Spurs Interest on U.S. Products; Hong Kong's John Lee Urges Businesses To Be Bold, Creative Amid Changing Spending Habits; Hong Kong Tourism Sector Hoping For 30 Percent Bump; Chek Lap Kok Named World's Busiest Cargo Airport; Hong Kong Falls Out Of World's Top 10 Busiest Ports; Macau Tops Asia's List Of Fastest Growing Economies In 2024; Hong Kong's Ailing Restaurants Ask Mainland Chinese Operators For Survival Tips; Mainland Barbecue Chain Leverages Hong Kong's International Status To Expand Overseas; Hong Kong Grocery Prices Up 1.9 Percent According To Survey; Popular Hairy Crab Takeaway Closing After Four Decades; Hong Kong Suspends Imports Of Poultry Meat And Products From Four U.S. Counties.

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wrapped by ATO Hong Kong

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FOURTH U.S. FOOD & BEVERAGE SHOWCASE SPURS INTEREST ON U.S. PRODUCTS

On April 17, U.S. Consul General, Greg May, joined ATO Hong Kong to kick off the fourth U.S. Food & Beverage Showcase. This year's culinary event brought together 15 U.S. Agricultural Trade Associations and four local distributors who presented a total 36 U.S. products and brands. The showcase successfully attracted 120 industry professionals, including retailers, importers, restaurateurs, and bakers from Hong Kong and Macau. Guests were able to sample different applications of the highlighted products prepared by the Murray Hotel's culinary team. The menu highlighted U.S. seafood, beef, pork, poultry, rice, vegetables, fruits, dried fruits, nuts, cheese, juices, snacks, wine, and distilled spirits. Despite the current challenges in the local food service sector, there was a palpable energy at the event as guests and exhibitors discussed the products and potential market opportunities. In 2023, U.S. food and agricultural exports to Hong Kong ended a four-year slump, growing 15 percent to \$1.7 billion. In the first two months of 2024, these exports continued to recover growing 31.2 percent year-on-year to \$277 million. ATO Hong Kong's U.S. Food & Beverage Showcase continues to offer an excellent platform to connect U.S. exporters and local traders in a more focused and relaxed setting. Our thanks to all participating exhibitors; a warm welcome to six new participants such as the Almond Board of California and the Cherry Marketing Institute; and a special note of appreciation to new U.S. exhibitors such as American Pistachio Growers and the State of Wyoming who travel far to be a part of this event. Catch event highlights [here](#).

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ATTENTION U.S. EXPORTERS!

HONG KONG BUYERS ARE LOOKING FOR:

ATO maintains close contacts with buyers from Hong Kong and Macau. Currently Hong Kong buyers are seeking U.S. suppliers of the following products:

- Ox Gallstones (see GAIN [market report](#))
- Chicken Feet
- Ready-to-eat Mixed Salads
- Low Carb, Low Calories & Microwavable Potatoes, and Potato Products
- Cooking Vegetables

If you are interested in supplying these products, please contact ATOHongKong@usda.gov and provide your company information, contact person, and email address. We will connect you directly with interested buyers.

ECONOMY



Hong Kong's John Lee Urges Businesses to Be Bold, Creative Amid Changing Spending Habits **[SCMP, Apr. 9]**

Hong Kong's leader brushed off concerns over lackluster Easter break for businesses and pointed to high attendance during the city's 'Art March' campaign last month with 4 million attendees. Urging business operators to explore new ways to attract customers as resident and visitor consumption patterns have changed. He cited examples of a special Korean tour that offered yoga, hiking, and jogging in their itineraries, as well as local bakeries going viral online for their egg tarts. He encouraged business operators to be courageous and develop new ideas to adapt to changes in consumption and demand.

ATO Notes: Hong Kong continues to see changes in tourist and resident spending, and business operators are finding new ways to deal with this evolving environment. Operators are increasingly looking to combine cultural and food experiences for both travelers and residents.

Hong Kong Tourism Sector Hoping for 30 Percent Bump in Visitors Over Mainland China's Labor Day 'Golden Week' Holiday **[SCMP, Apr. 16]**

Hong Kong's tourism sector has expressed optimism over their business prospects during mainland's "golden week" May holiday, with a representative saying the industry is hoping for a 30 percent increase in the number of tourists from across the border compared with last year. A director at CTS HK

Metropark Hotels Management said that room bookings for the May 1 holiday period has already reached about 50 percent capacity. The city's leader also acknowledged that Hong Kong was undergoing "a new period of economic development" and he was pleased that local businesses were adapting to the shifting demands and consumption patterns of visitors. **ATO Notes:** According to the Tourism Board, the city hosted 3.4 million visitors last month, a 38.6 percent increase year-on-year, with more than 70 percent of visitors traveling from mainland.

Chek Lap Kok Named World's Busiest Cargo Airport [RTHK, Apr. 15]

Hong Kong International Airport has been named the world's busiest cargo airport for 2023 in terms of total volume. According to the latest data released by Airports Council International, Chek Lap Kok handled 4.3 million tons of cargo last year. It is the 13th time since 2010 that the airport has been named the busiest cargo airport in the world. **ATO Notes:** Although losing its position in seaborne capacity (see related story below), Hong Kong remains the world's top air-cargo transit port. However, its cargo volume has not fully reached pre-pandemic levels.

Sinking Fortunes: Hong Kong Falls out of World's Top 10 Busiest Ports Ranking for the First Time as Volumes Slump [SCMP, Apr. 15]

Hong Kong, once the world's busiest port, has for the first time failed to rank among the world's top 10 ports in 2023. The city continues to struggle to reverse a long-term decline in shipping volumes. It was knocked down to 11th place by Dubai's Jebel Ali port, according to data from Alphaliner on the world's 30 busiest container terminals. The drop is bruising for Hong Kong, which was the world's top container port for most of the 1987-2004 period. The city has posted seven straight years of declining shipment volumes because of steep competition from its mainland counterparts. **ATO Notes:** The Hong Kong port is facing increasing competition from mainland ports. International shipping liners prefer to ship containers directly to Shanghai and Shenzhen, which have larger customer base and port capacities. The Hong Kong port can handle around 20 million twenty-foot equivalent unit (TEU), whereas Shanghai can handle 47 million and Shenzhen 25 million.

Macau Tops Asia's List of Fastest Growing Economies in 2024 [Macau Daily Times, Apr. 8]

Macau has topped the list of Asia's fastest growing economies in 2024, with a booming real GDP growth rate of 27.2 percent and a GDP per capita growth rate of 29.2 percent. An International Monetary Fund (IMF) report said that the local economy is "robust," as the institution forecast economic growth of 13.9 percent this year. Along with the gaming sector's "stellar performance," mass tourism has bolstered the economic recovery, while non-gaming services such as exports have also expanded. **ATO Notes:** Outside of the gaming sector, other sectors have contributed to the city's economic growth. For example, retail sales also supported overall GDP growth. Retail sales peaked at \$3 billion in the first quarter of 2023 but slowed to \$2.6 billion in the fourth quarter. Nonetheless, full-year retail sales improved significantly from 2022 to 2023, growing 50 percent to \$11 billion.

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HOTELS, RESTAURANTS, AND INSTITUTIONS



Hong Kong's Ailing Restaurants Ask Mainland Chinese Operators for Survival Tips, Call on Veteran Singers to Strike a Chord With Diners [[SCMP](#), Apr. 13]

Hong Kong's depressing dining industry has turned to its counterparts in mainland China for survival tips, with some operators resorting to staging small shows by veteran singers to lure customers amid closures and a drop in business. Several restaurant owners said that they had used every possible tactic to attract diners, from issuing coupons and rolling out new offerings to slashing the prices of set meals, linking up with other operators and putting on small-scale concerts. Simon Wong Ka-wo, president of the Hong Kong Federation of Restaurants and Related Trades, estimated that more than 700 restaurants had shut down in the past few months amid a trend of diners increasingly heading north and overseas. Conversely, over 400 new outlets have been established. **ATO Notes:** Hong Kong's latest consumer trend to travel to mainland to shop and dine has lasted longer than anticipated. Some traders hoped this trend would stabilize by the end of the Lunar New Year and Easter holidays but are now reportedly positioning themselves for a longer-term recovery of the local food service sector. According to the Immigration Department, over 11 million passenger trips were recorded during the Easter break in 2024. With the significant number of dinners continuing to exist the city, local operators are looking for new gimmicks, and new product offerings to stay afloat.

Championing Hong Kong's Food Industry [[The Standard](#), Apr. 13]

"Friday Beyond Spotlights" is a captivating and engaging talk show airing every Friday at 8:30pm on HOY International Business Channel (HOY IBC). Hosted by Nick Chan, Episode 5 of Season 3 features the chairman of the Hong Kong Catering Industry Association and the Honorary Life President of the Association of Restaurant Managers. He told the "Food Story" of Hong Kong, and highlighted the pivotal role played by Hong Kong in introducing diverse Chinese regional cuisines to visiting food lovers from around the globe. He shared that Hong Kong's culinary success lies in its ability to cater to a diverse range of palates and craft exceptional fusion dishes. Additionally, most servers in Hong Kong can speak English, facilitating seamless interactions with international travelers. Cheung reminded restaurateurs that "success does not come overnight; you win some and you lose some." **ATO Notes:** The program highlights the current local situation of the food industry and what food operators are doing to survive current conditions. According to local media, Chinese restaurants are reporting better sales than Western-style restaurants as the number of international visitors (outside mainland) continues to lag compared to pre-pandemic years.

Having More 'Halal' Dining Options Can Help Attract Middle East Visitors [[SCMP](#), Apr. 13]

Hong Kong foodie Maryam Khan went from 2,000 followers to 18,100 on her Instagram page in two years, sharing pictures and videos of what she enjoyed eating around the city. From hamburgers, kebabs, and French fries to dim sum, hotpot, and fried rice, the videos on her @foodie_explorerz page showcase

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halal food available in Hong Kong. While Muslims had more choices compared to a decade ago, the city still has some way to go to be considered truly halal-friendly, especially in terms of variety and Chinese food offerings. Hong Kong is eager to attract more Muslim visitors, especially from the Middle East, and that is where the lack of halal options has become an issue. There are only 105 eateries across the city considered halal-certified food premises, a mere 0.8 percent of about 13,000 licensed or permitted premises. **ATO Notes:** According to local statistics, Hong Kong's population reached 7.5 million people in 2023. Its Muslim community comprises about 4 percent of the total population. Social media, particularly Instagram, continues to be a popular platform in Hong Kong to market food products and restaurants. If you are interested in collaborating with ATO Hong Kong's *Delicious USA* social media platforms to highlight your products, please contact our office.

Mainland Barbecue Chain Leverages Hong Kong's International Status to Expand Overseas **[HKSAR - Press Release, Apr. 9]**

Invest Hong Kong (InvestHK) announced that a mainland barbecue chain Muwu BBQ, will officially open its debut store in Mongkok and is planning to open a second one in Western district next month as part of a global expansion. Government officials noted that this move shows not only the company's confidence in the city's vibrant food and beverage industry, but also its commitment to expand globally via Hong Kong. Restaurant owner remarked that Hong Kong has a wide range of cuisine from all over the world and barbecue is the most basic and common and widely accepted cooking method. Moreover, Hong Kong has a simple, low, and transparent tax system, which provides a friendly and vibrant business environment for entrepreneurs to make a start. **ATO Notes:** Another emerging trend in Hong Kong's restaurant sector is the entrance of China-based chains in the market. Mainland food operators active in Hong Kong see the city as an important steppingstone/test market before expanding overseas. There are already several examples of mainland-based food chains that have expanded operations to other regions of the world after thriving in Hong Kong. One operator commented that if their business can be successful in Hong Kong, it can succeed anywhere in the world.

12th MITE Event Aims to Establish Itself as Tourism Powerhouse **[Macau Daily Times, Apr. 9]**

The 12th Macau International Travel Expo (MITE) is aiming to establish a powerhouse of tourism, focusing on the theme "Meet at MITE: Discovery, Networking, Interaction!" at the Cotai Expo. The event will feature a Gastronomy Pavilion and The Cellar under one roof. The Gastronomy Pavilion's campaign will be providing special offers on different products such as mainland day tours, beverages, and culinary delights. **ATO Notes:** Macau continues to diversify its sectors. By establishing a large international expo, Macau aims to expand its tourism sector by promoting its beverages and culinary offerings.

Northern District Firms See Revenue Upturns Amid Consumption Promos **[Macau Daily Times, Apr. 11]**

Consumer consumption in the Northern District has seen an upturn in revenue following the launch of the government's consumption program for the district amid challenges faced by business firms in the area. Last month, the Economic and Technological Development Bureau (DSED) has launched a "Consumption Carnival" in Macau's Northern District, aiming to boost consumption. However, during the most recent Easter holiday, businesses in Macau's residential neighborhoods sat quietly, illustrating that more Macau residents are choosing to spend their money across the border in mainland China, while visitors remain exclusively in the city's tourist areas. **ATO Notes:** Neighboring Macau, the

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mainland city of Zhuhai is now an attractive spot for Macau consumers as it offers more price-competitive offerings.

Patane Market Food Court Opens With 11 Stalls [[Macau Daily Times](#), Apr. 9]

The food court at the Patane Market officially opened to the public. It features 11 food stalls serving different specialty cuisines. Among the 11 food stalls, 10 stalls were previously open for public bidding. Stall tenants were recruited through a public tender, in contrast to the previous practice of allocating vacant market stalls through a registration and lottery process. **ATO Notes:** The newly opened food court has a harbor view that promotes a comfortable environment, high quality service, and affordable food prices. As the tenant selection process is now done through bidding process, the city's government can match operators that can meet their redevelopment criteria and market plan.

Experience The Ultimate Wood-fire Grilling with Chef Dave Pynt's Takeover at Grill 58 [[Macau Daily Times](#), Apr. 9]

Grill 58 at MGM COTAI is celebrated for its exceptional wood grilling and premium steak offerings. The restaurant elevates its dining experience with the arrival of a stellar guest chef – Chef Dave Pynt, the mastermind behind Burnt Ends, one of Singapore's most sought-after dining destinations. With its prestigious one MICHELIN star and ranked 15th on the Asia's 50 Best Restaurants list, Burnt Ends has set a high standard for modern Australian barbecue. **ATO Notes:** MGM's Grill 58 promotes itself as using exquisitely aged premium meats from Japan, the United States, and Australia, fresh Alaskan King Crab, and offering more than 4,000 wine labels on their menu. In 2023, Macau's global imports of beef jumped 44 percent to \$105 million; global imports of wine grew 6 percent to \$412 million.

RETAIL



Hong Kong Grocery Prices up 1.9 Percent According to Survey [[The Standard](#), Apr. 15]

Grocery prices in Hong Kong accelerated 1.9 percent in 2023, with sweets, biscuits, and eggs seeing the biggest jumps. The Consumer Council revealed the results of its annual supermarket price survey 2023, which found that between July 2022 and June 2023, the aggregate average price of a basket of 300 items rose 1.9 percent. The figure is slightly less than the 2.1 percent increase in the 2022 survey, and lower than the 2.1 percent increase in the Composite Consumer Price Index over the same period. The top products with the highest price surge were chocolates and sweets, with a 23.7 percent increase; followed by biscuits at 11.7 percent, and eggs at 10.6 percent. Meanwhile, the watchdog found that some goods that had shown a steep price increase during the pandemic recorded a decrease in aggregate average price in 2023. Namely, frozen pastries, packaged rice, frozen dim sum, and canned soup and vegetables. **ATO Notes:** In the first two months of 2024, Hong Kong's global imports of consumer-ready products grew 18 percent.

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Popular Hairy Crab Takeaway Closing After Four Decades [[The Standard](#), Apr. 16]

Old San Yang, a takeaway shop in Causeway Bay, has been a beloved establishment with a rich history spanning over 40 years. However, owner Sandy Ki-Yuk Fung, has announced that the shop will be closing its doors for good. Renowned for its Shanghainese hairy crab and fine dried seafood, the shop has become a cherished culinary destination. Ki has decided it is time to retire and enjoy some well-deserved rest. The shop's significance extends beyond its delectable offerings. It represents the spirit of old Hong Kong. Old Sang Yang's journey began in Central Market and has seen several relocations, including its most recent move to Tang Lung Street last year. The shop has been a steadfast presence, witnessing the changing landscape of Causeway Bay over the years. **ATO Notes:** Retails and restaurants with a rich history in Hong Kong are closing because many operators have reached retirement age. A similar change is taking place with food traders. Encouraging new generations to enter the food service and trade business will continue to be a challenge amidst the weakened local consumption.

TRADE



Hong Kong Suspends Imports of Poultry Meat and Products from Four U.S. Counties [[HKSAR - Press Release](#), Apr. 9]

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department (FEHD) has suspended imports from Ionia County of the State of Michigan; Parmer County of the State of Texas; Roosevelt County of the State of New Mexico; and Grant County of State of Kansas, following a notification from the World Organization for Animal Health (WOAH) about outbreaks of highly pathogenic H5N1 avian influenza (AI). **ATO Notes:** As of this report, a total of 77 U.S. counties in 22 states are currently banned from exporting poultry meat and eggs to Hong Kong due to AI. However, the timely reinstatement of imports from other U.S. counties facilitated the recovery of U.S. poultry exports to the city in 2023. This recovery continued in the first two months of 2024 with exports growing 157 percent to \$22 million. Conversely, the recovery of U.S. egg exports remains elusive with sales sliding 32 percent to \$300,000 during the same period in 2024.

Hong Kong Suspends Imports of Poultry Meat and Products from Areas in India and Hungary [[HKSAR - Press Release](#), Apr. 11; [HKSAR - Press Release](#), Apr. 17]

CFS has suspended imports from Nellore District of Andhra Pradesh State in India, and Békés County in Hungary in response to a notification from the World Organization for Animal Health (WOAH) about outbreaks of the highly pathogenic H5N1 avian influenza. **ATO Notes:** In 2023, Hungary was Hong Kong's ninth largest supplier of poultry. The city's imports of Hungarian poultry grew triple digits from 2022 to \$5 million. Hong Kong trade statistics show Hungarian poultry imports were nil during the first two months of 2024. Last year, Hong Kong's global imports of poultry meat grew 2 percent to \$954 million while global egg imports increased 5 percent to \$316 million.

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Customs and Marine Police Seize 360 Kilograms of Dried Shark Fins Heading to Macau [[The Standard](#), Apr. 19]

Hong Kong Customs seized 360 kilograms of shark fins from a boat heading to Macau. The officers boarded the ship and found eight local crew members along with containers full of various goods packed separately, which were declared to be food, pharmaceutical items, and dried shark fins. The crew members were not able to provide much information about the dried shark fin and the export license for the product. The seized dried shark fins were value at \$230,000. **ATO Notes:** [Hong Kong restricts the importations of shark fins from endangered species. It allows the importation from non-endangered species and is a popular trading port for this product. According to official statistics, between 2022-2023, imports increased 31 percent to \\$103.7 million. During that same period, re-exports to Macau surged from \\$4.8 million to \\$38 million.](#)

Greenpeace Urges More Regulation on Packaging to Help Hong Kong Households Cut Cost Ahead of Waste-charging Scheme [[SCMP](#), Apr. 11]

The green group said that without the necessary regulation in place, residents would be left footing the bill for excessive packaging produced by companies. The waste-charging scheme, which is scheduled to start on August 1, will require households to pay for the garbage they produce at a rate of \$0.01 cent per liter. Residents must buy designated trash bags for their disposal, ranging in size from 3 liters to 100 liters. Across the seven-day study conducted by Greenpeace, the group found that waste generated from the researched households, included – takeaway packaging (20.8 percent), other forms of packaging (28.4 percent), and other waste from food waste, tissue, and hygiene products (50 percent). While restaurants would have to switch to non-plastic alternatives to tableware later this month, they were still single use items that would end up in the city’s landfills. **ATO Notes:** [The implementation of this scheme was first scheduled to take place in April but was postponed to August following public concerns. Restaurants operators and residents have requested further clarification and guidance on the scheme while continuing to express concern over costs.](#)

Hungry for more information about the Hong Kong and Macau markets?

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Attachments:

No Attachments.