



Voluntary Report - Voluntary - Public Distribution

**Date:** April 16, 2025

Report Number: HK2025-0022

#### **Report Name:** The Hong Kong Wonton - Volume 5 Issue 4

Country: Hong Kong

Post: Hong Kong

**Report Category:** Agriculture in the News, Food Service - Hotel Restaurant Institutional, Retail Foods, Market Promotion/Competition

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#### **Report Highlights:**

Bite size local news, Post reports and activity summaries wrapped by ATO Hong Kong. In this issue: ATO Hong Kong and American agriculture support the U.S. Men's and Women's Rugby teams; U.S. wheat, cheese, and raisins are on the menu at Hong Kong Polytechnic University baking workshop; Hong Kong looks to boost cruise ship visits; Hong Kong Disney and commercial office space see turnaround; and the Ching Ming holiday sees a boost in arrivals.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY Bite Size Local News, Post Report and Activity Summaries

# THE HONG KONG WONTON

wrapped by ATO Hong Kong

Mar. 26 – Apr. 14, 2025 | Vol. 5 Issue #4



American Agriculture Fire's Up the U.S. Men's and Women's

#### **Rugby Sevens Teams**

On March 26, 2025, ATO Hong Kong and the Foreign Commercial Service co-organized a welcome reception for the U.S. Men's and Women's National Rugby Teams. In support of the teams, nearly a dozen USDA Cooperators and local importers donated ingredients for the event, giving players a chance to savor a taste of home ahead of the tournament. Held at the Consul General's Residence, the menu featured U.S. seafood, beef, pork, poultry, vegetables, rice, nuts, cheese, fruits, and wines. A big thank you to Alaska Seafood Marketing Institute, American Pistachio Growers, Raisin Administrative Committee, Sunkist Growers, U.S. Dairy Export Council, U.S. Meat Export Federation, USA Poultry & Egg Export Council, USA Rice Federation, and our local partners for sponsoring products. Curious what American comfort food our players crave? Check out ATO's video interview with the team here.



ATO and U.S. Industry Partner for Hands-On Bakery Workshop at Hong Kong Polytechnic University

On April 3, 2025, ATO Hong Kong partnered with U.S. Wheat Associates, U.S. Dairy Export Council, and Raisin Administrative Committee to conduct two bakery workshops at the School of Hotel and Tourism Management at Hong Kong Polytechnic University (PolyU). Sixty students attended the hands-on workshops, which highlighted U.S. wheat flour, cheese, and raisins across four recipes. In addition to baking exercises, students also learned about each ingredient through presentations by U.S. industry representatives. The training, part of a series of collaborations ATO has held with PolyU, was attended by the Consulate's Public Diplomacy section who <u>showcased</u> the collaboration to its 97,262 followers on social media.

#### Ε*с*олому



Hong Kong Should not Join Beijing in Imposing Counter Tariffs: Experts [SCMP, Apr. 6] Some economists and business leaders have said the city to avoid joining Beijing in imposing retaliatory tariffs on U.S. goods. While lawmaker Jeffrey Lam proposes following Beijing's lead with 34 percent tariff on U.S. imports (U.S. exports of goods to Hong Kong) as show of support. Simon Wong Ka-wo, president of the Hong Kong Federation of Restaurants and Related Trades, also said the United States was not a major source of food and drink imports and products could be replaced if prices were pushed too high. "About 68 percent of food is imported from mainland China, and the remaining from the rest of the world." He added, "Some of the most popular food and drink items from the United States include beef, wine, nuts, fruits, lobsters and eggs, but buyers could turn to products from Europe, Canada and Australia instead." ATO Notes: Hong Kong actually receives far less than 68 percent of its imported food from mainland China than reported in the article. According to TDM data, in 2024 China supplied \$7.6 billion of agricultural products to Hong Kong, accounting for 32 percent of total agricultural imports (\$24 billion). Australia (\$1.9 billion, 8 percent), and the United States (\$1.6 billion, 7 percent) round out the top three. The top U.S. agricultural exports to Hong Kong are beef & beef products (\$400 million), food preparations (\$171 million), tree nuts (\$145 million), seafood (\$139 million), poultry meat (\$135 million), and fresh fruits (\$111 million).

## Hong Kong Manufacturers at Risk of Job Cuts, Closure Over Trump Tariffs: Experts [<u>SCMP</u>, Apr. 8]

Experts said sweeping tariffs would create a vicious cycle where consumption in the United States would greatly diminish due to rising prices for imported goods, resulting in Hong Kong exporters struggling to survive the drop in demand and the risk of interest rate increases. Major Hong Kong exports to the United States, especially electronic products, are expected to be hard hit as the country is the city's second-largest export market. **ATO Notes:** The manufacturing sector only accounts for 1 percent of Hong Kong's GDP. Hong Kong food manufacturers have highlighted concern over rising raw material prices and high interest rates as top concerns, rather than declining demand for their products. Mainland China accounted for 59 percent of Hong Kong-produced goods exports in 2023, followed by the U.S. with 6.5 percent.

#### 4.58 Million Trips Expected for Four-Day Festival [The Standard, Apr. 2]

More than 4.58 million passenger trips through Hong Kong's sea, land and air control points are expected for the 4-day Ching Ming holiday, according to the Immigration Department. Around 3.91 million of the travelers will go through land boundary control points. Shenzhen ports recorded more than 64 million crossings in the first quarter of 2025, an increase of 15 percent in both passenger and vehicle flow year-on-year. **ATO Notes:** Hong Kong's Immigration Department recorded 3.39 million passenger land boundary trips over the holiday, marking a nearly 19 percent increase year-on-year. Of these, 1.81 million were arrivals and 1.58 million were departures.

### Hong Kong's Homeport Cruise Growth Boosts Sports Park Business District [<u>DotDot News</u>, Apr. 5]

The Hong Kong government is committed to promoting cruise tourism. Last month, 17 international cruise ships visited Hong Kong, bringing a considerable number of visitors. According to the terminal schedule, at least 10 more cruise ships will visit Hong Kong this month. Several figures in Hong Kong's tourism industry believe that cruise tourism has great potential, especially with the synergy between the Kai Tak Cruise Terminal and the Sports Park. Cruise homeports require a range of services, including restocking and fueling, major events happening during docking periods will also fuel dining and catering demands in the area. **ATO Notes:** In March 2025 visitor arrivals at cruise terminals reached 28,583, double the arrival number in February. However, compared to March 2024 arrivals declined 44 percent, suggesting more work is needed to boost cruise tourism. While the location of Hong Kong's cruise terminal is ideally suited to support the 28-hectare sports park that features over 60 food and drink merchants and a 20,000 square foot food court, the volume of visitors will need to substantially increase to meaningfully impact consumption at Kai Tak park.

HOTELS, RESTAURANTS, AND INSTITUTIONS



#### Disneyland to Repay Government Loans by Investing New Pixar Area to Boost Visitor Experience: Rosanna Law [The Standard, Apr. 1]

The tourism chief announced that Hong Kong Disneyland will repay its remaining loans to the government within the current fiscal year and use any surplus for the Pixar area construction to enhance visitor experience. Secretary for Culture, Sports and Tourism Rosanna Law noted that new tourism infrastructure projects may be challenging due to financial constraints. Lawmaker Perry Yiu raised concerns about Lantau Island's development as a premier international tourist destination. Law responded that several projects, including a yacht berth, are planned to attract tourists. She also mentioned policies allowing private vehicles from Guangdong. Disneyland's managing director, Michael Moriarty, emphasized collaboration to extend tourists' stays. **ATO Notes:** With a record attendance of 7.7 million visitors in 2024, Hong Kong Disneyland's net profit reached \$107 million, its highest since opening in 2005.

HK Sees Catering Slump as Diners Flock North amid Ching Ming Festival [The Standard, Apr. 6]

Leung Chun-wah, chairman of the Association for Hong Kong Catering Services Management, lamented that business and the number of patrons were down by 10 to 20 percent compared to 2024 during the three-day Ching Ming Festival long weekend, with a dim outlook for Easter. Hong Kong saw over 270,000 inbound crossings at its border control points as of 4 pm on April 6, with over 180,000 Hong Kong residents returning home at the end of the long weekend. Leung urged the government to ramp up tourism promotion for the upcoming Easter holiday. **ATO Notes:** Despite the success of large draw cultural and tourism events, such as the Rugby Sevens Tournament and a recent performance by British band Coldplay, Hong Kong continues to face challenges in driving residents to spend more time and money locally.

#### RETAIL



**Emigrated Youngster Returns to Hong Kong to run a Pork Stall [<u>The Standard</u>, Apr. 7] A post-90s university graduate returned to Hong Kong from the United Kingdom to run a pork stall. Embracing his craft, he identifies as a "professional meat splitter" rather than a butcher. After struggling in the United Kingdom, Ray took up meat cutting, earning a monthly income over \$5,149.04 (HK\$40,000) within a year. He opened his own stall in Aberdeen, promoting it through social media and building a solid customer base. <b>ATO Notes:** By rebranding as a "professional meat splitter" and leveraging social media to modernize customer engagement, this example shows how social media can bridge generational gaps in sectors like butchery, transforming perceived "low-status" work into viable, tech-integrated careers. This phenomenon highlights a contradiction in Hong Kong's workforce environment: even as older sectors face staffing challenges; they present valuable opportunities for youth who are eager to innovate in roles that offer both demand and reward.

### Hong Kong's Office Segment to see Faster Turnaround Than Retail Sector: Morgan Stanley [SCMP, Apr. 7]

Hong Kong's office space segment has a higher probability of making a fast turnaround than the local market's other sluggish sector, retail property, according to Morgan Stanley. Retail's performance may be worse than office in terms of rental improvement, as the office market usually benefits more quickly from a sentiment boost. In the retail segment between 2019 and 2023, the city's four core shopping locations – Causeway Bay, Tsim Sha Tsui, Central and Mong Kok – saw rents fall between 29 per cent and 47 per cent, according to Cushman & Wakefield. **ATO Notes:** The retail sector remains burdened by structural shifts in consumption patterns and the loss of high-income residents that emigrated following the passage of the National Security Law and the government's strict pandemic measures. As commercials office space rebounds, retailers and restaurants are likely to see some positive effects.



## Could Trump's Tariffs Mean Cheaper Non-U.S. Food in Hong Kong, Like Avocados and Olive oil? [<u>SCMP</u>, Apr.9]

A Hong Kong commentary pointed out that Hong Kong might benefit and even seize opportunities during the tariff period. As one of the freest ports, Hong Kong could gain from the situation. Asian countries like Vietnam, Thailand, and China, hit hard by tariffs, may redirect surplus goods to Hong

Kong, offering discounted prices. This could benefit Hong Kong companies and shoppers. American tariffs might also lead to an oversupply of products like Thai rice, Vietnamese seafood, and New Zealand lamb. European goods like buffalo mozzarella and Spanish ham could also find their way to Hong Kong. The recent reduction of the tax on hard liquor and the tax-free status of wine since 2008 further boosted Hong Kong's market for foreign alcohol. **ATO Notes:** the Hong Kong government has not announced any retaliatory or reciprocal tariff on U.S. goods. The government has emphasized the importance of remaining a free port for global goods, with all agricultural products (excluding distilled spirits and tobacco) entering duty free. Local buyers are undoubtedly watching for signs of declining prices and distressed cargoes as they seek opportunities to benefit from the trade disruptions. It remains to be seen how Hong Kong may benefit as a hub for goods seeking entry to the mainland.

#### Co-location Checkpoint in Shenzhen for Rail Link [The Standard, Apr. 1]

The Hong Kong government announced that Hong Kong and Shenzhen will establish a co-location checkpoint in Shenzhen for the planned Hong Kong-Shenzhen Western Rail Link, with no customs facilities on the Hong Kong side. This joint immigration clearance aims to streamline cross-border travel. The rail link will connect Hong Kong's Hung Shui Kiu to Qianhai in Shenzhen with a 15-minute ride. **ATO Notes:** Currently, 2 rail lines link Hong Kong and Shenzhen. One of them is the Express Rail Link (to West Kowloon Station) and the other is the East Rail Line (to Lo Wu and Lok Ma Chau Station). A third rail link operating in Hung Shui Kiu would ease transport to the mainland for people residing in the western New Territories. The Planning Department of Hong Kong projected that there were about 4 million of New Territories residents in 2024, with about 1.2 million residing in western region. Expanded cross-border travel options for this population could facilitate greater short trips by Hong Kong residents to the mainland for more affordable shopping and dining.

### SEE's Opening Remarks on Food Safety and Environmental Hygiene (FEHD) at LegCo Finance Committee Special Meeting [HKSAR - Press Release, Apr.9]

Highlights from the remarks by the Secretary for Environment and Ecology at the Legislative Council Finance Committee Special meeting included works undertaken by the Food, Environment and Hygiene Department in 2024, including continuous improvement in environmental hygiene, streamlining food business licenses, new public markets modernization, and local agriculture and fisheries development. By developing local agricultural industries, the HKG is actively implementing measures set out in the "Blueprint for the Sustainable Development of Agriculture and Fisheries." On the agriculture front, the Government has reserved land in Sheung Shui for the construction of Hong Kong's first multi-story modernized and environment-friendly livestock farm with the site expected to be completed in 2026.

### Hong Kong Suspends Imports of Poultry Meat and Products from 10 U.S. Counties [<u>CFS – Press</u> <u>Release</u>, Apr. 1; <u>CFS – Press Release</u>, Apr. 8]

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department (FEHD) has suspended poultry imports from 10 counties following a notification from the World Organization for Animal Health (WOAH) about outbreaks of highly pathogenic avian influenza (HPAI). **ATO Notes:** In 2024, U.S. poultry meat exports to Hong Kong grew 29 percent to \$135 million. For the first 2 months of 2025, poultry meat exports dropped 61 percent to \$7 million due to high stocks and significant numbers of suspended counties due to HPAI.

#### ATO EVENTS CALENDAR





# UPCOMING EVENTS

Apr 2025	4/3	U.S. Ingredients Baking Seminar and Hands-on Workshop in PolyU (ATO HK)
May 2025	5/12-16 5/15	USDA Agribusiness Trade Mission American Whiskey Trail Hong Kong Media Launch
	5/14-16	HOFEX/ProWine
Jun 2025	TBC TBC	California Wine Month Media Launch (CWI) American Whiskey Trail Hong Kong Spirits Promotion
Jul 2025	TBC	California Wine Month (CWI)

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#### Attachments:

No Attachments.