



**United States
Department of
Agriculture**

Hong Kong

Vibrant Market & Regional Hub for U.S. Food & Agricultural Products

March 14, 2015



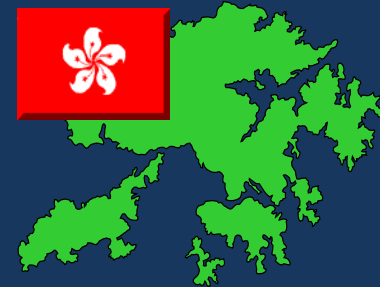
Topics

- Hong Kong Overview
- Hong Kong – Vibrant Food Market
- Hong Kong – Regional Trading Hub
- Macau Overview
- Overview of ATO Hong Kong

Hong Kong Fast Facts



Hong Kong Fast Facts



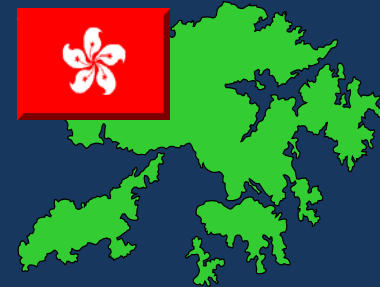
A Densely Populated City

Size:	1,100 sq. km
Population:	7.26 million (end 2014)
Typical Home Size:	500 sq. ft. for 2 to 4 persons
Birth Rate:	9.38 births / 1,000 population (ranked 204 in world)
Urban Population:	100% of total population (2011)

- ✓ **Frequent shopping trips due to limited storage space**
- ✓ **Dining out a regular pastime for local residents**

Hong Kong Fast Facts

Sophisticated Consumers with Western Influence



Major Ethnic Group: 95% Chinese

Languages: Cantonese, Mandarin, English

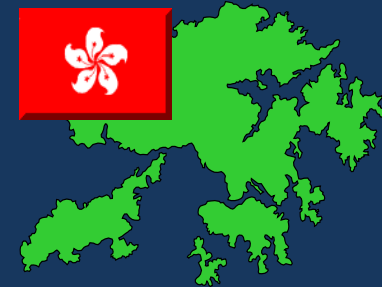
Literacy: 95%

History:

- British colonial rule (1842-1997)
- Reversion to Chinese sovereignty (July 1, 1997)
- One Country, Two Systems (1997-2047)

- ✓ **Asian palate with western exposure**
- ✓ **Welcome new ideas and new products**
- ✓ **Consumers demand high quality and safe food products**

Hong Kong Fast Facts



Steadily Rising Economic Indicators

GDP:	\$288 billion (↑ 5.3% over 2013)
Per Capita GDP:	\$39,758 (↑ 4.6% over 2013)
F&B Retail Sales:	\$11.47 billion (↑ 6.7% over 2013)
Restaurant Receipts:	\$12.9 billion (↑ 3.4% over 2013) Around 8,500 restaurants in the city

- ✓ **Affluent consumers willing to spend on food & beverages**
- ✓ **Opportunities for high quality imported products**

Hong Kong Fast Facts

A Business-Friendly City

Economic Freedom - #1 in World

Few Trade Barriers: Low taxation, No tariffs, No exchange control

Excellent infrastructure:

- Convenient local and regional transport

- World-class telecommunications and connectivity

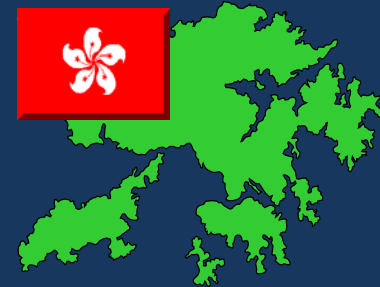
- World-leading sea and air cargo system

Transparent and Efficient Government:

- Independent judiciary and the rule of law

- Free flow of information

- Among the world's most corruption-free cities



Hong Kong Fast Facts

Platform to the Region

No. of tourists: 60.8 million (↑12% over 2013)

(78% from Mainland China)

No. of regional headquarters in Hong Kong: 1,389

22% from the US

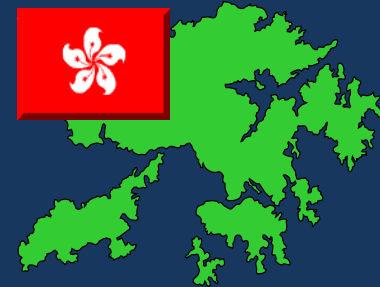
17% from Japan

8.6% from the UK

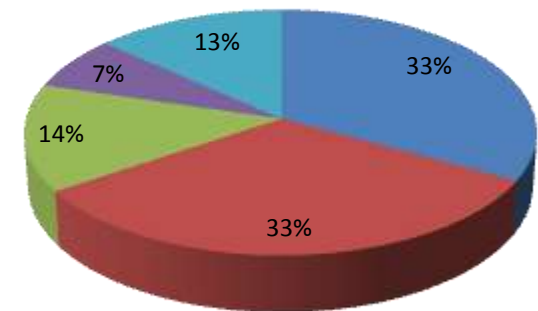
8.6% from China

Gateway to markets in the region

Nearly 30% gross food imports were re-exported outside Hong Kong



Destinations of Hong Kong Re-exports of Consumer-Oriented Agricultural Products and Seafood (2014)



■ China ■ Vietnam ■ Macau ■ Taiwan ■ Others

Hong Kong Fast Facts

Strategically located at the heart of Asia



Topics

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U.S. Food Exports

U.S. Food Exports

Hong Kong Position in U.S. Exports in 2014 (by value):

Total Agricultural Products	# 6 (\$4.3 billion)
Consumer-Oriented F&B Products	# 4 (\$3.8 billion)
Tree Nuts	# 1 (\$926 million)
Beef & Beef Products	# 3 (\$1.15 billion)
Poultry Meat & Products	# 3 (\$521 million)
Fish & Seafood	# 7 (\$147 million)
Wine of Fresh Grapes	# 6 (\$65 million)

(Source: Global Trade Atlas and BICO using U.S. Census Bureau Trade Data)

U.S. Food Exports

U.S. Exports of Total Agricultural Products

Destination	US\$ Million					Share 2014	Growth 14 vs 13
	2010	2011	2012	2013	2014		
World	119,792	140,892	145,948	149,278	155,680	100%	4%
1 Canada	19,832	22,254	23,798	24,678	25,332	16%	3%
2 China	17,601	18,931	25,906	25,556	24,630	16%	-4%
3 Mexico	14,792	18,632	19,235	18,521	19,806	13%	7%
4 Japan	11,900	14,187	13,640	12,376	13,341	9%	8%
5 Korea, South	5,341	7,011	6,067	5,294	6,960	4%	31%
6 Hong Kong	2,855	3,384	3,455	3,891	4,142	3%	6%
7 Taiwan	3,208	3,629	3,226	3,105	3,534	2%	14%
8 Indonesia	2,256	2,819	2,501	2,828	2,943	2%	4%
9 Philippines	1,640	2,082	2,349	2,488	2,731	2%	10%
10 Netherlands	1,473	1,966	1,789	2,082	2,521	2%	21%
161 Macau	17	23	10	8	6	0%	-24%

Source: Global Trade Atlas using U.S. Department of Commerce, Bureau of Census data

U.S. Food Exports

U.S. Exports of High Value Food and Beverage Products

Destination	US\$ Million					Share 2014	Growth 14 vs 13
	2010	2011	2012	2013	2014		
World	53,523	63,761	68,152	73,752	76,820	100%	4%
1 Canada	16,533	18,514	19,772	20,893	21,206	28%	1%
2 Mexico	5,731	6,828	7,401	8,434	9,430	12%	12%
3 Japan	5,937	6,812	7,191	7,225	7,320	10%	1%
4 Hong Kong	2,599	3,179	3,310	3,673	4,033	5%	10%
5 Korea, South	2,140	3,092	3,187	3,213	3,867	5%	20%
6 China	2,002	3,224	3,609	3,928	3,446	4%	-12%
7 Netherlands	973	1,217	1,224	1,354	1,482	2%	9%
8 Taiwan	1,069	1,130	1,214	1,393	1,453	2%	4%
9 Germany	908	1,063	1,063	1,325	1,429	2%	8%
10 Australia	702	1,029	1,092	1,180	1,342	2%	14%
152 Macau	15	21	9	6	4	0%	-32%

Source: Global Trade Atlas using Department of Commerce, Bureau of Census data

Nebraska Exports to World

In 2014



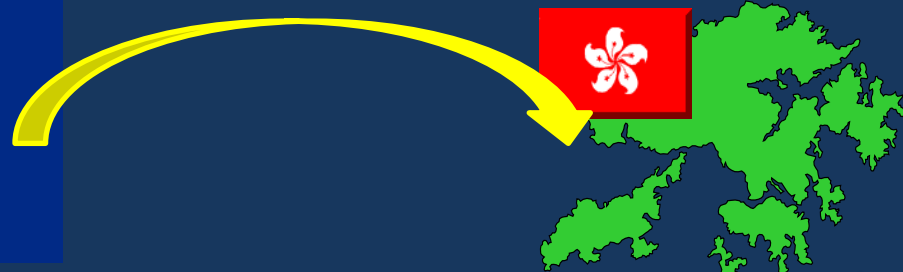
Total Agricultural products to world: 3.7 billion (↑11.8%)

(Major product groups: bovine meat, soybeans, Whole Hides & Skins, Animal Feed Prep, Corn [Maize])

Rank	Partner Country	Exports Value in 2014 (USD)
	World	3,695,706,173
1	Mexico	1,090,215,303
2	Japan	545,701,176
3	Canada	411,404,594
4	China	370,611,996
5	Korea, South	313,342,426
6	Hong Kong	253,929,095
7	Netherlands	132,019,631
8	Taiwan	94,340,928
9	Australia	47,095,942
10	Italy	36,948,637

Nebraska Exports to HK

In 2014



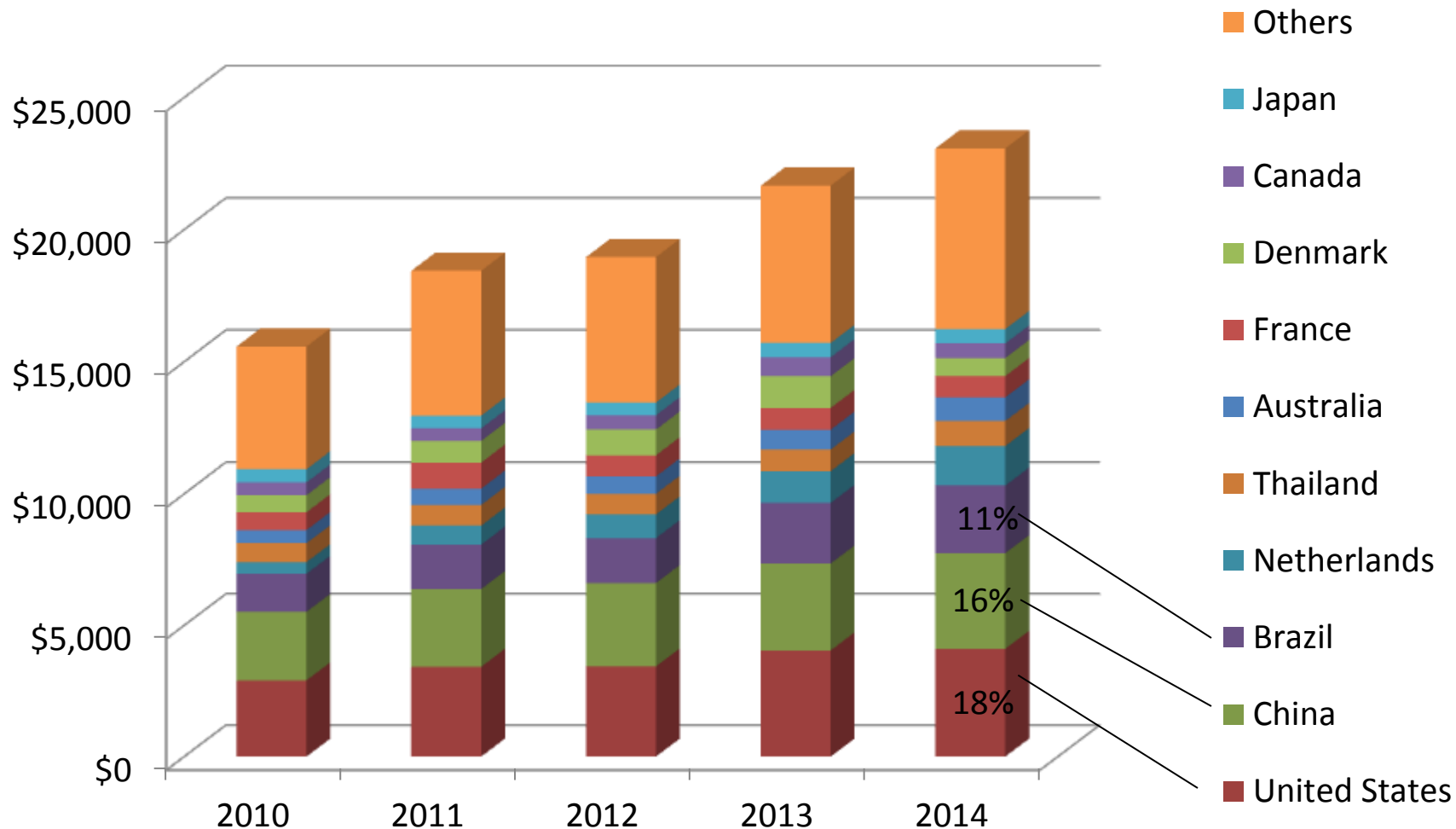
Total Agricultural products to Hong Kong: 254 million (↑30.5%)

Nebraska Exports to Hong Kong				
Commodity: Agricultural Total, Group 2 (2012)				
Commodity	Description	Value in 2014	% of Share	%Δ 14/13
020230	Meat Of Bovine Animals, Boneless, Frozen	182,694,442	71.95	33.28
020220	Meat, Bovine Cuts With Bone In, Frozen	41,572,915	16.37	-1.02
020130	Meat Of Bovine Animals, Boneless, Fresh Or Chilled	7,882,920	3.1	12.83
020649	Offal Of Swine Except Livers, Edible, Frozen	4,408,433	1.74	134.45
160250	Prepared Or Preserved Bovine Meat Etc. Nesoi	3,622,383	1.43	n/a
020629	Offal Of Bovine Animals, Edible, Nesoi, Frozen	2,966,082	1.17	n/a
050400	Animal (Not Fish) Guts, Bladders, Stomachs & Parts	2,760,024	1.09	1043.12
230910	Dog And Cat Food, Put Up For Retail Sale	1,582,193	0.62	24.29
200290	Tomato Paste Etc, Not Prepared With Vinegar Etc.	1,020,787	0.4	n/a

Hong Kong Food Imports

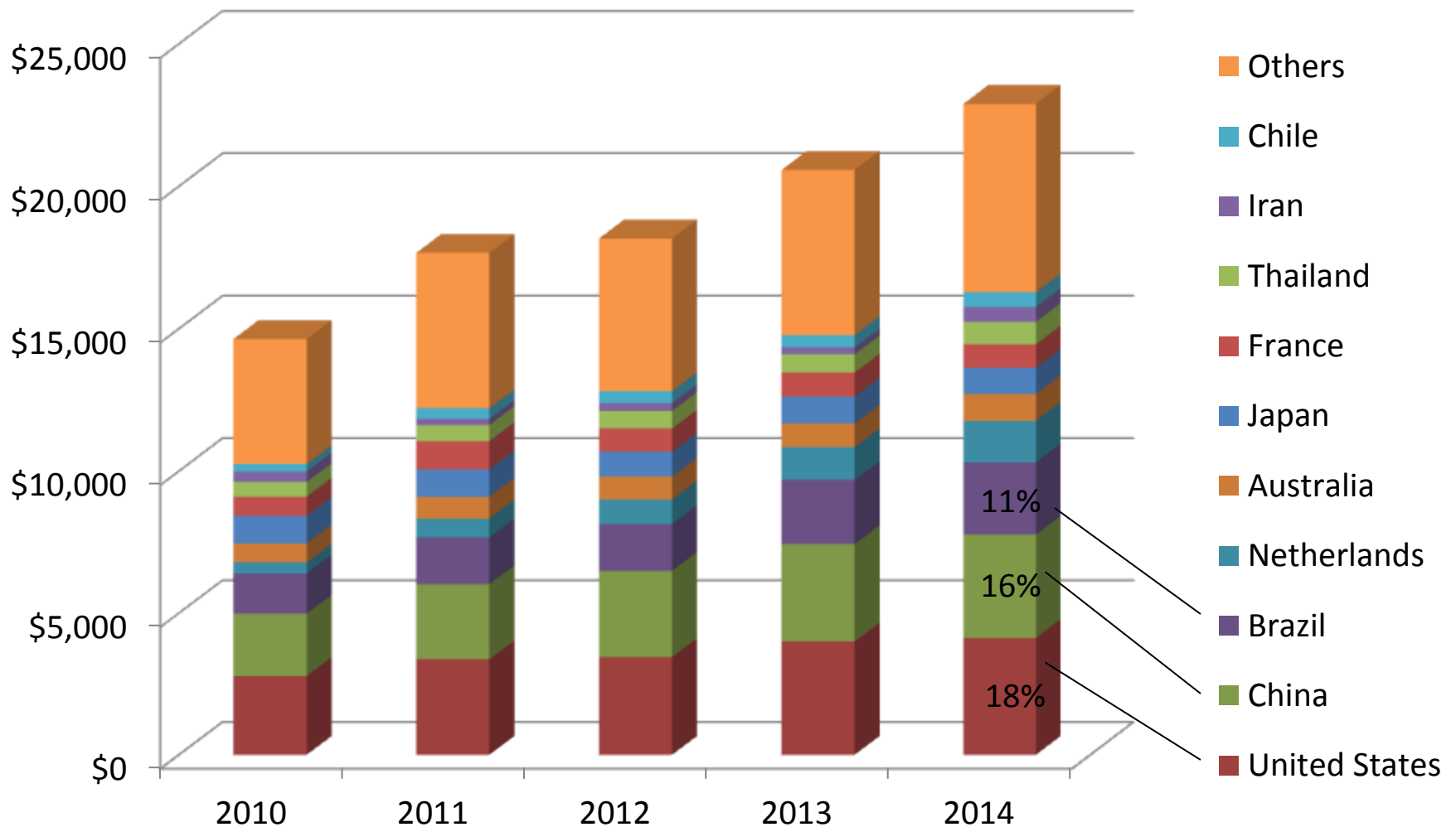
Hong Kong Imports

Hong Kong Imports of **Total Agricultural Products**
(Value in US\$ Million)



Hong Kong Imports

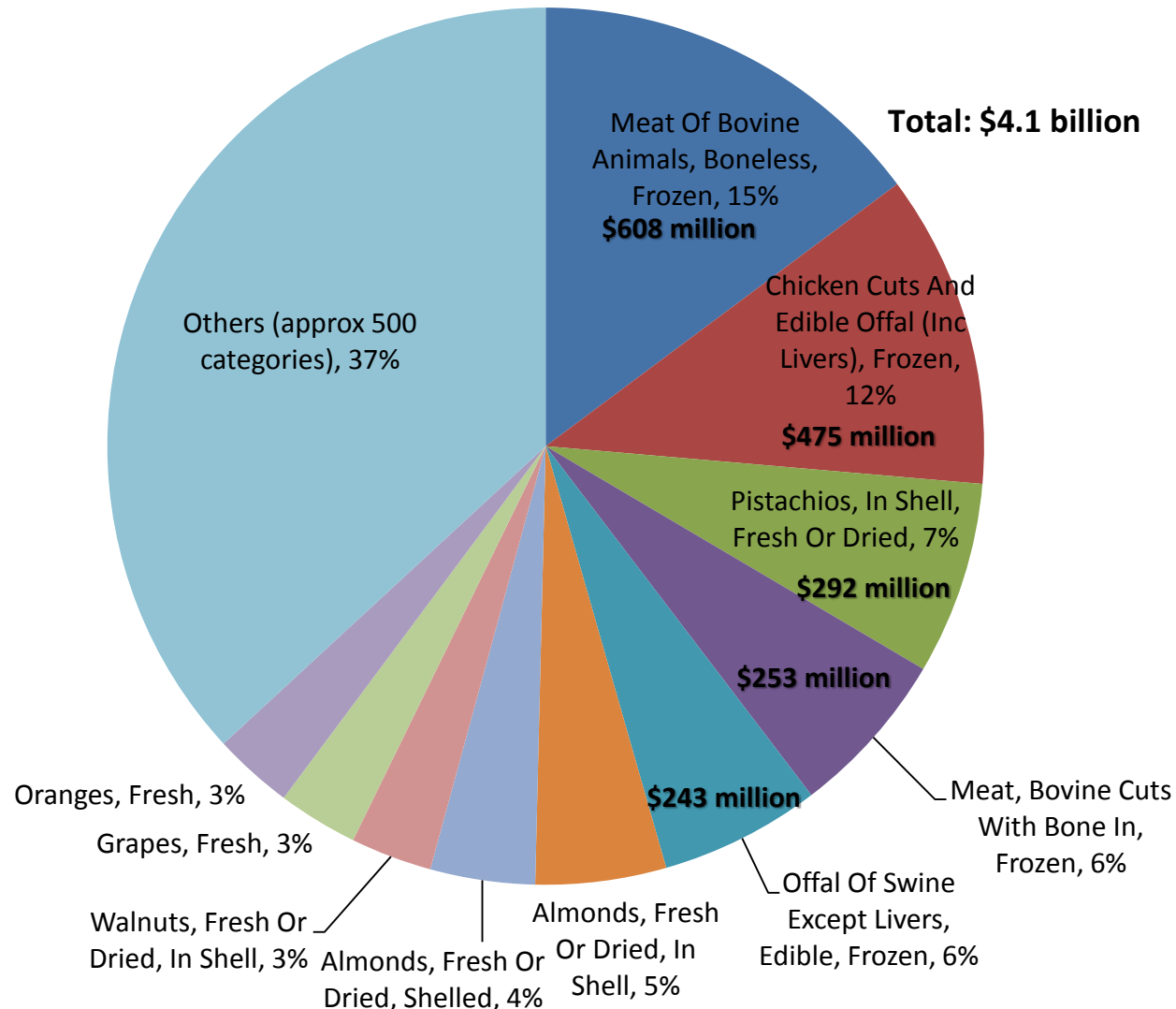
Hong Kong Imports of High Value Food & Beverage Products (Value in US\$ Million)



Source: Global Trade Atlas using Hong Kong Census and Statistics Department Data

Hong Kong Imports from the U.S.

Hong Kong Imports of U.S. Agricultural Products in 2014 (in Value)



HK Food Imports Major Categories

Product Category	Gross Imports	Major Supply Sources
Red Meats, chilled/frozen	US\$5.1 billion	1. Brazil – 37% 2. U.S. – 24% 3. Germany – 6%
Fresh Fruit	US\$2.2 billion	1. U.S. – 22% 2. Thailand – 20% 3. Chile – 18%
Dairy Products	US\$1.87 billion	1. Netherlands – 57% 2. New Zealand – 8% 3. Ireland – 6% 12. U.S. – 2%
Poultry Meat, (Fresh, chilled & frozen)	US\$1.67 billion	1. Brazil – 33% 2. U.S. – 29% 3. China – 17%
Tree Nuts	US\$1.66 billion	1. U.S. – 54% 2. Iran – 30% 3. Germany – 6%
Red Meats, Prepared/preserved	US\$1.25 billion	1. China – 28% 2. U.S. – 10% 3. Spain – 6%
Wine	US\$1.02 billion	1. France – 49% 2. U.K. – 11% 3. China – 10% 5. U.S. – 6%
Processed Fruit & Vegetables	US\$613 million	1. China – 37% 2. U.S. – 24% 3. Thailand – 6%
Fresh Vegetables	US\$428 million	1. China – 77% 2. U.S. – 7% 3. Australia – 3%
Eggs	US\$221 million	1. China – 47% 2. U.S. – 23% 3. Thailand – 11%

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HK Food Re-exports

Hong Kong Re-exports of Consumer-Oriented Ag., Fish & Seafood Products (2010-2014)

Destination	US\$ Million					Share	Growth
	2010	2011	2012	2013	2014	2014	14 vs 13
World	4,710	5,499	5,560	5,985	6,764	100%	13%
China	2,373	2,235	2,097	1,749	2,233	33%	28%
Vietnam	878	1,547	1,693	2,210	2,199	33%	-1%
Macau	467	601	631	772	952	14%	23%
Taiwan	374	442	357	427	479	7%	12%
United States	167	161	175	161	170	3%	6%

Source: Global Trade Atlas using Hong Kong Census and Statistics Department data

Hong Kong Fast Facts

Strategically located at the heart of Asia



Hong Kong as A Hub

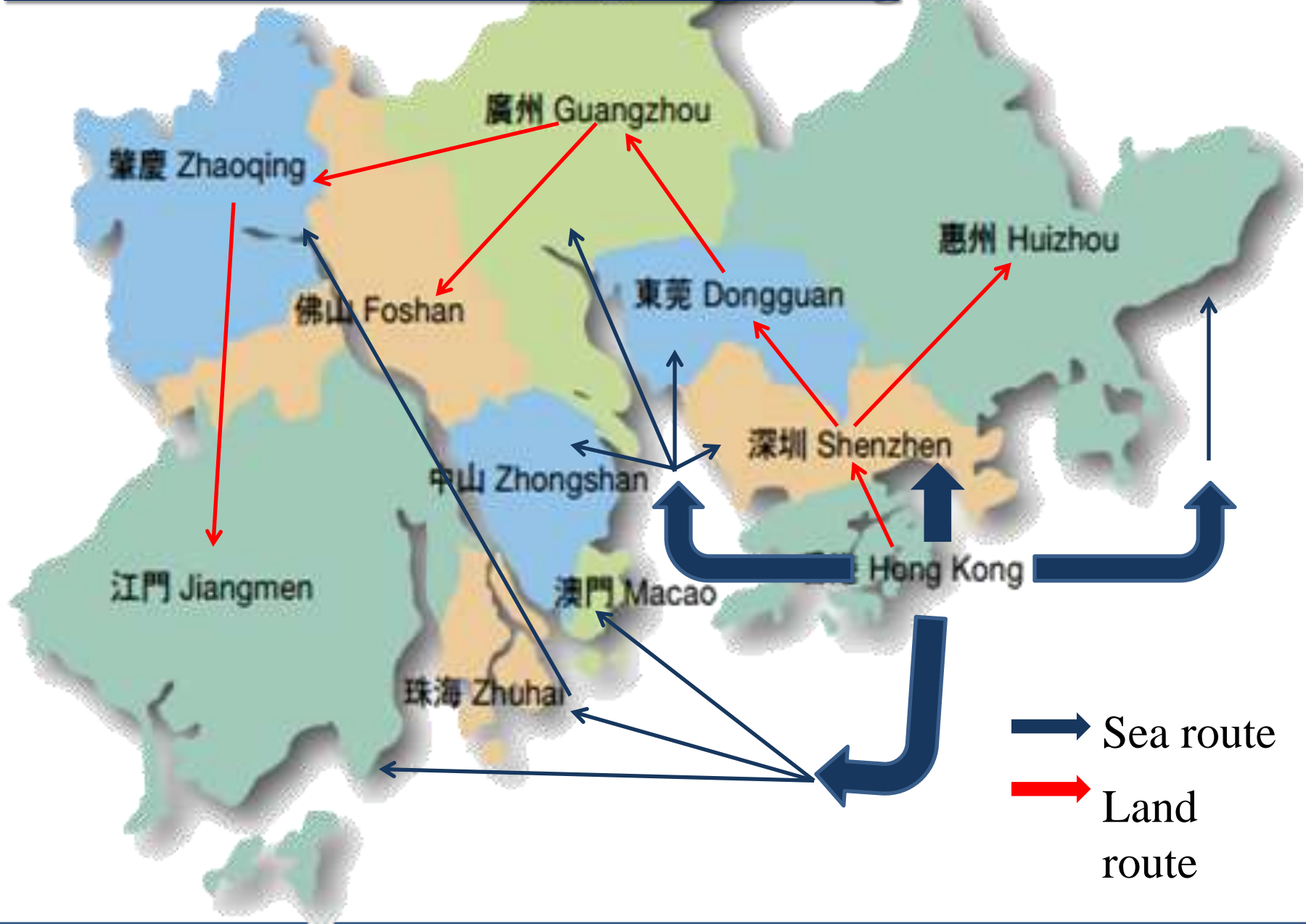
Connecting to Pearl River Delta and South East Asia



Hong Kong – Regional Trading Hub

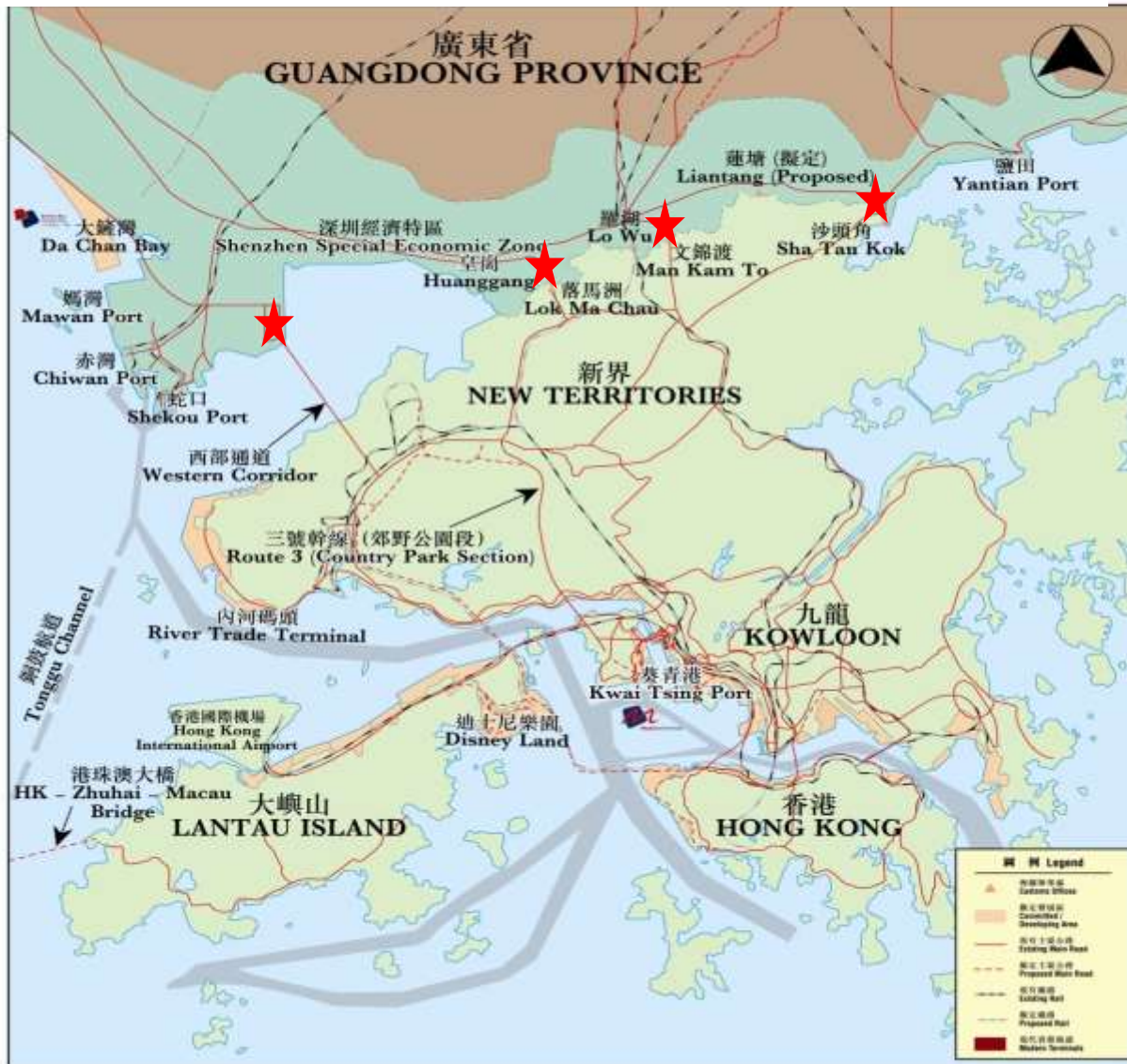


Pearl River Delta and Hong Kong





Hong Kong Sea and Land Transport



=====
Railways

————
Highways

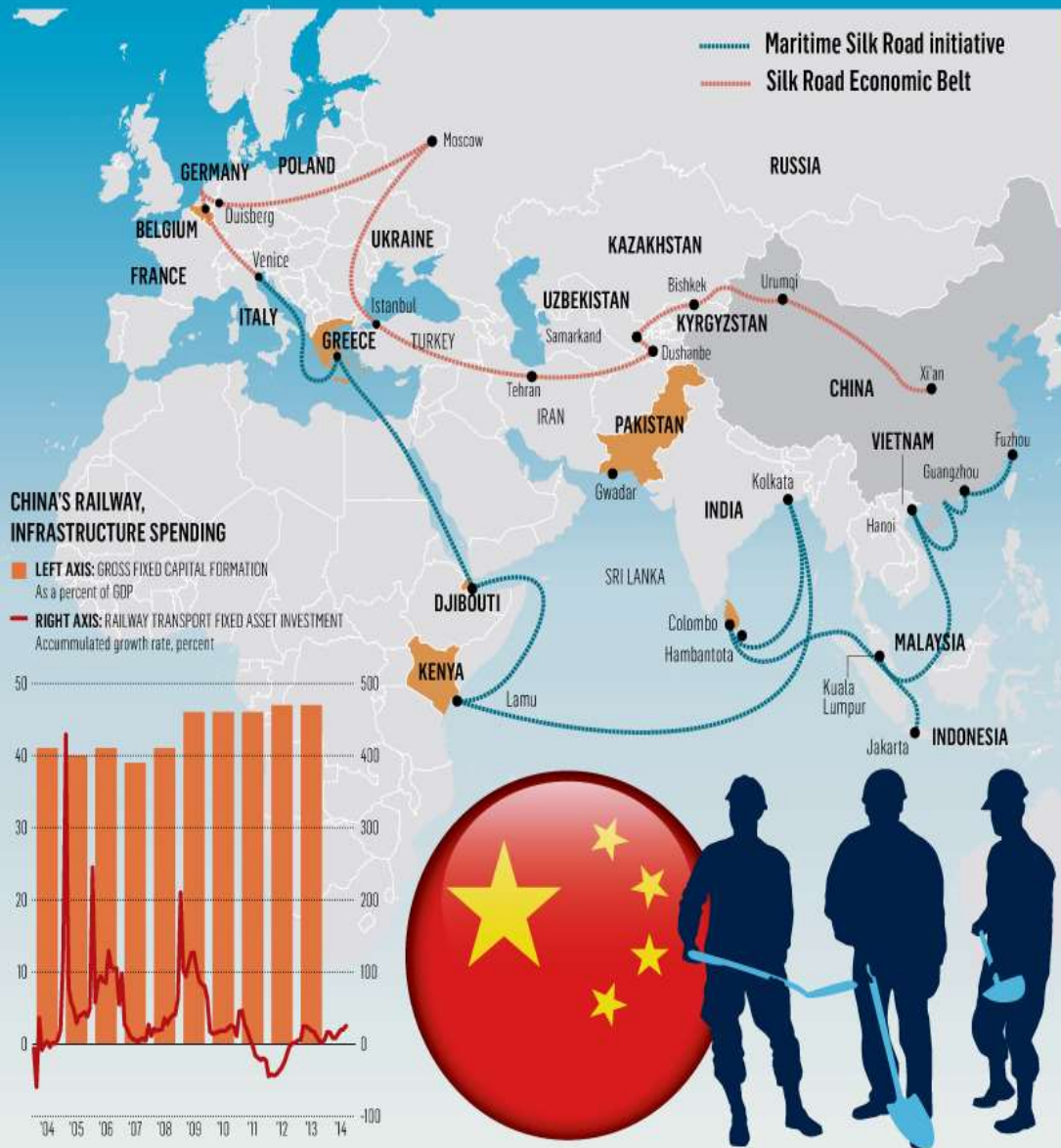
★
Border
Checkpoint

China's new land-based Silk Route



CHINA'S SILK ROAD PUSH

China has just announced a multi-billion dollar fund to revive pancontinental land routes and develop maritime links, aiming to both expand commerce and perhaps give it more influence in a freight system dominated by European shippers.



According to Reuters calculations, China's state-backed firms have already invested at least \$5 billion in transport infrastructure over the past decade.

BELGIUM
Antwerp At least \$3.94 million

• Cosco Pacific bought a 25% stake in 2004. China Merchants later got a stake through its part-purchase of Terminal Link. The two now have a 29% interest in Antwerp.

GREECE
Piraeus Port At least \$624 million

• Cosco Pacific, for the right to run and upgrade part of the port.

DJIBOUTI
Port of Djibouti \$185 million

• China Merchants, for a 23.5% stake

KENYA
Lamu Port Mombasa port \$484 million \$66.7 million

• China Road & Bridge
• China Communications Construction Company

Pakistan
Gwadar port \$198 million

• China paid for 80% of the port's Phase I

SRI LANKA
Hambantota port At least \$1.9 billion Colombo Port City \$1.43 billion Colombo Port \$500 million

• China Exim Bank
• China Harbour Engineering
• China Communications Construction Company
• China Development Bank

Sources: World Bank National Bureau of Statistics of China/Reuters

Topics

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Hong Kong and Macau



Macau Fast Facts

A Small City of History



Population: 631,000 (as at Q3 2014)

Area: 11.3 square miles (1/6 of size of Washington D.C.)

Ethnic Groups: 95% Chinese

Languages: Cantonese, Portuguese (Mandarin, English)

History:

- 1557: Portugal-administered trading post
- 1887: Portuguese colony
- 1999: Transfer of sovereignty to the PRC

Macau Fast Facts

Rising Economic Indicators



GDP: \$56.7 billion (est. for 2014, ↑10% over 2013)

GDP Per Capita: \$89,857 (est. for 2014, ↑3% over 2013)

Gross Food Imports: approx. \$1.1 billion (↑17% over 2013)

Approx. 74% from Hong Kong
Lacking deep sea water port

No. of Tourists: 31.5 million (↑7.5% over 2013)

67.4% from Mainland China

- ✓ **Affluent consumers interested in Asian and Western cuisines**
- ✓ **Opportunities for high quality imported products**

Macau Fast Facts

“The Asia’s Las Vegas”



The only place in China where casino gambling is legal

No. of Casinos: 35

Employees in Gaming Industry: Over 83,000

Gaming Revenues: \$43.9 billion (↓2.6% over 2013)

Las Vegas Gaming Revenues in 2014: \$6.37 billion

Gaming Tax as a % of Government Revenue: Over 70%

- ✓ **Cash payouts increase spending power**
- ✓ **Casinos serve high quality food to employees**

Trends in HK and Macau

Increasing concerns in food safety & reliability

F&B Categories expected to grow

- Beef and high value meat
- Natural and healthy food
- Wine & spirits

Increased Connection between Hong Kong, Macau, Mainland and the Region

- The Hong Kong–Zhuhai–Macau Bridge (2016*)
- The Beijing–Guangzhou–Shenzhen–Hong Kong High-Speed Line (2017* HK-Shenzhen; 2020* nationwide)
- Potential Expansion of Airport Terminal to 3-Runway System (2023*)
- Qianhai Special Economic Zone near Hong Kong
- Hengqin Special Economic Zone near Macau

(* Estimated completion date)

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U.S. Agricultural Trade Office

- **Policy**
 - **Trade Policy Monitoring**
 - **Market Intelligence**
- **Market Promotion**
 - **Trade Matching**
 - **Trade Shows**
 - **Promotional Activities**
 - **US Delegations to Hong Kong**
 - **Buyers Missions to the US**

Trade Policy

- Market Access: Liberal
- Food Import Regime: Science-Based
- Trade Servicing: Sophisticated

Current Policy Issues

- GM Pre-market Safety Assessment Scheme
- Certification for Eggs
- Certification for Edible Oil
- Amendment to veterinary drugs regulation
- Health Claims for Infant Formula

Market Intelligence

USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary - Public

Date: 6/18/2014
GAIN Report Number: HK1422

Hong Kong

Post: Hong Kong
Hong Kong Market Fully Opens to U.S. Beef
Report Categories:
Agriculture in the News
Livestock and Products
Sanitary/Phytosanitary/Food Safety
Approved By:
Erich Kuss
Prepared By:

USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

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Voluntary - Public

Hong Kong

Post: Hong Kong
Hong Kong Duties on Distilled Spirits
Report Categories:
Agriculture in the News
Approved By:
Erich Kuss
Prepared By:
Caroline Yum

USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

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Voluntary

Hong Kong

Post: Hong Kong
Update on Hong Kong's Nutrition Labeling Regulation
Report Categories:
Agriculture in the News
FAIRIS Subject Report
Market Development Report
Approved By:
Erich Kuss
Prepared By:
Caroline Yum

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GAIN Report
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Required By

Hong Kong

Agricultural Biotechnology Annual

Annual

Approved By:
Erich Kuss
Prepared By:
Caroline Yum

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Global Agricultural Information Network

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Date: 3/18/2014
GAIN Report Number: HK1415

Hong Kong

Post: Hong Kong
Retail Food Sector Annual 2014
Report Categories:
Retail Foods
Approved By:
Erich Kuss
Prepared By:

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GAIN Report
Global Agricultural Information Network

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2011
07

Hong Kong

Food Service - Hotel Restaurant Institutional

HRI Food Service Sector

Approved By:
Erich Kuss
Prepared By:

GAIN Report Number: HK1412

Hong Kong

Post: Hong Kong
Exporter Guide 2014
Report Categories:
Exporter Guide

Approved By:
Erich Kuss
Prepared By:
Chris Li, Annie Lai

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- [Hong Kong Trade and Commodity Data](#)
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Local Importer Assistance

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Home

Welcome to the website of Agricultural Trade Office Hong Kong (ATO) !

The ATO in Hong Kong works closely with importers, wholesalers, retailers and other trade promotion organizations to increase the sale of U.S. food and agricultural products in Hong Kong and Macau. We are here to help if your organization needs market information, wish to conduct U.S. good promotions, or are looking for particular U.S. food products. Please browse our website or contact us for more information.

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- [Importation of Pets and Other Animals into the United States](#)
- [U.S. Food and Drug Administration \(FDA\)](#)
- [FDA Registration of Food Facilities](#)
- [FDA Prior Notice of Imported Foods](#)

Others

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- [U.S. Consulate in Hong Kong](#)
- [Business Hours and Holidays](#)

Activity calendar

< 2014 Jul >

		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26

Trade Shows



HOFEX 2013



Asia Fruit Logistica



Asian Seafood Exposition



Vinexpo Asia Pacific



HK Int'l Wine & Spirits Fair



LOHAS Expo

U.S. Delegations



South Dakota Delegation



Nebraska Delegation



Vermont Delegation



SUSTA Delegation



Oregon Dairy Delegation



WUSATA Delegation

In-Store Promotions



Great Food Hall



New Yaohan (Macau)



ParknShop



AEON



YATA



CitySuper

Other Activities



Menu Promotion



Cooking Competition



Food Rescue Program



School Lunch Program



Wine Tasting Education



Culinary Diplomacy

Export Success 2014

- U.S. – remains the largest food supplier to Hong Kong
- U.S. exports of high value consumer-oriented food products to Hong Kong:
\$3.8 billion (new record, ↑11% over 2013)
- Sales at Food Trade Shows:
\$14.9 million
- Sales at USA Food Instore Promotions:
\$2.56 million

Upcoming Events

- **F&B Trade Shows 2015**

- HOFEX (May 6 – 9)
- Hong Kong Food Expo (Aug 13 – 17)
- Natural & Organic Products Asia (Aug 26 – 28)
- Asia Fruit Logistica (Sep 2 – 4)
- Seafood Expo Asia (Sep 8 – 10)
- HK Int'l Wine & Spirits Fair (Nov 5-7)
- AgriPro Asia/Bakery Expo (Dec 3-5)

- **Other Activities**

- Instore Promotions (Mar-Summer)
- Menu Promotions (Summer)
- Cyberport BBQ (Oct 24-25)
- Great American BBQ (Nov)
- United Tastes of America Cooking Competition

Thank You



**U.S. Consulate General
U.S. Agricultural Service
Hong Kong & Macau**



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Email: Atohongkong@fas.usda.gov

Website: www.usfoods-hongkong.net