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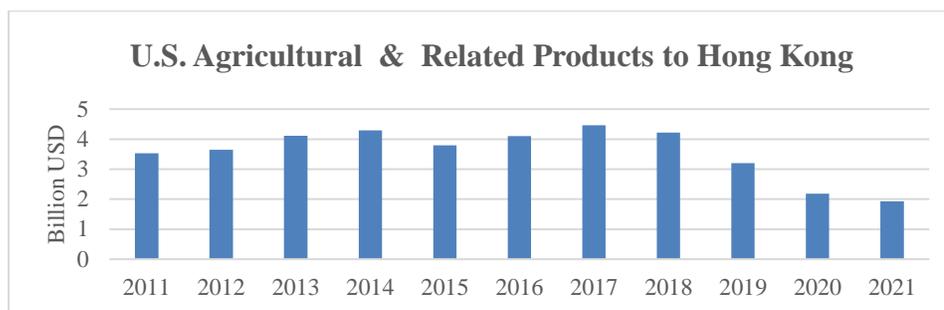
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Report Highlights:

In 2021, the total value of U.S. agricultural and food exports to Hong Kong dropped 12 percent compared to 2020, continuing its decline from the 2017 peak and reaching its lowest level since 2008. The overall drop in exports was driven primarily by lower sales of consumer-ready products which offset recoveries in other product categories. Over the last two years, Hong Kong’s measures under its “zero-COVID-19” policy and global shipping logistic have further tempered U.S. agricultural exports to Hong Kong. Nonetheless, U.S. exports of wine and related products, condiments and sauces recovered while sales of processed fruits and distilled spirits held steady. In addition, last year’s exports of U.S. live breeding pigs grew eleven-fold highlighting local farmer’s interest in quality and healthy breeding stocks.

2021 U.S. Agricultural Trade to Hong Kong Trade Highlights



Source: U.S. Census Bureau Trade Data

In 2021, the total value of U.S. agricultural and food exports to Hong Kong dropped 12 percent compared to 2020, continuing its decline from the 2017 peak and reaching its lowest level since 2008. U.S. agricultural exports to Hong Kong have been declining since 2018 with the rise of U.S. – China trade tensions, and in 2019 when local political unrest dampened Hong Kong’s demand for food imports. The introduction of the U.S. – China Phase One purchase agreement in 2020, has also encouraged the expansion of U.S. direct exports of highly-traded items (namely beef, and edible tree nuts) to mainland China rather than through Hong Kong. In addition, government measures in pursuit of a “zero-COVID” strategy and global shipping issues further discouraged U.S. food and agricultural exports to Hong Kong in 2020 and 2021.

Product Group	2020 (Million USD)	2021 (Million USD)	2021/2020 Percent change
Consumer-Ready	\$1,911	\$1,603	-16
Agricultural Related	\$150	\$191	27
Intermediate	\$90	\$92	3
Bulk	\$32	\$37	16
Total Agricultural and Related	\$2,183	\$1,923	-12

Source: U.S. Census Bureau Trade Data

- Consumer-Ready Products:** This product category remains the biggest driver of U.S. agricultural and food exports to Hong Kong. Over the past four years, exports within this category have been decreasing with the expansion of U.S. exports directly shipped to China. Last year, disruptions in global shipping logistics also affected U.S. exports to Hong Kong but to a lesser extent than the re-direction of exports to China. In 2021, U.S. sales of tree nuts recovered but were still below the five-year average. Conversely, meat products, including beef, poultry, and pork, decreased significantly. Fresh fruit exports declined to the lowest level in the past decade. U.S. pet food sales did not sustain the growth gained in the past years and dropped by almost half. However, sales of egg and egg products reached the highest level since 2019. U.S. exports of wine and related products, and condiments and sauces recovered to 2019 levels while sales of processed fruits and distilled spirits held steady.

- **Ag-related Products:** Seafood exports to Hong Kong recovered, growing 32 percent but still below their peak in 2018. The export value of Caribbean spiny lobster, chilled crabs, chilled shrimps and frozen flat fish to Hong Kong reached record high levels in 2021. In addition, live eels and chilled clams performed well, rebounding to export value of previous years. Conversely, U.S. sales of forest products dropped 18 percent.
- **Intermediate:** The most conspicuous jump was soybean oil, representing an increase of almost 6,000 percent and an absolute increased value of over \$9 million. Recoveries in the sales of other vegetable oils, hides and skin, soybean meal, and sugar, sweeteners, and beverages bases, contributed to the increase in intermediate products exports. Live breeding pig exports, though relatively smaller in export value (\$494,000), grew eleven-fold in 2021. This highlights local farmers' interest in quality and healthy breeding stock free from African Swine Fever. Hence, this sector represents growth potential for U.S. exports.
- **Bulk Commodities:** In 2021, bulk exports increased 16 percent, triggered by the biggest absolute value growth in tobacco, cotton and corn. In the past few decades, Hong Kong spinners have established operations in Southeast Asia and China. As Hong Kong's last cotton mill closed in 2014, the limited amount of cotton imported into Hong Kong is ultimately for re-export markets. Hong Kong traders usually have cotton delivered directly to the countries where their mills are located. Last year's growth in U.S. corn sales to Hong Kong was due to higher corn prices as the import quantity actually dropped 12 percent. However, the value growth in exports of cotton and corn was big enough to offset the significant drop in rice and soybeans.

Attachments:

No Attachments.