

Voluntary Report – Voluntary - Public Distribution

Date: December 19, 2024

Report Number: HK2024-0044

Report Name: Spirits Sales Surpass Pre-Pandemic Levels as Cocktail Culture Booms

Country: Hong Kong

Post: Hong Kong

Report Category: Market Development Reports, Product Brief

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Report Highlights:

In 2023, Hong Kong was the world's ninth largest spirits importer. The city's global imports surpassed pre-pandemic levels by 30 percent and reached a new record valued of \$779 million. Last year, domestic consumption grew significantly as both on-trade and off-trade sales registered remarkable growth. Spirits sales are expected to increase, benefiting from recently lowered duties, growing consumer interest in cocktails, and tourists returning to the city. Hong Kong is not yet a major destination of U.S. spirits, but the growing demand for cocktails signals opportunities for U.S. distilleries.

SECTION I. DEFINITION

For this market overview, spirits are defined as beverages with an alcoholic strength by volume of less than 80 percent (HS Code: 220820, 220830, 220840, 220850, 220860, 220870, 220890).

SECTION II. IMPORT REGULATIONS

(1) Duties

Beverages containing more than 30 percent alcohol content are subject to 100 percent excise duty on the first \$200 HKD (about \$25 USD) in value and ten percent thereafter, unless the product is to be re-exported and not consumed in Hong Kong, in which case there is no excise duty. For additional information, please see GAIN Report: [Hong Kong Lowers Liquor Tax in Boost to Distilled Spirits Trade](#)

(2) License and Permit

Beverages with an alcohol content of more than 30 percent by volume measured at a temperature of 20 degree Celsius are subject to license and permit control. Only licensed importers are eligible to import these products and an import permit is required for each shipment prior to arrival.

For more details, please see the [Hong Kong FAIRS Annual Country Report](#).

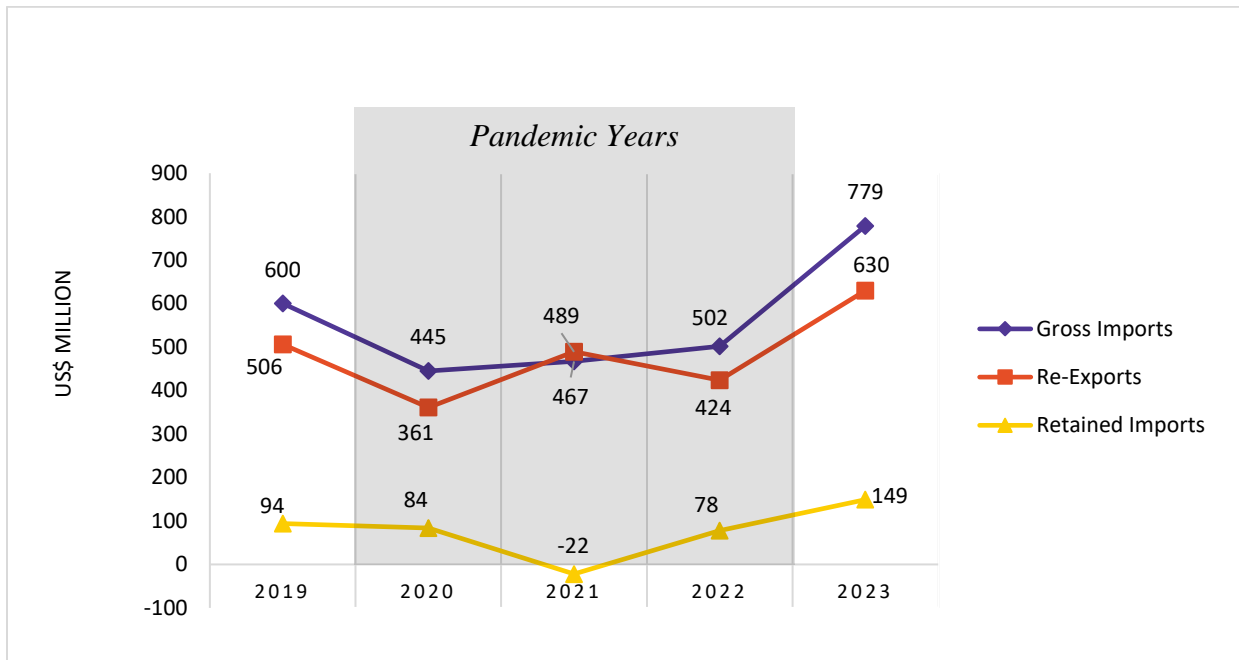
SECTION III. SPIRITS TRADE

Imports

Hong Kong was the world's ninth largest spirits importer in 2023, with imports valued at \$779 million. The city's global imports of spirits grew 55 percent from 2022 and surpassed pre-pandemic levels in 2019 by 30 percent. China, France, and the U.K. were the top three spirits suppliers accounting for 93 percent, or \$729 million of Hong Kong's total spirits imports. The United States was the sixth largest spirits supplier by value. Hong Kong imports of U.S. spirits grew 77 percent from \$3.3 million in 2022 to \$5.8 million in 2023.

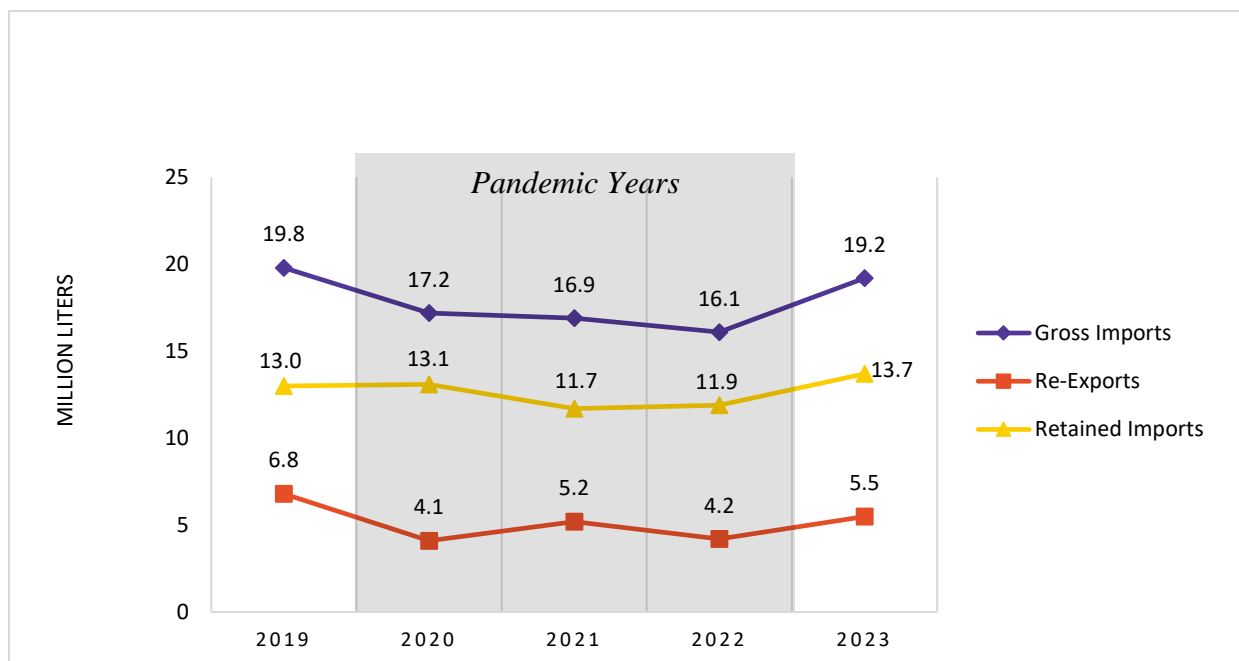
In terms of value, spirits imports navigated a challenging market during the pandemic. However, imports rebounded to \$779 million in 2023, an increase of 55 percent from 2022 and 13 percent above the previous record high of \$690 million in 2018. The recovering food service sector and the growing trend of cocktail culture can be credited for this growth. In the first three months of 2024, Hong Kong global imports of spirits increased 5 percent to \$159.3 million year-on-year. In terms of volume, Hong Kong was the world's 23rd largest spirits imports market, with a volume of 19.2 million liters in 2023, close to pre-pandemic levels in 2019.

Chart 1. Hong Kong: Spirits Imports by Value



Source: Hong Kong Census and Statistics Department

Chart 2. Hong Kong: Spirits Imports by Volume



Source: Hong Kong Census and Statistics Department

Table 1. Hong Kong: Spirits Import Values by Country (Million USD)

	2019	2020	2021	2022	2023	Share 2023	Growth 2023 v 2019	Growth 2023 v 2022
		<i>Pandemic Years</i>						
World Total	600	445	467	502	779	100%	30%	55%
1. China	225.8	194.6	182.2	239.7	348.5	45%	54%	45%
2. France	223.6	148.7	157.7	139.3	244.5	31%	9%	76%
3. United Kingdom	107.7	71.6	78.2	83.2	134.8	17%	25%	62%
4. Singapore	0.7	3.4	5.2	2.7	14.9	2%	2086%	449%
5. Japan	5.1	5.9	18.3	17.4	10.4	1%	106%	-40%
6. United States	10.8	3.1	4.3	3.3	5.8	1%	-46%	77%
Rest of World	26.3	17.7	21.1	16.4	20.1	3%	-24%	11%

Source: Trade Data Monitor, LLC

Table 2. Hong Kong: Spirits Import Volumes by Country (Million Liters)

	2019	2020	2021	2022	2023	Share 2023	Growth 2023 v 2019	Growth 2023 v 2022
		<i>Pandemic Years</i>						
World Total	19.8	17.2	16.9	16.1	19.2	100%	-3%	19%
1. China	6.8	7.3	7.2	6.5	6.8	36%	1%	4%
2. France	5.0	3.4	2.7	2.6	4.2	22%	-16%	59%
3. United Kingdom	3.9	3.1	3.0	3.2	3.9	20%	0%	22%
4. Japan	0.4	0.6	1.1	1.0	1.2	6%	189%	19%
5. United States	0.8	0.4	0.5	0.6	0.8	4%	-6%	35%
Rest of World	2.9	2.4	2.4	2.2	2.3	12%	-21%	5%

Source: Trade Data Monitor, LLC

Re-exports

Hong Kong is a large regional trading hub for spirits. Re-export volumes started to recover in 2023, growing 32 percent to 5.6 million liters compared to 2022. In terms of value, re-exports surpassed pre-pandemic levels of \$506 million in 2019, reaching \$630 million in 2023. Hong Kong's top re-export spirits markets are mainland China, Macau, and Vietnam.

Table 3. Hong Kong: Spirits Re-exports Values by Country (Million USD)

	2019	2020	2021	2022	2023	Share 2023	Growth 2023 v 2019	Growth 2023 v 2022
		<i>Pandemic Years</i>						
World Total	506	361	489	424	630	100%	24%	48%
1. China	261	204	286	218	353	56%	35%	62%
2. Macau	81	58	115	128	189	30%	134%	47%
3. Vietnam	116	54	43	14	32	5%	-73%	122%
4. Singapore	7	22	23	21	20	3%	182%	-5%

5. South Korea	13	3	2	3	9	1%	-31%	158%
Rest of World	28	20	20	40	27	5%	-4%	33%

Source: Trade Data Monitor, LLC

Table 4. Hong Kong: Spirits Re-exports Volumes by Country (Million Liters)

	2019	2020	2021	2022	2023	Share 2023	Growth 2023 v 2019	Growth 2023 v 2022
		<i>Pandemic Years</i>						
World Total	6.8	4.1	5.2	4.2	5.6	100%	-19%	32%
1. China	3.6	2.4	3.6	2.2	3.0	54%	-17%	38%
2. Macau	0.9	0.7	1.0	1.1	1.2	22%	34%	8%
3. Vietnam	0.9	0.4	0.1	0.05	0.5	8%	-48%	833%
4. Indonesia	0.1	0.01	0	0.08	0.3	5%	184%	258%
5. Singapore	0.1	0.3	0.2	0.2	0.2	3%	11%	1%
Rest of World	1.2	0.3	0.3	0.6	0.4	54%	-17%	38%

Source: Trade Data Monitor, LLC

Major Categories of Imported Spirits

“Baijiu”, a strong traditional Chinese distilled alcoholic beverage made of sorghum and classified under “Other Spirituous Beverages,” is the largest spirits category, accounting for 47 percent of the total value of spirits imports. China supplied 95 percent of this category.

Grape brandy is the second largest category, accounting for 31 percent of overall spirits imports by value. France supplied 95 percent of this category. Popular brands include Remy Martin and Hennessy. French brandy used to dominate the Hong Kong spirits market. However, in recent years, it has been overtaken by Chinese Baijiu because of China’s growing business and cultural influence.

Whiskey is the third-largest category in the Hong Kong’s spirits market, accounting for 20 percent of total imports by value. Scottish whiskey is the most popular whiskey and accounted for 81 percent of all whiskey imports.

Table 5. Hong Kong: Spirits Imports by Category (Million USD)

	2019	2020	2021	2022	2023	Share 2023	Growth 2023 v 2019	Growth 2023 v 2022
		<i>Pandemic Years</i>						
Spirits Total	600	445	467	502	779	100%	30%	55%
Other Spirituous Beverage	234	201	187	247	367	47%	57%	49%
Grape Brandy	220	156	166	135	240	31%	9%	78%
Whiskies	110	61	98	108	154	20%	40%	43%
Liqueurs and Cordials	24	21	9	5	9	1%	-63%	80%
Gin and Geneva	5	3	4	3	5	1%	0%	67%

Vodka	5	2	2	4	3	0%	-40%	-25%
Rum and Tafia	2	1	1	1	1	0%	-50%	0%

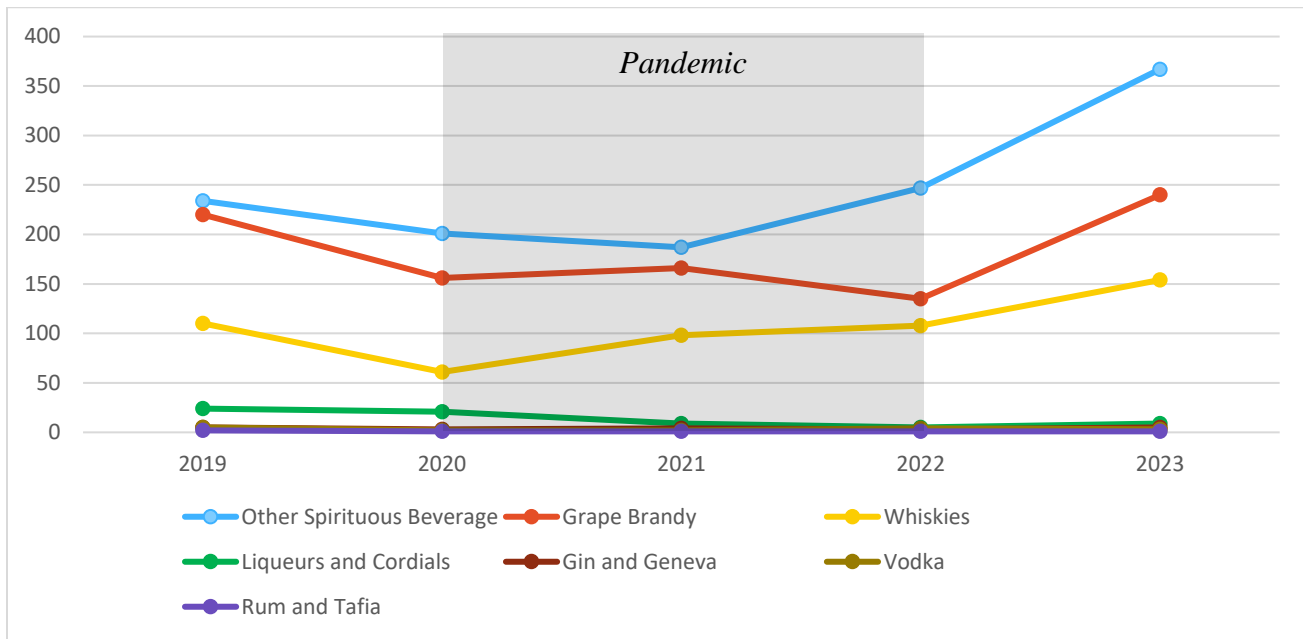
Source: Trade Data Monitor, LLC

Table 6. Hong Kong: Spirits Imports by Category (Million Liters)

	2019	2020	2021	2022	2023	Share 2023	Growth 2023 v 2019	Growth 2023 v 2022
		Pandemic Years						
Spirits Total	19.8	17.2	16.9	16.1	19.2	100%	- 3%	19%
Other Spirituous Beverage	7.9	8.5	8.5	7.7	8.3	43%	5%	8%
Grape Brandy	4.8	3.5	3.0	2.7	4.1	21%	- 15%	52%
Whiskies	4.7	3.2	3.6	4.0	4.6	24%	- 2%	29%
Liqueurs and Cordials	0.8	0.7	0.6	0.6	0.7	4%	- 13%	17%
Gin and Geneva	0.6	0.5	0.6	0.4	0.5	3%	- 17%	25%
Vodka	0.8	0.6	0.5	0.5	0.7	4%	- 13%	40%
Rum and Tafia	0.2	0.2	0.1	0.1	0.2	1%	0	100%

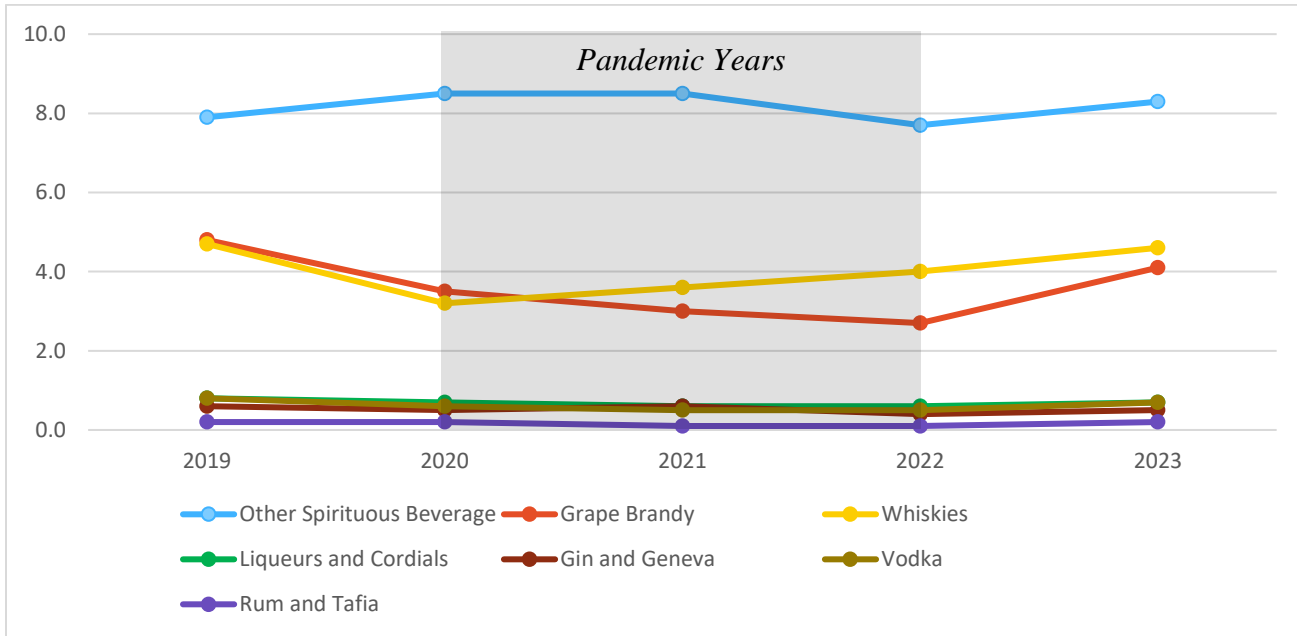
Source: Trade Data Monitor, LLC

Chart 3. Hong Kong: Spirits Imports by Category (Million USD)



Source: Trade Data Monitor, LLC

Chart 4. Hong Kong: Spirits Imports by Category (Million Liters)



Source: Trade Data Monitor, LLC

SECTION IV. DOMESTIC MARKET

Spirits production in Hong Kong is minimal, but in recent years there has been growing interest in the local production of spirits and liqueurs, including oriental botanical liqueur, gin, whiskey, rose liqueur, and ready-to-drink vodka and cocktail drinks.

During the pandemic from 2020 to 2022, Hong Kong retained an average of 12.2 million liters of spirits (gross imports less exports) per year for domestic consumption. In 2023, retained imports of spirits returned to pre-pandemic levels at 13.7 million liters. Compared with 2022, the value of retained imports in 2023 grew 91 percent to \$149 million as the Hong Kong government removed pandemic-related social and dining restrictions.

Hong Kong’s spirits industry thrives on a strong network of experienced merchants and knowledgeable professionals. According to the Hong Kong Census and Statistics Department, the number of establishments importing for alcoholic beverages for wholesale increased from 310 in 2008 to 740 in 2022. During the same period, the number of retail stores specializing in alcoholic beverages rose from 140 to 480.

With nine winners on Asia’s 50 Best Bars 2024 and 4 winners on The World’s 100 Best Bars 2024, Hong Kong’s bar scene is among the most dynamic in the world. In 2023, local mixologist, Leo Ko made history as the first Hong Kong bartender to be named World Bartender of the Year.

In response to increasing demand for wine and spirits education, both public and private institutions are ramping up efforts and offering more professional trainings and courses to nurture professionals in the trading and hospitality industry. As an example, the Whisky Ambassador, the World’s first accredited

Whisky Appreciation training program is offered locally in Hong Kong. The Wine & Spirit Education Trust (WSET), which set up an office in Hong Kong in 2016, is also an available option for enthusiastic consumers.

Top Spirits Categories

The sales of spirits dropped significantly during the pandemic but rebounded to pre-pandemic levels in 2023. In terms of sales value and volume, the three major types of spirits in Hong Kong are whiskies, brandies, and white spirits. However, while sales in values have increased, there continues to be a downward trend in the price per liter.

Table 7. Hong Kong: Sales of Spirits by Category and Value (Million USD)

	2019	2020	2021	2022	2023
		<i>Pandemic Years</i>			
Brandy and Cognac	140	78	85	107	108
Liqueurs	26	18	20	23	26
Rum	7	4	5	6	7
Tequila (and Mezcal)	2	1	1	1	1
Whiskies	274	195	220	267	299
White Spirits	47	30	36	43	48
Other Spirits	3	4	5	6	7
Total	501	332	373	456	500

Source: Euromonitor International

Table 8. Hong Kong: Sales of Spirits by Category and Volume (Thousand Liters)

	2019	2020	2021	2022	2023
		<i>Pandemic Years</i>			
Brandy and Cognac	489	345	436	488	580
Liqueurs	481	370	414	433	478
Rum	106	73	81	87	95
Tequila (and Mezcal)	30	21	26	29	35

Whiskies	2,452	2,006	2,322	2,522	2,733
White Spirits	791	621	754	818	896
Other Spirits	383	621	361	390	424
Total	4,740	4,090	4,441	4,821	5,297

Source: Euromonitor International

Table 9. Hong Kong: Price per Liter (USD)

	2019	2020	2021	2022	2023
		<i>Pandemic Years</i>			
Brandy and Cognac	286	226	195	219	186
Liqueurs	54	49	48	53	54
Rum	66	55	62	69	74
Tequila (and Mezcal)	67	48	38	34	29
Whiskies	112	97	95	106	109
White Spirits	59	48	48	53	54
Other Spirits	8	6	14	15	17
Average	106	81	84	95	94

Source: Euromonitor International

Distribution Channels

Off-trade sales of spirits occur in over 700 supermarkets and 1,300 convenience stores, providing ease of access throughout Hong Kong. For additional information on Hong Kong’s retail sector, see the latest [Retail Report](#).

For on-trade sales of spirits, Hong Kong boasts over 14,000 restaurants which range from local “dives” to high-end fine dining venues. There are over 9,000 licensed liquor premises and around 600 bars across Hong Kong. Lan Kwai Fong, an internationally known area where locals, expats, and tourists gather in the evenings and on special occasions in the Central Business District, is home to over 90 bars and restaurants. For additional information on Hong Kong’s HRI sector, see the latest [Hotel, Restaurants, and Institutions Report](#).

In terms of volume, more spirits are sold via off-trade channels in retail stores and online shops. In terms of value, the total sales of spirits were \$500 million with on-trade sales at restaurants and bars accounting for 60 percent.

Table 10. Hong Kong: Sales of Spirits by Off-trade vs On-trade: Volume (Thousand Liters)

	2019	2020	2021	2022	2023
		<i>Pandemic Years</i>			
Off-trade	2,316	2,800	2,828	3,054	3,270
On-trade	2,425	1,290	1,613	1,767	2,027
Total	4,740	4,090	4,441	4,821	5,297

(Source: Euromonitor International)

Table 11. Hong Kong: Sales of Spirits by Off-trade vs On-trade: Value (Million USD)

	2019	2020	2021	2022	2023
		<i>Pandemic Years</i>			
Off-trade	138	147	170	184	200
On-trade	363	185	203	272	300
Total	501	332	373	456	500

(Source: Euromonitor International)

Table 12. Hong Kong: Price (USD per Liter)

	2019	2020	2021	2022	2023
		<i>Pandemic Years</i>			
Off-trade	60	53	60	60	61
On-trade	150	143	126	154	148
Average	210	196	186	214	209

(Source: Euromonitor International)

Retail Market Perspective

The following websites for local retailers of alcoholic beverages offer insights into which spirits brands are available in the market. Retail prices are displayed in HKD (1 USD = 7.8 HKD).

- [ParknShop](#) (one of the two largest supermarket chains in Hong Kong with over 250 stores)
- [HKTV Mall](#) (largest e-commerce platform in Hong Kong)
- [Watson's Wine Cellar](#) (largest chain for alcoholic beverages in Hong Kong with over 20 stores)
- [HK Liquor Store](#) (one of the largest chains for spirits in Hong Kong with 14 stores)

SECTION VI. MARKET TRENDS

In 2023, both Hong Kong's imports and domestic sales of spirits exceeded pre-pandemic levels by value, with imports growing 30 percent and domestic sales rising 59 percent. Both on-trade and off-trade sales grew as all pandemic restrictions were lifted. Hong Kong's current import of U.S. spirits is not significant, but overall increasing consumer demand signals opportunities for U.S. spirits.

The booming bar scene and cocktail culture in Hong Kong continues to be the primary driver of growth for spirits. Younger consumers have been shifting their attention to cocktails as they seek new drinking experiences. Sales of spirits are expected to keep climbing, benefiting from growing consumer interest in cocktails and tourists returning to the city.

Locally Produced Spirits

Similar to "Farm-to-Table" in the dining world, the concept of "Garden-to-Glass" is trending in Hong Kong. The number of local spirits brands using only local ingredients increased from 2 in 2019 to 14 in 2022. Most of these spirits are locally produced gins infused with indigenous ingredients, such as Hong Kong's signature Bauhinia flower. Cocktails made with locally produced spirits are likely to gain popularity as local industry strives to increase Hong Kong's influence in the international cocktail culture. As local production grows, there is potential for high quality U.S. ingredients, such as sorghum, barley, hops, flavorings, etc.

Sustainability

Sustainability initiatives continue to resonate with consumers as their health and environmental consciousness continues to grow. The market has been witnessing the introduction of products with sustainable distilled spirits using technology and environmentally friendly packaging. This trend is expected to continue to grow as consumers are becoming more concerned with sustainability and environmental efforts.

Creative Marketing

Many local bars and restaurants continue to increase their efforts to create innovative cocktail recipes using established or lesser-known brands of spirits to retain and attract customers. Meanwhile, the

influence of pop culture and product placement in movies has amplified interest in ready-to-drink cocktail drinks. Pop-up concept stores are also increasingly trendy in the spirits marketing space as the format helps raise brand awareness and introduces consumers to different ways of tasting spirits.

For more details on the outlook of the Hong Kong economy please see our latest [Exporter Guide](#) report.

SECTION VII. MARKET ACCESS

Competition for shelf space in Hong Kong retail stores, bars, and restaurants remains highly competitive. To maintain and establish market presence, it is important for U.S. spirits exporters to continue outreach efforts to local customers and consumers.

Many restaurants, hotels, and retailers work closely with local wine and spirits importers to broaden the variety of products offered. New-to-market spirits exporters that wish to enter the Hong Kong market can connect with importers and explore the market through the following:

- **In-Person Meetings with Importers:** Most local importers are interested to meet new-to-market exporters in a private environment. A list of local wine and spirits importers is available for U.S. exporters and their representatives by contacting the Agricultural Trade Office in Hong Kong.
- **Trade Shows:** Hong Kong trade shows help U.S. spirits exporters showcase their high-quality spirits to buyers from Hong Kong, Macau, mainland China, and the region. Upcoming trade shows include:
 - November 7-9, 2024: [Hong Kong International Wine & Spirits Fair](#)
 - May 14-16, 2025: [ProWine Hong Kong/HOFEX](#)
- **Promotional Activities:** The Agricultural Trade Office in Hong Kong and other U.S. trade promotion associations organize promotional activities such as seminars, tastings, receptions, food pairings, and consumer events to promote U.S. alcoholic beverages. Note: participation in some events may require collaboration with a local importer or representative.

SECTION VIII. KEY CONTACTS AND FURTHER INFORMATION

U.S. alcoholic beverage producers, suppliers, traders, and exporters seeking marketing information pertaining to food and beverage import regulations, promotional opportunities, trade inquiries and marketing assistance are welcome to contact ATO Hong Kong at:

U.S. Agricultural Trade Office, Hong Kong

18th Floor, St. John's Building
33 Garden Road, Central
Hong Kong

Tel: (852) 2841-2350
Fax: (852) 2845-0943
E-mail: ATOHongKong@usda.gov
Website: www.atohongkong.com.hk

The **Foreign Agricultural Service (FAS)** of the U.S. Department of Agriculture provides assistance and information to U.S. agricultural exporters. There are a number of reports available on the website on agricultural commodities and products prepared by FAS staff around the world.

Website: www.fas.usda.gov

Distilled Spirits Council of the United States (DISCUS) is the national trade association representing producers and marketers of distilled spirits sold in the United States.

Website: www.distilledspirits.org

Attachments:

No Attachments.