

# THE HONG KONG WONTON

wrapped by ATO Hong Kong

August 11 - 24, 2022 | Vol. 2 Issue #15

## FEATURED PHOTO:



### **ATO Hong Kong Celebrates 25<sup>th</sup> Anniversary of The American Food Fair at AEON Stores**

From August 5-17, 2022, ATO Hong Kong held its 25<sup>th</sup> American Food Fair at AEON Stores. Their thirteen stores featured a wide range of U.S. wines, beef, cheese, rice, fruits and vegetables, snacks, beverages, fish and seafood products. AEON is one of the most comprehensive food retailers in Hong Kong and is popular among middle-to-high income customers. ATO has been working closely with this key partner to organize American Food Fairs for the past 25 years. The Hong Kong government's disbursement of consumption vouchers (on August 7) is set to boost sales of U.S. products at the promotion. During the first half of 2022, Hong Kong food retail sales grew 1.8 percent compared to the same period in 2021 to \$6.1 billion.

# THE HONG KONG WONTON

---

---

---

## *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:

- Chilled and frozen turkeys

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



---

## *OVERALL ECONOMY*

---

### **Hong Kong Tightens Testing Requirements for Banquet-goers Following Rebound of COVID-19 Cases** **[[The Standard](#), August 24, 2022, and various Sources]**

Starting on August 28, Hong Kong will require residents attending banquets to present a negative rapid antigen test result obtained within 24 hours or negative PCR test result within 48 hours before entering such events. Health Secretary, Lo Chung-mau made the announcement during a press briefing on August 24 as health authorities further tightened testing arrangements following a rebound in COVID-19 cases. Rapid test requirements for restaurant and catering staff (one test every three days) are now being expanded to workers in other premises such as entertainment centers, gyms, department stores and beauty parlors. **ATO Notes:** Similar test requirements were previously imposed on residents visiting bars, which prompted several bars to request a restaurant license to avoid the inconvenience. However, the expansion of the testing requirements to include restaurants is likely to discourage patronage particularly ahead of the Mid-Autumn Festival in September, a big time for banquets and family gatherings. These new requirements are also adding another logistical hurdle in conducting larger scale marketing/promotional events (gatherings of more than 8 participants) in Hong Kong. U.S. travelers should note that as of August 8, the U.S. Department of State revised its [Travel Advisory for Hong Kong to Level 3: Reconsider Travel](#) in light of arbitrary enforcement of local laws and COVID-19 related restrictions.

# THE HONG KONG WONTON

---

## **Financial Chief Expects Quarantine Cut and Vouchers To Boost Economy [[The Standard](#), August 15, 2022]**

According to Hong Kong Financial Secretary Paul Chan, the shortened quarantine arrangement for inbound travelers and the distribution of consumption vouchers could boost the weak local economy. With the distribution of the second round of consumption vouchers that started on August 7, Chan said about \$1.7 billion consumption power was immediately injected into the local market. Hong Kong's economy fell 1.3 percent year-on-year in the second quarter. In the first quarter, Hong Kong also shrunk 3.9 percent. On August 12, the government adjusted its economic growth forecast for the year to between minus 0.5 percent and 0.5 percent - lower than the 1 to 2 percent forecasted in May. "This forecast is not ideal but considering the city has seen a 2.6 percent economic contraction in the first half of the year, the economy in the rest of the year is expected to improve slightly," Chan said. However, he acknowledged that the future economic performance could be affected by the local COVID-19 situation. Chan stated that the public has welcomed the shorter quarantine arrangement announced on August 12 as it could reduce the inconvenience caused to travelers and will have a positive impact on local businesses. **ATO Notes:** The international business and local analysts have expressed skepticism about the long-term effectiveness of the shortened quarantine. In their view, real economic improvement will be out of reach until the Hong Kong government removes all quarantine restrictions. All eyes remain on whether Hong Kong will change its stand on quarantine requirements as the city prepares to host major international sporting and financial events in November.

## **Hong Kong Sees Surge in Visitor Arrivals After Quarantine Cut [[The Standard](#), August 16, 2022; ]**

Hong Kong's decision to reduce the number of hotel quarantine days for incoming visitors has triggered an increase in travelers. Around 24,000 travelers flying into the city during the first four days since the quarantine cut came into effect, a 14 percent increase from the same period a week earlier. Of the 24,000 arrivals, some 17,700 were local residents and around 5,100 were visitors from the mainland. **ATO Notes:** The increase in arrivals shows that Hong Kong is moving in the right direction to open the city for international travels. While, at this stage, travelers are mainly local residents and mainland Chinese, more international travelers are expected to return once travel restrictions are lifted. Media outlets report that Hong Kong's Chief Executive will soon travel to Guangzhou to discuss a variety of issues, including the reopening of the borders.

## **Hong Kong Employment Situation Improves [[The Standard](#), August 18, 2022]**

Hong Kong's jobless rate dropped for three consecutive months to 4.3 percent as domestic economic activities continued to revive. Data of the Census and Statistics Department showed that from May-July the number of unemployed fell by 10,400 to 168,200, compared to 178,600 in April-June. The underemployment rate declined from 3 percent to 2.2 percent when comparing the same three-month periods, signaling fewer citizens doing part-time jobs. However, more people aged from 15 to 29 are still looking for work, rising to 43,600 in May-July from 42,000 in April-June. The unemployment rate decreased across almost all major economic sectors, such as decoration, repair and maintenance for buildings and the retail, accommodation and food services, the department said. The consumption and tourism sectors fell 0.9 percent to 6.5 percent from the previous three-month period. Among these

# THE HONG KONG WONTON

---

sectors, food and beverage services activities slowed 1.6 percent to an unemployment rate of 7 percent, while the retail sector reported a jobless rate of 6.3 percent, down by 0.3 percent. **ATO Notes:** The improved employment is partly due to a more stable pandemic situation and the second phase of the consumption vouchers. City observers agree that Hong Kong's economy still needs to be more open to international travelers to enable more in-person business activities to boost the economy and employment.

## **Macau Waives Vaccination Proof for Travelers** [[The Standard](#), August 19, 2022]

Inbound travelers to Macau will no longer be required to present COVID-19 vaccination proof in order to be allowed entry after authorities lifted the policy on August 18. However, they must still present a negative polymerase chain reaction test result and observe quarantine, which is currently seven days in a hotel for arrivals from Hong Kong. However, the policy shift does not mean vaccination is being taken lightly, authorities said, adding that the requirement is only being lifted because most arrivals have already been triple-jabbed. As such, they noted, the requirement only causes inconvenience to travelers. The gambling hub reported five imported and zero locally transmitted cases on August 17.

**ATO Notes:** Macau's travel requirements are still stringent. Waiving the requirement for vaccination proof has been received as a step towards reopening the city. If the local pandemic conditions remain stable, it is expected that the Macau government will lift the restrictions on dining and travel restrictions toward the end of the year.

## **Macau Records Less Than 9,800 Visitors in July** [[The Macau News](#), August 19, 2022]

According to data from the Statistics and Census Service, in July, the number of tourists visiting Macau plummeted 97.4 percent to just 9,759 compared to the total number of visitors in June at 380,671 tourists. June's figure itself was a 36.6 percent month-on-month drop from the total 600,748 tourists Macau received in May as the city was disrupted by its latest outbreak of COVID-19 that began on June 18. The city only recently returned gradually to "normal." In addition, July's number of tourists was a 98.8 percent year-on-year decrease from July 2021 – when Macau recorded a total of 789,407 visitors – a decrease of 99.7 percent compared with July 2019 (pre-pandemic). The total number of visitors from January through July 2022 was 3,474,866, a 26.3 percent drop from the same period last year and an 85.4 percent decrease from the same period in 2019, before the pandemic affected global tourism. **ATO Notes:** Macau closely follows mainland China's zero COVID-19 policy, and this shows its impact on restricting international travels and the tourism industry when there is an outbreak. Region observers opine that Macau should look to develop a more sustainable protocol to attract the return of international travelers to boost its economy. The devastating disruptions on economic activity following local outbreaks has also highlighted the city's overdependence on its gambling and entertaining industry, with several calls for Macau to diversify its economy.

# THE HONG KONG WONTON

---

## *HOTELS, RESTAURANTS AND INSTITUTIONS*

---



### **Tourism Sector Urges Return of Cruises** [[The Standard](#), August 17, 2022]

The Hong Kong tourism sector wants "cruises to nowhere" to resume in the fourth quarter of the year as representatives asked local authorities to relax anti-pandemic measures for cruises in a closed-door meeting on August 16. Legislative Council member Perry Yiu, Travel Industry Council chairwoman Gianna Hsu and Miramar Travel general manager Alex Lee met with Libby Lee, undersecretary for health, and other officials to push for relaxing the circuit-breaker mechanism on cruises. Several cruise lines were forced to withdraw from Hong Kong or close after tours were halted early this year. After the fifth wave of COVID-19 hit the city, authorities suspended all cruise-to-nowhere trips and cruise lines were left on tenterhooks. One of the two operators that offer these trips, Royal Caribbean International, announced in April that it will relocate one of its cruise ships to Singapore and added that it has been facing great operational difficulties. **ATO Notes:** The Hong Kong government has announced the reduction of quarantine period on August 12. It is expected that further relaxations on international will be forthcoming if the pandemic situation remains stable. If the "cruises to nowhere" is resumed, it will further help the recovery of the city's struggling tourism sector.

### **Macau Introduces Tougher Banqueting Rules** [[The Macao News](#), August 16, 2022]

The stricter measures for the organization of banquets took effect August 15 when the Macau Health Bureau amended its guidelines on the organization of dining gatherings. According to the new version of the guidelines, public entities, as well as private organizations or community associations whose operations are subsidized by the government, are only allowed to organize meal gatherings "when necessary." In addition, they are only permitted to hold meal gatherings with up to 19 guests. Individuals, as well as private organizations or community associations which do not receive any government subsidies, are allowed to organize meal gatherings with up to 299 guests. The new measures for the organization of banquets are much stricter than the ones that had been implemented before Macau's latest COVID-19 outbreak that began on June 18. Before June 18, there were no official limits on the number of guests attending banquets and other lunch and dinner gatherings. The major COVID-19 measure that had been implemented was that all those attending or working for banquets with over 400 guests were subject to mandatory nucleic acid tests. **ATO Notes:** Macau closely follows mainland China's "zero-COVID-19" policy, and the city is more stringent in restricting dining and international travels. It is expected that the tough gathering rules will be relaxed upon improvement in the local pandemic situation, followed by the wider opening of the border for international travels toward the end of the year.

# THE HONG KONG WONTON

---

## **Macau Hotel Occupancy Drops Over 20 Percent [[The Macao News](#), August 16, 2022]**

Macau's 121 hotels recorded 2.62 million guests in the first half of this year, a year-on-year decline of 22.3 percent. The Statistics and Census Bureau said that guestrooms' average occupancy rate fell 12.8 percentage points year-on-year to 37.6 per cent in the first six months of 2022. Guests' average length of stay remained stable at 1.8 nights. In June, the hotel sector recorded 421,000 guests, a year-on-year decrease of 10.3 percent, including 315,000 mainland Chinese and 78,000 staycation residents. At the end of June, the number of available guestrooms stood at 37,000, a year-on-year rise of 5.5 percent. In June, five-star hotels recorded an average occupancy rate of 31.9 percent, a decrease of 12.2 percentage points year-on-year. **ATO Notes:** Macau's tourism industry remains weak, especially under the latest COVID-19 outbreak in June. Macau's hotel occupancy and economy are set to improve when the local pandemic situation improves, and the government opens the city reopens to international travelers.

## **Macau Casino Operator Galaxy Swings to Net Loss [[Morning Star](#), August 18, 2022]**

Galaxy Entertainment Group Ltd. swung to a net loss in the first half of the year as revenue and profitability plunged, worsened by a temporary suspension of its Macau operations in July. The casino operator reported a first-half net loss of \$108.4 million, compared with a net profit of \$121 million during the same period last year. "A number of cities across China experienced travel restrictions for a significant part of the first half of 2022. These restrictions on inter-provincial travel impacted visits to Macau and in turn adversely impacted both revenue and profitability," said Chairman Lui Che Woo in a stock exchange release. Macau experienced a COVID-19 outbreak which led to the government requesting a suspension of all commercial activities from July 11-22, which further weighed on the casino operator's profitability, the chairman added. **ATO Notes:** This is one of the many examples of business losses in Macau under the pandemic and related tight travel restrictions. The hotel and gaming industries in Macau hope that dining and travel restrictions will be lifted before the end of year. Galaxy and the other casino operators have received an extension of their Macau gaming license until the end of December, and it is expected that they will complete the bidding process for new licenses by the end of the year.

## **Macau Gaming Operator Melco Records Heavy Loss [[The Macao News](#), August 19, 2022]**

Melco Resorts & Entertainment has recorded heavy losses in the second quarter, laying the blame on the effects of COVID-19 and frequent travel restrictions. The gaming operator in Macau, which runs City of Dreams, Studio City, and Altira Macau, as well as smaller casino operations in the city, clocked up a net loss of \$251.5 million, greater than the \$185.7 million loss in the second quarter of 2021 and the \$183.3 million loss in the first quarter of this year. The dismal figures come on the back of a 48 percent year-on-year decline in group-wide operating revenues to \$296.1 million. Melco Chairman and CEO Lawrence Ho commented: "It goes without saying that our results for the second quarter of 2022 were heavily impacted by the COVID-19 pandemic and the restrictions imposed across mainland China and Macao." **ATO Notes:** Melco and the other casino operators have received an extension of their Macau gaming license until the end of December, and it is expected that they will complete the bidding process for new licenses by the end of the year.

# THE HONG KONG WONTON

---

---

## RETAIL

---



### Local Rice Variety Reintroduced by AFCD is Available in Market [[Hong Kong Government Press Releases, August 18, 2022](#)]

The Agriculture, Fisheries and Conservation Department (AFCD) announced the successful reintroduction of a local rice variety, Fa Yiu Tsai, and is now available in the market. In 2019, the AFCD obtained the seeds of this local variety from a seed bank, which has stored the seeds since 1960's. The AFCD conducted cultivation trials at the government experimental farm and co-operated with the Chinese University of Hong Kong for genome sequencing. The growth and seed purity of Fa Yiu Tsai were found stable, suggesting that seeds are suitable for local cultivation. The AFCD has distributed seeds to six local farmers and the first commercial batch weighing 300 KG harvested in July is now available in the market. A second round of harvest at a similar volume is expected for October. **ATO Notes:** This variety was not cultivated in Hong Kong in the past fifty years. Given its very limited supply, 125 grams of rice will cost about \$10. That is about 47 times more expensive than a 5KG bag of ordinary Thai fragrant rice. As such, the reintroduction of rice cultivation in Hong Kong cannot change Hong Kong's reliance on rice imports. In 2021, Hong Kong imported \$255 million worth of rice. Thailand was the largest supplier occupying 58 percent of the market. The United States holds a 2 percent share of the Hong Kong market with sales at around \$5 million. Hong Kong did not have any rice production for decades until a few years ago two small farms restarted to grow rice with very limited production.

---

## TRADE

---



### **COMING SOON: Agrobiotechnology Talk Series with the Chinese University of Hong Kong**

ATO Hong Kong is partnering with the Chinese University of Hong Kong in staging a virtual discussion on biotechnology to introduce CRISPR – Cas technologies on Agricultural Production. In collaboration with Washington USDA colleagues, Post has partnered with the University of Maryland at College Park

# THE HONG KONG WONTON

---

to bring Dr. Yiping Qi as a presenter. This virtual event will take place on **September 14, 2022, at 7:00am (EST)** [13:00 (South Africa & Europe Berlin); 19:00pm (Hong Kong time)]. The event is free and open to the public, interested participants can register at this link:

<https://cloud.itsc.cuhk.edu.hk/mycuform/view.php?id=1650083>

## **Major Macau Trade Show Is Postponed Again [Macao MIECF, August 12, 2022]**

The largest trade show in Macau on green products and services - Macau International Environmental Co-operation Forum & Exhibition (MIECF), is once again postponed to December 9-11, 2022. MIECF was first launched in 2008 and it has become the major trade show in Macau promoting environmental products, services, technologies, and cooperation. In the last edition (2019), MIECF hosted 500 exhibitors and attracted 4,700 trade visitors from Hong Kong, China, and the region. ATO in partnership with AmCham Macau hosted a USA Pavilion at the show featuring U.S. green products, services, and technologies. MIECF was cancelled in 2020 due to the outbreak of COVID-19, and the 2021 show changed to a digital platform as the pandemic persisted. MIECF 2022 was originally scheduled to be held March 31 – April 2, then postponed to August 18-20, and now postponed to December 9-11. **ATO Notes:** Under COVID-19, many trade shows and business events were downsized, postponed or cancelled. Repeated postponement of MIECF is another example of the lingering impact under the pandemic and related restrictions. Macau closely follows mainland China's stringent COVID-19 policy, and it is leading to the drop in tourism and gaming businesses as international travels are restricted.

## **Vouchers Whet Food Expo Appetites [The Standard, August 16, 2022]**

Although show organizer, Hong Kong Trade Development Council (HKTDC), kept a "no-tasting" rule because of COVID-19, the five-day Hong Kong Food Expo ended on a high note on August 15 with more than 430,000 visitors, a 16 percent rise compared to last year. Exhibitors saw business increase by at least 30 percent mainly due to the consumption voucher disbursed on August 7. "The bustling fairground, despite restrictions such as no sampling for food and drinks, shows that people have a strong appetite for shopping. The timing of the second phase of the consumption voucher scheme certainly boosted spending," said HKTDC deputy executive director, Sophia Chong. The expo featured over 1,000 exhibitors, including global vendors from mainland China, Indonesia and Aomori prefecture in Japan.



The expo featured over 1,000 exhibitors, including global vendors from mainland China, Indonesia and Aomori prefecture in Japan.

**ATO Notes:** Visitor participation at this business-to-consumer (B2C) event and other recent shows has demonstrated Hong Kong consumers are "hungry" for food events, and the consumption vouchers came just at the right time for the show visitors and vendors, even with the "no-tasting" rule. It is important to note that this rule will not apply to the upcoming Restaurant & Bar Show (September 6 – 8) as the show is a business-to-business (B2B) event. However, rules allowing visitors to only sample in designated areas does add logistical issues and take away from the trader interaction possible at traditional food trade shows.

# THE HONG KONG WONTON

---

## **Amber Code Holders Allowed to Join Conventions and Exhibitions** [[The Standard](#), August 23, 2022]

Starting from August 25, inbound travelers to Hong Kong who have an Amber Code under the Vaccine Pass will be able to participate in business-to-business (B2B) conventions and exhibitions subject to specified requirements. The government announced on August 23 that the participation of members of the relevant trade in B2B thematic trade exhibitions and relevant activities is considered like performing duties at work and is different from other mass group gatherings. Having balanced the need for maintaining social and economic activities, the government decided to adjust the restrictions on Amber Code holders entering relevant premises. The requirements to participate in B2B conventions and exhibitions include wearing a mask during the event. The organizer must require pre-registration for all participants to enter the premises. As for other large-scale conventions and exhibitions which involve more participation of the local public, the relevant organizing bodies can submit an application to the government. **ATO Notes:** This step is expected to facilitate international participation in business events. However, the restrictions on food trade shows remain stringent with no onsite tastings of food and beverages. Food trade shows like “Seafood Expo Asia” and “Asia Fruit Logistica” were relocated out of Hong Kong because of such stringent requirements and the long quarantine period for international travelers. The exhibition industry and the international business community continue to advocate for the abolishment of quarantine requirements.

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

Contact our office: [ATOHongKong@usda.gov](mailto:ATOHongKong@usda.gov) or visit our website <https://www.atohongkong.com.hk>

To subscribe or unsubscribe email [ATOHongKong@usda.gov](mailto:ATOHongKong@usda.gov), subject title:  
subscribe/unsubscribe The Hong Kong Wonton

---

*Exchange Rate Post Uses: US\$1=HK\$7.8*

*Post Disclaimer: News summaries and translations are for reference only. We have attempted to provide an accurate translation of the original material into English. However, given nuances in translating from a foreign language, slight differences may exist. Any misinterpretation is unintentional. Please note some media outlets may deactivate the link to the story after a few days.*

---