

THE HONG KONG WONTON

wrapped by ATO Hong Kong

Sept. 24 – Oct. 6, 2022 | Vol. 2 Issue #18

FEATURED PHOTO:



ATO's Delicious USA 2022 Restaurant Promotion

The fourth year of Delicious USA is in full swing! The promotion –running from September 16 to October 16—showcases 31 prestigious restaurants where chefs present one or more special dishes featuring U.S. ingredients for Hong Kong foodies to enjoy. The month-long festival celebrates the sustainability, versatility, and assured quality of U.S. food and beverages. ATO Hong Kong supports the promotion with a comprehensive digital marketing program including Facebook and Instagram advertisements, influencer platforms, and a promotion partnership with OpenRice, a very popular online dining guide in Hong Kong.

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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
- Distilled spirits
- Apples, cherries, oranges, and grapes
- Organic products

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



OVERALL ECONOMY

Hong Kong on Track to Re-Connect with the World [Various Sources]

Effective on September 26, Hong Kong ended its mandatory hotel quarantine for inbound travelers, moving to a “0+3” system. That is, zero days in quarantine + three days of medical surveillance during which visitors will not be allowed to visit restaurants, bars, and other establishments. Inbound travelers are still subject to PCR tests upon arrival (and on day 2, 4, and 6), in addition to daily rapid tests during the first seven days in Hong Kong. The government’s move has brought relief to residents and businesses. Nonetheless, critics highlighted that the new measure will facilitate the return of Hong Kong residents and benefit outbound tourism, but it will provide very little help to commercial visitors as they do not have access to restaurants and bars during the first three days of their stay. In the first days after the implementation of the new measure, departures rose 31 percent while arrivals 14 percent. Therefore, the Hong Kong government is under great pressure from health experts and businesses to move to a “0+0” system. The Hong Kong government responded that it is closely monitoring the situation. There are expectations that the Hong Kong Chief Executive will announce some good news in his first policy address which is to be delivered October 19. Meanwhile, Hong Kong is relaxing certain social distancing measures such as increasing the number of people per table in restaurants from eight to twelve and expanding the limit of banquet size from 120 to 240 people. Flight

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crew members will have a “blue code” after returning to Hong Kong, de-facto “(0+0)” arrangement implemented. In addition, Cathay Pacific has removed the closed-loop management arrangement for flight crews staying at outstations. **ATO Notes:** *The Wonton* editors can personally attest that the entry procedures have vastly improved under the “0+3” arrangement. However, the process is still cumbersome compared to traveling to other countries in the region. U.S. travelers should note that as of October 5, the U.S. Department of State’s [Travel Advisory for Hong Kong is Level 3: Reconsider Travel](#) in light of arbitrary enforcement of local laws and COVID-19 related restrictions.

Transactions on Hong Kong Commercial Property Market Plunged [[The Standard](#), September 26, 2022]

Amid no hints of when the borders will reopen with mainland, transactions of commercial properties were 45.1 percent less in August compared to the previous month. The transaction volume also fell 11 percent to 89, according to the data from local property agency Midland Realty and the Hong Kong government Land Registry. While these figures mainly reflect the market situation in July, the sluggish demand is taking its toll on the commercial property sector. In response to the September 23 announcement of “0+3” arrangement, Midland's shops Director, Lieman Leung, said the change might have only a limited effect in boosting the property market. He also expects tourism will fail to recover to pre-pandemic levels despite the relaxed quarantine requirements, which may continue to stunt commercial property transactions. **ATO Notes:** Many retail shops and restaurants closed under the pandemic when restrictions on international travelers were imposed. Hong Kong’s “0+3” system is still a hurdle for international travelers wishing to visit Hong Kong for leisure or business. The uncertain external environment and expected increase in interest rates are said to also account for the sluggish demand for commercial properties. The situation is expected to improve when international visitors can easily travel to Hong Kong.

Key Venues May be Off-Limits to 50,000 Unvaccinated Children [[South China Morning Post](#), September 28, 2022]

About 50,000 unvaccinated youngsters in Hong Kong could be banned from entering premises such as restaurants, libraries, and sports venues from September 30, 2022, when the vaccine pass scheme is extended to children as young as five. Currently, it was estimated that about 88 percent of children aged five to eleven years old had been given at least one vaccination by September, meeting the latest vaccine pass extension rules. However, about 12 percent, around 50,000 children in this age group, have yet to get a shot. The vaccine pass arrangement was introduced for residents aged 12 and above on February 24. **ATO Notes:** The government said increasing vaccination coverage in the elderly and children was key to reopening the city’s borders with the world. The Hong Kong government is in full gear to raise vaccination rate, particularly for children and elderly, to protect the public from severe COVID-19 symptoms when infected and to alleviate the burden of the healthcare system.

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University of Macau Releases Revised Macroeconomic Forecast for Macau 2022 [University of Macao, September 28, 2022]

The University of Macau (UM) has released the revised version of Macau's macroeconomic forecast for 2022. Based on two different scenarios, the research team adjusted its estimates that economic growth will drop between 26.4 and 29.2 percent, instead of the earlier forecast growth which was comparable to 2021. In the first quarter of 2022, Macau's GDP decreased 8.9 percent year-on-year but slid 39.3 percent year-on-year in the second quarter following a two-week city lockdown to control COVID-19 cases. The research team estimates the economic condition will remain precarious for the remaining year. The team arrived at the forecasts based on two scenarios. The first forecast of negative growth of 26.4 percent assumes that growth will be stable in the fourth quarter of 2022 with the number of visitors returning to the level of the fourth quarter of 2021 (1.95 million visitors.) The second forecast of a negative growth of 29.2 percent assumes a scenario with another month-long lockdown. **ATO Notes:** Macau follows closely China's zero COVID-19 policy. During the citywide lockdown period, residents in Macau were subject to 14 rounds of compulsory universal COVID-19 testing. Macau's economy largely relies on China, with many of its workers residing in Zhuhai, (a city in China adjacent to Macau) and commuting daily to Macau for work. China is also Macau's primary source of tourists who support its gambling industry.

Resumption of E-visa and Mainland Package Tours to Macau [Various Sources]

Speaking at the press conference on September 24, the Macau Chief Executive announced that China would support the resumption of electronic visa issuance under the facilitated individual travel scheme, and a gradual resumption of group tours to Macau. These visas would initially be available to mainland residents from four provinces and one city (namely, Guangdong, Zhejiang, Jiangsu, and Fujian provinces, and Shanghai). Scheduled to be relaunched around November, these measures are expected to bring 40,000 travelers a day to Macau from the current 20,000 figure. A mechanism will be installed to suspend and resume these measures in the event of any outbreak of COVID-19 cases in any of the related areas. **ATO Notes:** Macau casino stocks surged the highest in six months following the announcement. The Chairman of the Macau Association of Convention, Exhibition and Tourism Sectors is optimistic that the number of meetings, conferences, and exhibitions is expected to increase between 20 to 30 percent next year. However, with Macau's lingering mandatory hotel quarantine restrictions for inbound travelers, ATO does not expect Macau's events to have any significant international participation except from mainland China. With the new measure, the hotel occupancy rate is expected to rise slightly from the current low level of 37 percent (January – August 2022.) The 40,000-daily arrivals target seems achievable as Macau recorded 30,000 arrivals from China on the first day of China's golden week holiday.

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Macau Government Injected \$1.85 Billion to Support The Economy Since 2020 [[The Macao News, September 29, 2022](#)]

Since the start of the pandemic in 2020, the Macau government has injected \$1.85 billion into the city's economy. Of this amount, about \$1.2 billion were used to assist small and medium-sized companies, representing around 65 percent of the government's total investment. Consumption aid aimed at residents was distributed to the population mainly through electronic consumption cards that could be used in the local economy. Macau, which follows Beijing's Zero Covid-19 policy, betting on mass population testing and confinements to prevent the spread of the novel coronavirus, has so far recorded only six deaths and just over 2,400 cases, the vast majority asymptomatic. **ATO Notes:** Macau's economy, which is heavily dependent on the gaming and tourism industry, has been significantly hit by the COVID-19 pandemic. Last year, the city registered less than eight million visitors compared to nearly 40 million in 2019. While the government's measures can alleviate some of the hardships endured by residents and businesses, the reopening of the border is seen as the most effective way to bring back visitors and boost the economy.

Macau Unemployment Rate Rose to 5.5 Percent [[The Macau Post Daily, October 1, 2022](#)]

The Statistics and Census Bureau (DSEC) announced that Macau's resident unemployment rate rose 0.1 percentage point to 5.5 percent in June-August from the previous employment survey period of May-July. According to a DSEC statement, on September 30, Macau's general unemployment rate - which comprises residents and non-resident workers increased 0.2 percentage points to 4.3 percent. The statement attributed both increases to the impact of the COVID-19 pandemic on the local economy and the rising number of fresh graduates entering the labor market. **ATO Notes:** Macau's employment situation is expected to improve in the fourth quarter of the year as the city re-opens its borders with mainland China.

Macau's September Gaming Revenue Dropped 49.6 Percent [[The Macau News, October 1, 2022](#)]

Macau's gross gaming revenue (GGR) dropped 49.6 percent year-on-year to \$361 million in September, the Gaming Inspection and Coordination Bureau (DICJ) announced on October 1. GGR rose 35.3 percent month-on-month which can be attributed to the city's slow recovery after the June COVID-19 outbreak. September's numbers also represent the highest revenue since May of this year. In the first nine months of the year, GGR dropped 53.1 percent year-on-year to \$4 billion.

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HOTELS, RESTAURANTS AND INSTITUTIONS

Macau Hotel Guests Fell 10.4 Percent to 390,000 in August [[The Macau Post Daily](#), October 1, 2022]

Macau's 120 hotels recorded 390,000 guests in August, a year-on-year decline of 10.4 percent, according to the Statistics and Census Bureau (DSEC). Mainland Chinese (263,000) accounted for 67.4 percent while staycationers (104,000) accounted for 26.6 percent of all hotel guests. Guests' average length of stay remained unchanged at 1.8 nights. Guestrooms' average occupancy rate dropped 2.0 percentage points year-on-year to 36.4 percent. In the first eight months of the year, the number of guests decreased 26.5 percent to 3.31 million. Macau's tourism industry has been hard hit by the impact of the COVID-19 pandemic on the local economy.

Large Inflow of Chinese Visitors to Macau during National Day Holiday [[The Macau Post Daily](#), October 2, 2022]

Macau marked October 1 the 73rd anniversary of the founding of the People's Republic of China (PRC) with a variety of events geared for tourists from mainland during the week-long National "Golden Week" holiday. To attract tourists from the mainland during the holiday, Macau has rolled out a host of promotional events, including a fireworks show on October 1, new interactive devices at the Macau Grand Prix Museum, and community tours. According to official statistics, Macau recorded 37,442 visitors on October 1, the second highest figure so far this year, after the 41,500 visitors recorded on April 30, the eve of the Labor Day holiday. Macau's border checkpoints recorded 301,355 entries and exits on October 1, according to official statistics. Retail shops, entertainment venues and restaurants have reported brisk business since October 1, while hotels have recorded a steep increase in their room occupancy rates. **ATO Notes:** As mainland Chinese visitors are returning to Macau, the city's gaming and tourism industries are expected to recover in the fourth quarter of the year.



RETAIL

Hong Kong Retail Sales Dropped Slightly in August [[Hong Kong Census and Statistics Department](#), September 30, 2022]

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In August 2022, the value of total retail sales, provisionally estimated at \$3.7 billion, edged down by 0.1 percent compared with the same month in 2021. For the first eight months of 2022, the value of total retail sales was provisionally estimated to decrease 1.5 percent compared to the same period in 2021. Of the total retail sales value in August 2022, online sales accounted for 9.1 percent. The value of online retail sales during the month, provisionally estimated at \$333 million, increased by 21.3 percent compared with the same month in 2021. The revised estimate for online retail sales in July 2022 increased 8.4 percent compared to the previous year. For the first eight months of 2022, the value of online retail sales was provisionally estimated to increase 21.7 percent year-on-year. **ATO Notes:** Hong Kong food retail sales have been stable under the pandemic. For the first eight months of 2022, Hong Kong total food retail sales were \$8.1 billion, an increase of 1.4 percent over the same period last year. The stabilizing local pandemic situation, improving labor market conditions, the consumption vouchers, and forthcoming relaxing of travel and dining restrictions are favorable factors to encourage more spending in the fourth quarter of the year.

New Round of Hong Kong Consumption Vouchers to Boost Spending [[The Standard](#), October 3, 2022]

The new round of consumption vouchers disbursed on October 1 will stimulate the local economy in the short term, injecting \$1.9 billion of buying power into local retail and catering businesses, says Financial Secretary Paul Chan. An example of the spending spree was seen at 12 shopping malls of local property developer Sun Hung Kai that collectively recorded a 30 percent increase in revenue and a 20 percent increase in customer flow over the weekend after the vouchers were disbursed. However, Chan cautioned that while the vouchers could provide a short-term boost and help fortify market confidence, the retail market still faces immense pressure from the deteriorating external environment. He warned that global inflation and interest rate hikes by central banks around the world - heightened geopolitical tensions and supply chain disruptions - add uncertainties. **ATO Notes:** Hong Kong is expected to relax travel and dining restrictions in the fourth quarter of the year as global pandemic situation continues to stabilize. The return of international travelers to Hong Kong is expected to boost spending and the recovery of the economy.

Macau Govt Launches Consumer Festival to Boost Economy [[The Macau Post Daily](#), September 26, 2022]

The Economic and Technology Development Bureau (DSED) and The Industry and Commerce Federation of Islands of Macau (INCA) jointly launched the “Arraial in Taipa” activity themed “Wonderful Chinese and Portuguese Cultures” on September 23, aiming to accelerate Macau’s economic recovery and to improve the situation of commercial businesses in the community, according to a DSED statement. The activity will last for four months until January 31, 2023, covering the National Day Golden Week, Christmas, New Year’s Day and Chinese New Year holidays. The statement noted that the activity takes place in Taipa Village where residents and tourists can enjoy augmented reality (AR) technology features with Chinese and Portuguese characteristics, such as Chinese wishing lanterns, Portuguese blue-and white tiles, Chinese dragons, and sardines, as well as special consumption offers and incentives in the community, all of which are aimed at attracting residents and tourists alike to buy goods, while enhancing their visiting experience. More than 70 business operators are participating in the activity which will offer discounts, gifts, and raffles. “Arraial”

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is a Portuguese word for an open-air neighborhood festival. **ATO Notes:** This is one of the programs that Macau is working on to welcome the return of visitors and in-person business activities.

Macau’s First Citywide ‘Consumption Carnival’ to Boost Consumption [[The Macau Post Daily](#), September 30, 2022]

Macau’s first-ever citywide “Consumption Carnival” will start on October 15, Economic and Technological Development Bureau (DSED) Deputy Director Chan Tze Wai announced on September 29. The event will be co-organized by the bureau and the Macau Chamber of Commerce and take place from October 15 to February 28 next year, covering many holidays, such as Christmas in December and the Chinese New Year in January next year. The consumption promotion activity aims to attract consumers to spend in the local market, to increase business turnover, maintain consumption momentum and expand domestic demand, thereby strengthening retailers’ confidence in continuing their business, Chan said. Chan added that the government’s budget for the carnival is nearly \$12 million. **ATO Notes:** Macau has a small population of around 680,000. Local spending can only provide a limited boost to the beleaguered economy.

TRADE



Reuse Your Takeaway Box? Foodpanda Partners with 40 Restaurants to See if Hongkongers Can Cut Use of Plastic [[South China Morning Post](#), October 3, 2022]

Foodpanda, a food delivery company, will offer customers the choice of having their meals delivered in reusable containers, although the option will only be available in a few areas of Hong Kong Island during the initial phase. Customers must pay a \$1.27 deposit for the plastic boxes, which they will have to return to collection points in office buildings and malls in commercial districts. There are seven collection points for a start, with two more to be added. Customers will be rewarded with a coupon per each container they return, and this can be used for their next purchase at 40 restaurants involved in the trial. If they do not return the container, their deposit will be forfeited. Customers can redeem up to \$25 worth of coupons each time. **ATO Notes:** Foodpanda is working with World Wide Fund For Nature Hong Kong to offer up to 8,000 reusable boxes to participating restaurants in an 11-month trial aimed at reducing the use of plastic containers that add to the city's garbage, which has been rising acutely during the pandemic. The program is in response to the society’s increasing awareness of environmental protection and sustainability. Meanwhile, the government is planning legislative measures on the use of takeaway box and cutlery.

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Thai Government Registered a Thai Rice Trademark in Hong Kong [Various Sources, September 2022]

The Thai Government successfully registered a trademark for its Chinese version rice label with the Hong Kong Intellectual Property Department. The Director-General of the Department of Foreign Trade said the purpose of filing a trademark in Hong Kong is to prevent the adulteration of Thai Jasmine rice and to stimulate the Hong Kong market. With the successful application of the trademark, the Thai Trade Center in Hong Kong has recently launched a series of vigorous promotion on various platforms enhancing public awareness of the new label. The campaign will also include a fact-finding and match-making tour to Thailand in November. The Thai Trade Commissioner explained to the media that a package can carry this label only when 100 percent of its content contains Thai rice and the process is subject to accreditation. **ATO Notes:** Thai jasmine rice is very well received in Hong Kong. Many packaged rice is labeled “Thai jasmine fragrant rice” but with no guarantee that all content comes from Thailand and there is no mixing of more economical rice varieties such as Vietnamese rice. In 2021, Hong Kong imported a total of \$255 million worth of rice. Thailand was the largest supplier, holding 58 percent of market share followed by Vietnam with 19 percent. Hong Kong’s 2021 rice imports from Thailand decreased by 22 percent compared to 2020 while rice from Vietnam increased 1 percent. The United States accounted for about 2 percent of Hong Kong’s market share. Its rice exports to Hong Kong dropped 54 percent in 2021 due shipping logistical issues.

Macau International Trade and Investment Fair Set for October 20-22 [[The Macao News](#), September 26, 2022]

Macau’s International Trade and Investment Fair’s (MIF) will host the event’s first themed business matching session titled “Innovation-driven Investment and Financing Project Matching.” The 27th MIF is scheduled for October 20-22 at The Venetian Macau’s Cotai Expo. The 2022 Macao Franchise Expo (2022MFE) and 2022 Portuguese-speaking Countries Products and Services Exhibition (Macau) (2022PLPEX) will take place concurrently. The themed business matching session aims to gather private funds, innovation-driven investment funds, financial investment institutions, traditional Chinese medicine (TCM) and big health projects, technological innovation projects as well as outstanding projects proposed by small and medium-sized enterprises to discover investment and development opportunities and attract investment through MIF’s platform. Twenty projects have so far been requested in business matching between financial investment institutions and project proponents, covering areas including TCM and big health. **ATO Notes:** After the latest wave and most severe wave of the pandemic hit Macau, the city is gradually reopening its border to mainland Chinese visitors to boost its tourism and gaming industries. The MIF aims at providing an opportunity for the city to seek investments in other areas to broaden the bases of Macau’s long-term economic development.

30,000 Visitors Flocked to the 10th Macau International Travel Expo [[The Macao News](#), September 28, 2022]

More than 30,000 visitors flocked to the 10th Macao International Travel (Industry) (MITE) expo, which was held both online and in-person and ended on September 25. Held at the Venetian Macau’s Cotai Expo, MITE’s exhibition floor covered around 23,000 square meters and accommodated 830 booths. It

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attracted a total of 454 exhibitors on and offline. The event's Cloud Live Broadcast reached 3.06 million live views and had 12 e-commerce and social media platforms assisting exhibitors in promoting their products and conducting live-stream sales. Live streams conducted by eight mainland Chinese key opinion leaders (KOLs) and 13 Macau KOLs spanned 69 hours throughout the expo. Altogether, 33 tourism entities, enterprises and KOLs conducted 24 sessions of Cloud Live Promotion and engaged with over 900 on-site spectators. More than 4,500 business-to-business meetings were conducted during the three-day expo for on-site business matching, and 29 contracts involving 49 enterprises were signed. **ATO Notes:** As Macau's restrictions on international travelers remain in place, the MITE targeted mainly businesses and individuals from mainland China, which is the major source of tourists to Macau.

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

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