

THE HONG KONG WONTON

wrapped by ATO Hong Kong

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FEATURED PHOTO:



ATO Hong Kong Celebrates its Fourth American Food Fair at SOGO Freshmart

From October 19-25, 2022, ATO Hong Kong is running its fourth American Food Fair at SOGO Freshmart. Located in the busy commercial areas of Causeway Bay, SOGO Freshmart is one of the most popular retail stores among high income customers in the area. At the promotion, the store featured a wide range of high-quality U.S. beef, cheese, dim-sum, fish, pork, sausages, and seafood. ATO has been working closely with this key partner to organize American Food Fairs over the past four years. The latest round of the Hong Kong government's consumption vouchers (released on October 1) is set to boost sales of U.S. products at the promotion. 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.

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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 Leader Prioritizes Talent, Security in First Policy Address [[Reuters](#), October 19,2022]

Making his first policy address on Wednesday, Hong Kong Chief Executive John Lee prioritized improving competitiveness and attracting more overseas talent, while also stressing the need to bolster national security in the city. To attract talent, two-year visas would be made available to individuals earning salaries of \$318,475 or more during the previous year, and graduates from the world's top 100 universities with at least three years of work experience. To attract investment, a new Hong Kong Investment Corporation Ltd will be established to promote the development of industries and the economy. About \$3.8 billion will go into a "Co-Investment Fund" to attract enterprises to set up operations. The focus will be on tech companies which have strategic development value for Hong Kong. The Hong Kong stock exchange would revise its rules next year to facilitate the listing of high technology firms. **ATO Notes:** Recently, many critics compared Hong Kong with Singapore in the context of being resilient from the pandemic and urged the Hong Kong government to remove the remaining pandemic related restrictions. Although the Chief Executive did not mention any further relaxation of pandemic-related measures in his policy address, he assured the public that talks were continuing with mainland authorities on resuming cross-border travel. In the past two years, Hong Kong's work force lost 140,000 people and the economy contracted 1.3 percent in the second quarter

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compared to the same period last year. The three-hour address covered a range of policies and measures to boost growth and improve people's livelihood in response to challenges. Effective September 26, Hong Kong ended its quarantine requirements for inbound travelers and moved to a "0+3" system (zero days in quarantine + three days of medical surveillance during which travelers are not allowed to visit restaurants, bars, and other establishments). 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.

Hong Kong's Cathay Pacific to Ramp Up Flights to Top Destinations [[South China Morning Post](#), October 17, 2022]

Hong Kong's flag carrier, Cathay Pacific Airways, will operate more flights to top destinations following last month's easing of Hong Kong's entry regime for inbound travelers. The Airline stated it will add hundreds of flights to popular destinations during the last two months of this year. However, analysts opined Cathay is still a long way from achieving its long-term goal of reaching pre-pandemic operational levels and expected more visible signs of expansion starting next year. The airline's current network is up to 51 destinations compared to 29 in January and will reach around 60 destinations by the end of 2022. This figure is still less than half of the 119 covered by Cathay before the pandemic started in early 2020. Despite the easing of some travel restrictions, Cathay's daily passenger volume for September was around 8,800, for a total of 265,845 that month, with the figure marking a drop from the airline's peak of 100,000 per day before the pandemic. The airline's passenger flight capacity for the month was 16 percent of the pre-pandemic level, while cargo capacity stood at 61 percent. Cathay added it aims to reach one-third of its pre-pandemic passenger flight capacity and two-thirds of its previous cargo flight capacity by the end of the year. **ATO Notes:** The Hong Kong government has been under pressure from business groups and leaders to provide a clear road map outlining Hong Kong's return to normal travel. Despite the rise in daily COVID-19 cases from 3,000 to 5,000, there are no signs that the government will tighten social-distancing measures. However, there are also no signs that the government will further relax measures for inbound travelers in the near term. As part of a global campaign to revive its tourism, Hong Kong has plans to give away 500,000 airline tickets worth \$254 million next year, once all pandemic-related restrictions for arrivals are removed, and to spend \$12.9 million on various incentives for inbound travelers.

Air Macau Resumes Xiamen Flights [[The Macau News](#), October 14, 2022]

Air Macau is restarting its Xiamen route on October 16. Scheduled to operate every Wednesday, Friday and Sunday, the flights to and from the capital of Fujian province are part of the visa recovery program for mainland China's excursions, along with Guangdong and Jiangsu provinces, and the city of Shanghai. Macau's flag carrier resumed its flights to Hanoi (Vietnam) on October 12 and Tokyo (Japan) on October 13, while the Macau-Taipei route will resume on November 1. Currently, Air Macau also operates routes to Chinese cities of Shanghai, Hangzhou, Beijing, Qingdao, Chengdu, Nanjing, Wenzhou, Nanning, Changzhou, and Chongqing. **ATO Notes:** As the pandemic situation in Macau

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stabilizes, more flying routes will resume, especially those connecting cities in China, to bring back visitors and boost the city's economy.

HOTELS, RESTAURANTS AND INSTITUTIONS



Hong Kong Foodpanda Couriers Go on Strike to ‘Demand Better and Fairer Pay,’ Stating New Map System Has Cut Wages [South China Morning Post, October 15, 2022]

Hundreds of disgruntled Foodpanda couriers have gone on strike in Hong Kong over a new map system that calculated the wages of couriers based on their delivery distance. Couriers claim the online food delivery platform has rigged to impose further pay cuts and went on strike from 6pm on Saturday (October 15) until midnight on Sunday (October 16), which would be followed by a five-day industrial action during which they would refuse orders from Foodpanda's on-demand grocery service Pandamart. In addition, on their list of demands was allowing workers to decline or transfer orders, compensating couriers for waiting for more than five minutes for an order, and bonuses for working in bad weather. The company argued that it had increased its investment in distance service fees by 17 percent after the launch of the new function, and its fleet received higher service fees for all zones and vehicle types on average. The deliverers threatened to continue the actions if the company refused to negotiate or meet their demands. The new system was introduced to meet the demands raised by couriers during a strike last November when they complained that the previous map did not consider the city's hilly terrain. **ATO Notes:** Demand for food delivery service jumped tremendously in the past three years during the pandemic. Foodpanda is one of two dominant online food delivery platforms in Hong Kong, although mainland Chinese company Meituan has signaled an interest in claiming the market.

AEON Hong Kong and Komeda Co., Ltd. Enters into a Regional Franchise Agreement [Yahoo News, October 19, 2022]

AEON Stores and KOMEDA Co., Ltd. entered into a regional franchise agreement, with the aim of operating business of “KOMEDA's Coffee” in Hong Kong. KOMEDA's Coffee is a full-service coffee shop chain that originated in Nagoya. In terms of overseas markets, KOMEDA's Coffee has opened a total of 33 stores in Taiwan and Shanghai (as of late April 2022). KOMEDA's Coffee will expand in Hong Kong for the first time with hopes to open at least ten stores in three years. In addition to the operation of supermarkets, AEON Hong Kong has been also actively opening Japanese bakeries. **ATO NOTES:** Hong Kong's demand for consumer goods and high-quality catering services has increased. It seems that Hong Kong's demand for premium coffee shops is very keen with shops of various sizes spreading out

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all over Hong Kong. Currently, the decreasing shop rentals due to market downturn have provided development opportunities for these kinds of companies to expand.

Oktoberfest Returns to Macau MGM [[The Macau Post Daily, October 7, 2022](#)]

Resort operator MGM said in a recent statement that its signature event Oktoberfest Macau at MGM COTAI will return in October under the theme “CHEERS, MACAU!” The statement added that this year’s “CHEERS, MACAU!” Party Night will be a rendition from the Oktoberfest Macau at MGM of the past 11 years, enhanced with new music and entertainment elements, as well as customized visual and acoustic effects. Moreover, the event will have a line-up of known bands, musicians, dance performances and synchronized lighting effects with the venue’s LED display and remote-controlled LED wristbands. A range of gourmet German food will also be available throughout the night, making the best pairing to Löwenbräu beer, which the statement underlined is “one of only six authentic German Oktoberfest breweries.” **ATO Notes:** This activity marks the return of large scale in-person culinary events in the city.

Macau Casino Bidders Ordered to Widen Non-Gaming Investments [[The Standard, October 13, 2022](#)]

Macau authorities were not satisfied with some development proposals from gaming firms and now want most of them to put more investment into non-gambling facilities under a concession retendering process, according to Credit Suisse. Seven companies have bid for six casino licenses in the world’s biggest gambling center, with new contracts set to start at the beginning of next year with a validity of 10 years. Some applicants’ planned expansions of their existing projects are regarded as part of prior licensing commitments, and government officials are looking for something more in the rebidding, Credit Suisse noted. In addition to increasing the investment amount the gaming license bidders are also being told to provide a clear timetable for spending. **ATO Notes:** Macau’s economy has been heavily reliant on the gaming industry. The retendering of the casino licenses offers an opportunity for Macau to diversify its economy.

First Five Guys Store to Open in Macau [[The Macau Post Daily, October 20, 2022](#)]

The first Macau store of the U.S. fast-food chain FIVE GUYS will open in the first quarter of next year by exclusive franchisee Forward Fashion (International) Holdings Company Limited at Venetian Macao in Cotai, according to a statement released by the resort operator on behalf of the company. The burger-and-fries restaurant chain has over 1,770 eateries worldwide, the statement noted. **ATO Notes:** As the pandemic situation in Macau stabilizes, many restaurants are planning resumption of operations. Five Guys currently has 8 stores in Hong Kong and given its vote of confidence to expand its operation to Macau.

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TRADE



Hong Kong May Reverse Ban on Some Types of Re-export of E-Cigarettes and Other Heated Tobacco Products [[South China Morning Post, Oct 18, 2022](#)]

The SCMP has learned that Hong Kong may reverse its ban on the re-export of e-cigarettes and other heated tobacco products by land and sea transport by the end of this year as part of its efforts to ignite growth. Senior officials are mulling over the relaxation of the transshipment ban on re-exporting the alternative smoking products from Hong Kong, given the significant values of re-exports. An economist warned that the move could undermine the credibility of city authorities if they backtracked on their promise to curb tobacco use and weaken the promotion of public health. The original intention of the amendment was to prevent the re-exported products from slipping back to Hong Kong through other means. **ATO Notes:** The new move, if materialized, would roll back the tobacco control regime. Under the city's present laws, which were amended in 2021 and took effect at the end of April, prohibits the import, selling or manufacturing of alternative smoking products such as electronic cigarettes, heated tobacco products and herbal cigarettes.

Three Major Trade Fairs Running in Macau Concurrently October 20-22 [[The Macao News, October 19, 2022](#)]

Three trade fairs – the 27th Macao International Trade and Investment Fair (MIF), the Macao Franchise Expo 2022 (MFE) and the 2022 Portuguese Speaking Countries Products and Services Exhibition (Macao) (PLPEX) – will be held concurrently at the Venetian's Cotai Expo during October 20-22. The three-day expos, which will take place both online and offline, aim to help participating traders connect more efficiently with local small-medium enterprises (SMEs), give full play to the collaboration of meetings, incentives, conferences, and exhibitions (MICE), as well as tourism, and enable the “multiplier effect” of the MICE economy to benefit a wider range of areas and fields in Macao while boosting appropriate economic diversification in the city. **ATO Notes:** As the pandemic situation in Macau stabilizes, the three trade fairs marks the return of large scale in-person trade events in the city. However, given current restrictions on inbound travelers, it is unlikely that the shows will include strong international participation.

Avian Influenza may be Squeezing U.S. Turkey and Egg Exports but not the Cause Behind Lower U.S. Chicken Exports [[ATO Hong Kong, October 20, 2022](#)]: The Agricultural Trade Office (ATO), in coordination with USDA's Animal and Plant Health Inspection Services (APHIS), is working to address county-level import suspensions on U.S. poultry and egg products in response to ongoing cases of

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avian influenza (AI). Over the past few months, the Hong Kong government has lifted AI-related suspensions on several affected U.S. counties in Delaware, Iowa, Kentucky, Maryland, Missouri, North Carolina, and Oklahoma. As of October 21, a total of 75 counties in 17 states are still ineligible to ship U.S. poultry products to Hong Kong due to AI. The U.S. poultry industry reports that this year, AI incidents have severed supplies of U.S. turkey and eggs. As a result, during the first eight months of 2022, U.S. exports of whole turkeys to Hong Kong plummeted 66 percent compared to the same period last year to \$206,000, with ATO receiving regular calls from local importers desperate for U.S. turkeys. Higher U.S. prices cracked U.S. exports of egg and egg products 49 percent to \$17 million. On the other hand, U.S. chicken supplies have fared better under AI, suggesting that the 21 percent decline in U.S. chicken meat exports to Hong Kong could be attributed to other factors, including more direct shipments to mainland China which rose 42 percent during the same period.

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

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