

THE HONG KONG WONTON

wrapped by ATO Hong Kong

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ATO HONG KONG HOSTS EXCLUSIVE *DELICIOUS USA* TASTING FOR LOCAL CHEFS



On October 30, 2023, ATO Hong Kong, accompanied by U.S. Consul General, Greg May, hosted an exclusive tasting for local chefs as part of the *Delicious USA* 2023 restaurant campaign. The tasting welcomed a total of 18 chefs from different food culture backgrounds and food and beverage professionals. The carefully curated tasting menu featured sweet potatoes from North Carolina, mussels from Washington State, Cornish hens from Arkansas, and potatoes from Idaho. The menu also featured wines from California, Oregon, and Washington State.

During the first nine months of 2023, U.S. food and agricultural exports to Hong Kong rose 9.3 percent to \$1.1 billion compared to the same period last year. Through this chef tasting session, ATO aimed to encourage chefs in Hong Kong to consider incorporating less familiar U.S. ingredients in their Christmas and Lunar Year menus. Check event highlights on our LinkedIn [page](#). More highlights on the *Delicious USA* 2023 media launch [here](#).



Featured Dishes at Chef Event

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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:

- Ox gallstones
- Non-alcoholic or low alcohol wine and beer

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.



ECONOMY

Paul Chan Warns Hong Kong's Deficit May Exceed \$13 Billion [The Standard, Oct. 27]

Financial secretary Paul Chan Mo-po expects Hong Kong's deficit to exceed \$13 billion as he said the city's post-pandemic revival is slower than expected and pointed to the declining external economic environment. The finance chief also said the issue of Hong Kong's sky-high home prices has been a longstanding issue and authorities will not be keen to make any changes in the short term. He went on to say that as long as there is not a faith crisis and panic-selling in the market that would endanger financial security, authorities will not have to intervene, and the market will self-adjust. **ATO Notes:** Hong Kong has one of the highest property prices and often used as an indicator of the health of the economy. Property prices have dropped in 2023 and business activity in other key sectors continues to lag. Local industry contacts and customers comment that while the initial consumer "revenge spending," which assisted the economic recovery right after the reopening of the borders in early 2023, has lost steam as consumers are now more cautious about their spending.

For a True Picture of Hong Kong's Economic Challenges, Look Beyond Brave Headline Numbers [Opinion SCMP, Nov. 5]

Hong Kong's third-quarter gross domestic product growth was up 4.1 percent year-on-year. In his budget speech in February, Chan had forecast GDP growth of 3.5 - 5.5 percent for the year, but in August, the expected growth rate was revised to 4 - 5 percent. Financial Secretary Paul Chan Mo-po

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said that local economic growth this year would be lower than previously expected. Predictions that GDP growth will be lifted by a recovery in household consumption and a jump in tourist spending seem fragile. While the economy grew 4.1 percent in the third quarter, and unemployment and bankruptcy do not appear worrying, the feeling on the ground is quite different. Spending by Hong Kong's poorest remains squeezed, the propertied middle classes are also facing acute difficulties. The boost to local consumption and a revival of tourism activity will fall far short of generating recovery. In time, much more economic harm is likely to be revealed.

Hong Kong Tourism Chief Says Lifting Health Declaration Unlikely to Create Dramatic Surge in Cross-border Travel to Mainland China [[SCMP](#), Oct. 30]

The number of northbound travelers from Hong Kong is unlikely to fluctuate heavily when mainland China lifts its health declaration policy, while the ministry vowing to upgrade a cruise terminal and tap into emerging trends to support the tourism industry. Secretary for Culture, Sports and Tourism Kevin Yeung Yun-hung said he believed the decision to scrap a health declaration form allowing travelers to cross the border using a QR code, commonly known as a "black code," would have little effect on the number of people heading north. Immigration figures showed more than 459,000 Hongkongers over the weekend had travelled north using land checkpoints. As part of efforts to support local industries, Chief Executive John Lee Ka-chiu announced in his second policy address an action plan to develop the cruise tourism economy by next June. Yeung on Monday said authorities would study how to expand the Kai Tak Cruise Terminal's commercial space and whether they needed to review the functions of the site during the first half of next year. **ATO Notes:** Mainland China implemented the "black code" policy in January 2020 in response to the COVID-19 pandemic for all inbound and outbound travelers. In recent months, even with the code, Hong Kong residents have flocked north during the weekends for more attractive discounts in food and entertainment. While ATO has heard anecdotal reports that travel without the code has made the journey easier, travel is more likely to change with currency fluctuations.

Hong Kong Turns Focus to 'In-depth Tourism' [[The Standard](#), Oct. 30]

Hong Kong's tourism chief said on Monday that authorities will discuss whether to roll out new measures in response to the latest change in the preferences and habits of travelers, with most of them now opting for "in-depth tourism" in the city. His comments came after the Chief Executive announced in his policy address that the government would make changes to the Development Blueprint for Hong Kong's Tourism Industry, encouraging the trade to provide more in-depth itinerary design and develop more thematic tours to showcase the city's diversified cultural landscape. In the past, mainland tourists mostly came to Hong Kong for shopping or sightseeing, but the situation has changed in recent years, now many of them prefer immersive experiences or visiting local neighborhoods to experience the lives of Hong Kong people. The government will study whether to introduce new measures to cater to the change. **ATO Notes:** Over 80 percent of international tourists to Hong Kong comes from mainland. While the food service and hospitality sector longed for the return of mainland tourists, a lot of them are working to adapt their offerings to satisfy new demand patterns, a situation that continues to evolve.

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Macau Has Highest GDP Growth Rate Until 2024 [[Macau Daily Times](#), Oct. 31]

Macau has the highest growth rate projection for 2023 and 2024 among advanced economies listed by the IMF World Economic Outlook (WEO). The International Monetary Fund (IMF) report said Macau is expected to grow 74.4 percent this year and expected to grow at a slower rate of 27.2 percent in 2024, with the leading growth rate among advanced economies in Asia including Japan, Singapore, and Hong Kong. The rebound comes after the economy plunged 26.8 percent in 2022 amid the city's strict border regulations, halting international tourism arrivals from 2020. Last year, the IMF warned that Macau's economic recovery is expected to continue, but that it will take time before the economy fully regains its losses from the pandemic. In terms of unemployment, the IMF projects a 2.8 percent and 2.9 percent unemployment rate in both 2023 and 2024, respectively. **ATO Notes:** Supplementing the above forecast, Macau's GDP climbed 116.5 percent in the first two quarters of 2023. Its median income, import value and gaming revenue continued to increase in September.

Exports Drop \$1.2 Billion [[Macau Daily Times](#), Oct. 31]

From January to September, the total value of merchandise exports dropped 6.1 percent year-on-year to \$1.2 billion, with re-exports falling 3.1 percent to \$1 billion and domestic exports falling 23.4 percent to \$128 million. The total value of merchandise imports grew 3.5 percent year-on-year to \$13.6 billion, according to data from the Statistics and Census Service (DSEC). Analyzed by destination, merchandise exports to mainland China (\$88 million), Hong Kong (\$894 million), the USA (\$46 million) and the EU (\$15 million) declined 28.7 percent, 10.4 percent, 27.7 percent and 16.7 percent respectively.

Government Maintains Cash Handouts, Expects \$27.7 Billion GGR in 2024 [[Macau Daily Times](#), Nov. 2]

The government of Macau submitted the budget for the 2024 fiscal year to the Legislative Assembly, anticipating a surplus in the public finances again next year without tapping into fiscal reserves to cover the fiscal gap. The estimated gross gaming revenue (GGR) next year is projected to reach \$27.7 billion. The budget proposal estimates that the city's general comprehensive budget revenue will be \$13.7 billion next fiscal year, while the general comprehensive budget expenditure is anticipated to reach \$13.6 billion.

Government to Spend \$30 Million Next Year to Attract International Tourists [[Macau Daily Times](#), Nov. 2]

A total sum of \$30 million has been reserved to attract international visitors, according to Secretary for Economy and Finance Lei Wai Nong. The senior official emphasized that part of the government's role in diversifying the economy is to establish a conducive environment. He disclosed that further investments will be made to attract visitors from a wider pool. Lei specifically mentioned that the proportion of non-Greater China visitors to Macau had grown from 10 percent in January to 70 percent in October, suggesting that strategies employed by the government had been effective. Looking forward, the government will continue promoting Macau in a wider range of locations. Roadshows may be held again in the coming year. **ATO Notes:** To increase the sustainability of its economic growth, Macau continues to work on diversifying its sources of income, including expanding the mix of its tourist demographic.

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HOTELS, RESTAURANTS, AND INSTITUTIONS



New Generation of Mainland Chinese Restaurateurs Eye Hong Kong as ‘Stepping Stone’ to Go International [[Hong Kong Free Press](#)**, Nov. 5]**

A veteran of mainland China’s food and beverage industry, Feng decided to venture into the city this year with his brand of Hunan cuisine. He believed the market for spicy food in the metropolis was not yet saturated, but, more importantly, he aimed to expand into foreign markets. The 44-year-old businessman said he and his partner had invested around \$1 million in the new eatery, including the rental deposit, decoration fees and equipment. It was almost triple the cost of opening a branch in Shenzhen. In recent months, a number of chain restaurants and tea shops from mainland China have ventured into Hong Kong. A Hong Kong businessman who used to run eateries in mainland China, has been among those taking advantage of the trend. Mainland Chinese brands must go through a lot of adaptation before venturing overseas, “Hong Kong is a buffer zone for them – it’s still in China, but they have stepped out of the country.” While many Hongkongers used to venture north of the border to dine and shop during weekends and on public holidays, another interviewer said revenue was only around 60 percent of 2019 levels, as consumption habits had fallen during the pandemic. “Hong Kong is a stepping-stone to going abroad,” adding that the city’s finance system was more aligned with international practice. Money made in Hong Kong could be more easily transferred to other countries, which is good for business that wish to expand into Southeast Asia. **ATO Notes:** The Hong Kong market has been known as a taste setter in the region. As mainland restaurateurs venture to the city to test out the global potential of their eateries, this may offer an additional showroom for U.S. premium ingredients not yet available in mainland and other markets in the region.

Sands China Supplier Spotlight: Macau’s First Locally-produced Gin Brings a Unique Touch to the City’s Cuisine [[Macau Daily Times](#)**, Oct. 27]**

Macau, one of the hottest tourist destinations in Asia and a UNESCO City of Gastronomy, daily attracts tourists from all over the world. Its lively atmosphere and rich cultural heritage are always a treat for visitors, who can savor the city’s famous cuisine and various beverages. However, most of the wine and spirits consumed in Macau are imported, with few local options available. Owl Man Distillery, Macau’s first gin producer, was founded by Rebeca McAulay and her husband in October of 2022. The idea came during the pandemic shutdown. The small business enterprise quickly gained recognition for its locally produced gin. The company’s unique product offering caught the eye of Sands China, which reached out to the distillery earlier this year to collaborate on a limited-edition gin for The Londoner Macao. **ATO Notes:** Owl Man Distillery officially begins its operation in October 2022, they offer three sizes of bottled gin, 500 ml, 100 ml and 50 ml bottle for bars, restaurants, and hotel rooms. The gin is made

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using traditional gin distillation methods combined with a Macau twist. "Owl Man" is named after the Mandarin pronunciation of Macau (Ao Men), emphasizing its local origin.

September Hotel Occupancy Drops [[Macau Daily Times](#), Nov. 1]

September hotel occupancy was 78.6 percent, slightly down compared to the previous month's summer holiday of 88.7 percent. The number of hotel guests leaped 158.2 percent year-on-year to 1.13 million. Guests from mainland China (813,000), Hong Kong (178,000) and Taiwan (30,000) jumped 144.2 percent, 917.7 percent and 873.7 percent respectively, albeit from a low base. In the first three quarters of 2023, the average occupancy rate of hotel guest rooms rose 43.1 percentage points year-on-year to 80.6 percent. A rise is expected in October due to the Golden Week holiday. Government data shows the eight-day National Day Holiday logged nearly a million visitors, mostly from mainland.



RETAIL

Four-day Wine and Dine Festival Draws 140,000 Visitors [[The Standard](#), Oct. 27; [The Standard](#), Oct. 30]

The Wine and Dine Festival held at the Central Waterfront, featuring over 300 booths, concluded on Sunday and attracted a total of 140,000 people to participate in the fest. According to the Hong Kong Tourism Board, the four-day event drew tourists from roughly 20 countries and regions, including Canada, the United States, and Japan. Exhibitors said business met their expectations and sales were on par with 2018. Another wine and dining fest, "Taste Around Town" - with more than 300 restaurants and bars participating - will start in November to invite the public to celebrate a month-long culinary journey through the city's diverse dining culture. This is the first time the festival has fully adopted electronic payment. **ATO Notes:** The Wine and Dine Festival returned after its five-year hiatus. The outdoors event featured over 300 wine and food booths from 36 countries and regions, with highlights including classic wines from France, Australia, and Italy, as well as choice selections from Moldova, Finland, and Thailand. The event also covered trending selections such as low-alcohol-containing beverages for younger consumers, as well as Chinese wines and spirits from Ningxia, Yunnan, and Shandong.

Extra Hour Brings Lots of Food for Thought at Fair [[The Standard](#), Nov. 6]

Exhibitors at the Hong Kong Food Carnival said sales increased 30 percent compared to last year, thanks to government measures to stimulate the night-time economy, as the nine-day event at Kwai Chung Sports Ground ended yesterday. Event organizer the Chinese Manufacturer's Association of Hong Kong

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extended this year's opening hours by one hour with the event running from 11 am to 9 pm. This year, the carnival changed its marketing strategy. Business was reportedly better with sales seeing a 10-fold increase. Exhibitors commented that the unseasonal heat so far this month led to beverages being sold out early, necessitating daily restocking. However, visitors had different perception of the fair. Some said the carnival lacked innovation and that it is the same every year, and the prices were not cheaper than supermarkets. While another shared that holding an event outdoor was unpleasant with the crowd and hot weather. **ATO Notes:** This story offers a good insight into the current Hong Kong consumer; consumers are expecting the promotion of old and new products to be presented in a new way and they are also looking for products that offer the best value for money.

Catering Sector Gets Guidelines on Easing Access for Disabled Customers [[The Standard](#), Oct. 31]

Restaurants can add some barrier-free design for customers with disabilities like automatic doors at the entrance or ramps instead of stairs as the Equal Opportunities Commission yesterday issued its first "practical guide on universal design for catering services" in Hong Kong. The guide aims to encourage the catering industry to serve customers with different needs and as they design their facilities.

According to a survey conducted by a rehabilitation organization, over 70 percent of selected restaurants do not meet accessibility requirements. The survey also found that only 10 percent of shops in a particular old district have accessibility facilities. Hong Kong is currently facing a rapidly aging population and hopes that this guide can further promote the concept of "universal design" to establish an accessible and barrier-free society. **ATO Notes:** Guideline for disabled customers is not a legal requirement but a set of good practices for the industry to cater to customers with different needs. Previously, when fostering a barrier-free community to support for the public, the focus has been upon facilitating access to public transportation.

Macau Hosts First Forum on Timber Industry [[Macau Daily Times](#), Nov. 6]; More Macau Firms Attend China International Import Expo This Year [[Macau Daily Times](#), Nov. 6]

Macau will host the Global Legal and Sustainable Timber Forum 2023 (GLSTF) from Nov. 21 to 22 and attended the China International Import Expo (CIIE) in Shanghai held Nov. 5-10. The GLSTF targets to promote sustainable forest management, creating legal and sustainable wood product supply chains, facilitating the legal and sustainable use and trade of wood products in a stable market. The forum is expected to attract around 500 participants from wood enterprises and trading companies, industrial and business associations and governments. While the CIIE showcase food and beverages made in Macau and Portuguese-speaking countries (PSCs) as well as professional services, such as accounting and taxation, provided by Macau and PSCs. The Macao Trade and Investment Promotion Institute has said the number of Macau enterprises it had organized to attend the CIIE in previous years was over 200, making the expo an important channel for Macau enterprises to explore mainland and even overseas markets. **ATO Notes:** The city is also promoting different events to highlight its efforts to diversify the economy. Through activities that will encourage trade, the city is taking the step to expand beyond its gaming industry.

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TRADE

CEDB Briefs Trade and Industry Advisory Board on Policy Address [[HKSAR - Press Release, Oct. 30](#)]

The Secretary for Commerce and Economic Development, Algernon Yau, briefed members of the Trade and Industry Advisory Board on initiatives related to commerce and trade in "The Chief Executive's 2023 Policy Address." Stressing that the Government is committed to supporting enterprises, in particular, small and medium-sized enterprises (SMEs), so as to help them secure a firm footing amid the difficult and volatile environment. The Government will provide more flexible repayment options so that enterprises may choose to repay only 10 percent, 20 percent, or 50 percent of the original principal amount payable each month during the specified period, enabling them to have more time to gradually switch to normal repayment. The Government will also establish the E-commerce Development Task Force to implement policies assisting SMEs in developing e-commerce business and launching "E-commerce Easy" under the Dedicated Fund for products to develop the mainland market. In addition, the Government suggested raising the statutory cap on the contingent liability of the Hong Kong Export Credit Insurance Corporation (ECIC) from \$7 billion to \$10 billion to enhance its underwriting capacity. The ECIC will also upgrade its free credit check services for policyholders regarding buyers from the 10 member states of the Association of Southeast Asian Nations, giving exporters more confidence in accepting overseas orders.

Hong Kong Suspends Imports of Poultry Meat and Products from Areas in the United States [[HKSAR - Press Release, Oct. 30](#); [HKSAR - Press Release, Nov. 6](#)]

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department has suspended importation of poultry and poultry products following an announcement of outbreaks of highly pathogenic H5N1 avian influenza in Kandiyohi County, Blue Earth County, and Redwood County of the State of Minnesota; Pocahontas County and Buena Vista County of the State of Iowa; Beadle County, Clark County, Hanson County and Spink County of the State of South Dakota; Chilton County, State of Alabama, and Merced County; of the State of California in the United States. According to the Census and Statistics Department, Hong Kong imported about 21,470 tons of chilled and frozen poultry meat and about 57.11 million poultry eggs from the United States in the first nine months of this year. **ATO Notes:** From January to September 2023, exports of U.S. poultry to Hong Kong recovered, growing 107 percent year-on-year to \$67 million and surpassing total annual sales since 2021. Conversely, exports of U.S. eggs fell dramatically 63 percent year-on-year to \$6.5 million. Traders reflect that many restaurants switched to Chinese eggs following cases of Avian Influenza in the United States. In addition, shorter transit time and prices are also factors that reinforced the change in buyers' decision.

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Resumption of Poultry Meat and Products from Four Areas in the United States [ATO Hong Kong, Nov. 8]

On November 8, 2023, the Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department notified the resumption of imports of poultry meat and products from four U.S. locations previously banned due to outbreaks of Avian Influenza earlier this year. The reinstated locations include, Suffolk County, Queens County and Kings County, State of New York and Union Country, State of New Jersey. ATO Hong Kong continues to work with U.S. sister regulatory agencies to provide timely information to Hong Kong authorities to ensure reinstatement of U.S. counties once cleared in line with international standards.

Hong Kong Suspends Imports of Poultry Meat and Products from Areas in Denmark and Hungary [CFS - Press Release]

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department is suspending imports of poultry meat and products (including poultry eggs) from Slagelse Municipality in Denmark and Hajdú-Bihar County in Hungary following notifications about outbreaks of highly pathogenic H5N1 avian influenza. **ATO Notes:** Denmark is the eleventh largest supplier of poultry meat to Hong Kong. So far in 2023, supplies have dropped by half to \$2.5 million. Last year, Denmark supplied \$6.5 million of poultry products to Hong Kong and was once ranked as the 7th top supplier. In 2022, Hungary was among the top twenty suppliers of poultry meat to the city. Conversely, during the first eight months of 2023, Hong Kong imports of poultry meat from Hungary increased 47 percent to \$1.5 million compared to the same period last year.

Pigs Culled After African Swine Fever Alert [The Standard, Nov. 8]

The government has ordered the culling of all the pigs at a farm in Yuen Long after 16 tested positive for the African swine fever (ASF) virus. The Agriculture, Fisheries and Conservation Department announced on Tuesday that a licensed pig farm at Lau Fau Shan had tested positive for the ASF virus after staff took samples from 32 pigs for testing. All pigs on the farm will be culled for the sake of prudence, and the transportation of any pigs from the farm was suspended immediately until further notice. Department staff have also checked on three other farms within three kilometers and found no abnormalities. A temporary suspension on the movements of pigs on these farms was implemented and samples will be taken from pigs for testing to ensure no ASF infection. **ATO Notes:** Hong Kong has very limited agricultural production and about 15 percent of live pig are locally raised. Most of Hong Kong's live pigs (for slaughter) are supplied by mainland China due to the easiness in inland transport.

Alcohol Control Law Begins [Macau Daily Times, Nov 6]

The Alcohol Control Law came into effect with convenience stores and supermarkets displaying signs dividing alcoholic beverages from non-alcoholic beverage areas. Some non-alcoholic beverages were also marked with alcohol concentrations below 1.2 percent. The law is aimed at reducing potential risks or harm associated with the consumption of alcohol by minors. According to Regime of Prevention and Control of Underage Alcoholic Consumption, advertisements for drinks with an alcohol concentration of more than 1.2 percent should carry warnings "excessive drinking of alcoholic beverages is harmful to health" and the "sale or supply of alcoholic beverages to anyone under the age

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of 18 is prohibited.” **ATO Notes:** Macau launched a new law on its liquor control, selling of alcoholic drinks with an alcohol content higher than 0.05% by volume to minors is now legally prohibited. However, the regulation has not clearly identify the penalties for liquor infused food like alcoholic sweets, such as liqueur chocolates. While retailers and operators urge the city government for clarification on this new rule, industry advisors suggest companies to display or incorporate the labelling and distinguish between alcoholic and non-alcoholic goods.

Customs Unveils Smuggling Cases Including Dozens of Moutai in Hong Kong and Macau [[Macau Daily Times](#), Oct 31; [The Standard](#), Nov 8]

Macau Customs last week unveiled three smuggling cases using cross-border vehicles including a vehicle transporting 34 bottles of Moutai liquor to Macau from Zhuhai, via the Hong Kong-Zhuhai-Macau Bridge Port. In the other two cases, 235 kilograms of fruit and nine kilograms of hairy crabs were smuggled in cross-border vehicles at Hengqin and Border Gate respectively. In the past six days, Customs also intercepted 80 incidents of smuggled goods in and out of the region at various ports, and seized more than 8,200 cigarettes, more than 100 old mobile phones and more than 400 beauty products. For Hong Kong, Custom has seized about 77,000 items of counterfeit and infringing goods as well as 13 liters of duty-not-paid liquor with an estimated market value of over \$8.6 million and a potential duty of about \$11,500. **ATO Notes:** Moutai is a style of clear white liquor made in China. It uses traditional Chinese techniques of fermentation, distillation, and aging. Hong Kong imposes a 100 percent tariff 100 percent on liquor with a 30 percent alcoholic content or above.

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

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