

THE HONG KONG WONTON

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ATO Hong Kong Welcomes First In-Person Agricultural Trade Mission Since 2019!

A Specialty Beverage Trade Mission from Washington State visited Hong Kong and Macau during April 20-22, 2023. This is the first in-person agricultural trade mission since the summer of 2019. Led by representatives from the Washington State Small Business Development Center (SBDC) and the Washington State Department of Agriculture, the delegation learned about the latest market developments in Hong Kong and Macau. ATO provided a market briefing and facilitated a market tour which included visits to beverage retailers, restaurants, and bars in both cities. In addition, during industry meetings, the delegation introduced a variety of distilled spirits, wine, beer, and ciders from the State of Washington to local buyers, distributors, bartenders, and sommeliers. U.S. Consul General, Greg May, co-hosted a trade reception where delegates and local buyers had the opportunity to toast the return of in-person trade missions. In 2022, U.S. combined sales of specialty beverages (wine, distilled spirits, and beer) to Hong Kong were \$63 million. The United States is the sixth largest supplier to Hong Kong's \$1.7 billion specialty beverage market. For more information on these markets please see our latest reports for [wine](#), [distilled spirits](#), and [beer](#).

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ECONOMY



Hong Kong Ranked Seventh Most Attractive Regions To Do Business [[The Standard](#), April 14]

Hong Kong has been ranked seventh among the most attractive regions to do business for the next five years, while Singapore has retained its position at the top, according to the latest business environment rankings from Economic Intelligence Unit (EIU). Hong Kong moved up one place in the rankings for 2023-2027. The EIU says Hong Kong is expected to maintain one of the most competitive business environments in the Asia and Australasia region, ranking behind only Singapore. Despite Hong Kong's high rankings in international comparisons for taxes, infrastructure and foreign trade and exchange controls, political risks have resulted in the city's exclusion from the top five in the global business environment. However, Hong Kong still performs well in policy toward foreign investment and the labor market, although labor has experienced some deterioration. **ATO Notes:** Hong Kong is a free market for food and agricultural products. Almost all food imports enjoy tariff-free access. As its border is fully open, business activities are gradually resuming in Hong Kong to bring the city back to pre-COVID-19 normalcy and vibrancy.

Hong Kong Received 4.4 Million Visitors in the First Quarter of 2023 [[The Standard](#), April 14]

Hong Kong recorded a provisional visitor arrival of 2.45 million in March, up 68 percent from February, according to the latest data released by the Hong Kong Tourism Board (HKTB). The number of inbound travelers also adds up to 4.41 million in total for the first quarter of this year, which is about 30 percent of the average quarterly figure before the pandemic. Most visitors came from mainland China and Southeast Asian markets, HKTB said. From January to March, there were about 3.36 million mainland tourists. HKTB added the line-up of international cruise arrivals in March also helped bring in international visitors. **ATO Notes:** Hong Kong re-opened its order in January 2023, and visitors are gradually returning to the city. It is expected that more tourists will visit Hong Kong in the second quarter and beyond as airline connectivity and local labor shortage situation improve.

Hong Kong Retained Top Spot Among Cargo Airports [[The Standard](#), April 15]

The Hong Kong International Airport, which handled about 4.2 million tons of cargo and airmail in 2022, has once again been crowned the world's busiest cargo airport, said Secretary for Transport and Logistics Lam Sai-hung. Lam was referring to figures released by the Airports Council International. Writing in his blog published on April 15, Lam pointed out that the Airport Authority (AA) has reserved land in the airport's south cargo precinct, where a new premium warehouse will be built to support the development of cross-border e-commerce and high-value temperature-controlled airfreight. He also said the overall fees of the airport are generally lower than those of other international and Asian airports. The Civil Aviation Department has also rolled out measures to attract airlines to fly their cargo

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flights to Hong Kong; like issuing guidelines to speed up flight applications, simplifying the application procedures, prioritizing extra flight applications by airlines, and temporarily exempting cargo flights from handing over certain documents and information. **ATO Notes:** Despite the loss of passenger traffic under the pandemic, Hong Kong airport has been busy handling cargo traffic. As its border reopened in January, business activities are expected to grow to support the continuous growth of air cargo traffic via Hong Kong. This should continue to restore shipping alternatives for U.S. premium food exports to the city.

Hong Kong New Round Consumption Vouchers Expected to Boost Economy by 0.6 Percent [[The Standard](#), April 17]

Many of the millions of Hong Kong recipients of consumption vouchers said they would be spending the first installment (\$385) released April 16 on daily necessities, transport and small treats - instead of splurging on expensive items. Chinese restaurants are only expecting a 3 to 5 percent increase in business on weekends this month, a drop from the 8 to 10 percent rise triggered by the voucher in the past two years. Restaurant manager Lai Wai-choy said the vouchers are still helpful. Financial Secretary Paul Chan expects the voucher to act as a \$2.56 billion consumption power that will boost the Hong Kong economy by 0.6 percent. **ATO Notes:** As Hong Kong lifted all its travel and social distancing restrictions in January, business activities are gradually normalizing. Hence this round of consumption voucher is only 50 percent of those under issued during the pandemic. If the economy continues to improve, it is likely that the Hong Kong government will not distribute any more consumption vouchers this year.

Hong Kong Jobless Rate Dropped to 3.1 Percent in First Quarter 2023 [[The Standard](#), April 25]

Hong Kong's jobless rate dropped for the eleventh month in a row to 3.1 percent in the first quarter, official data showed, as the economy gradually picked up. The seasonally adjusted unemployment rate slid by 0.2 percent to the lowest since October 2019 in the first quarter, beating an estimate of 3.2 percent. The underemployment rate also dipped to 1.2 percent in the January-March period from 1.3 percent in December 2022-February 2023, the Census and Statistics Department said. Total employment rose by 3,900 to 3.65 million by the end of last month, while the number of unemployed fell by 600 to 115,100. Analyzed by sector, the combined unemployment rate of the consumption- and tourism-related sectors declined by 0.1 percentage point from the preceding three-month period to 4.2 percent in the first three months of this year, while that of the food and beverage service sector edged up by 0.1 percentage point to 4.9 percent after successive periods of decline over the past year or so. The building decoration, repair, and maintenance and the wholesale sector saw relatively greater improvement in unemployment rates. **ATO Notes:** The Hong Kong labor market should improve further alongside the continued revival of domestic economic activities and inbound tourism. The disbursement of the new batch of consumption vouchers beginning April 16 will also help.

Hong Kong Expects 600,000 Mainland Tourists During Labor Day Holidays [[The Standard](#), April 26]

About 600,000 mainland tourists will be visiting Hong Kong during the Labor Day Golden Week, making up about 60 percent of pre-COVID-19 levels, according to the Travel Industry Council (TIC). TIC said they are mostly independent tourists, and guided tours will only take up a very small portion, similar to

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about 200 tours during the weekends at present. It is also believed this coming Sunday (Apr 30) will see the number of inbound travelers peak at around 200,000 on a single day. **ATO Notes:** Tens of thousands of mainland Chinese visitors are expected to visit Hong Kong during “Golden Week” and boost the city’s tourism, retail, and food service industries.

IMF Forecast Macau’s Economy Will Grow By 60 Percent [[The Macao News](#), April 14, 2023]

Macau’s real GDP growth will surge by almost 60 percent this year as the territory emerges from the COVID-19 pandemic, the IMF says in an economic forecast. It adds that the economy will continue to grow by more than 20 percent in 2024 and just over 8.5 percent in 2025. According to the estimates, unemployment will fall to just 2.5 percent next year. Inflation will be restrained, hovering at around 2.5 percent. Macau’s GDP contracted by more than 25 percent in 2022 as the city struggled under COVID-19 restrictions. Economic forecasts for Macau have been generally buoyant. In March, credit and research agency Fitch said it expected Macau’s economy to grow by almost 50 percent in 2023, praising the territory’s “exceptionally strong public and external finances, and prudent fiscal management.” However, it also sounded cautionary notes on Macau’s “narrow economic base” and “high dependence on the gaming industry”, highlighting in particular “bottlenecks for diversification”.

ATO Notes: Macau is small city and its economy is heavily reliant on gaming and tourism, which have been hard hit under the pandemic. Prior to the pandemic, the government had encouraged the diversification of its economy to broader forms of entertainment as well as hosting more conferences and exhibitions. Following the pandemic, these calls for diversification have strengthened. However, industry contacts indicate that limitations such as scarce available land hinder the potential to invest in other sources of revenue.

Over 200,000 Attended Macau MICE Events in First Quarter 2023 [[The Macau Post Daily](#), April 17]

The Macau Trade and Investment Promotion Institute (IPIM) announced in a statement yesterday that over 200,000 people participated in local MICE (Meetings, Incentives, Conferences, and Exhibitions) events in the first quarter, including 15,000 business tourists who attended local meetings. IPIM said it expected over 20,000 business tourists to visit Macau for MICE events in the second half of the year, the statement noted. The statement went on to say that in order to turn Macau into an ideal MICE destination, IPIM continues to work with the local MICE industry and integrated tourism and leisure enterprises to enhance the soft and hard skills of Macau’s MICE industry, with a view to attracting more large-scale and high-quality international exhibitions, industry fairs and multinational corporate summits to be held in Macau. The statement noted that a 16,000-seat MICE center will be opened this year, pointing out that currently there are over 240,000 square meters of convention and exhibition space and 40,000 hotel rooms in Macau, meeting the needs of all sizes and types of conventions and exhibitions. **ATO Notes:** As mentioned above, the city is aiming at diversifying its economy. MICE is one of the areas that Macau is actively hoping to develop, particularly for opportunities from mainland Chinese businesses in the western part of the Greater Bay Area.

Macau Registered Highest Daily Visitor Total at 98,000 [[The Macao News](#), April 18]

Some 98,000 visitors came to Macau on April 15 according to Finance Secretary Lei Wai Nong. The number is the highest recorded on a single day this year, the official said. Addressing the Legislative

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Assembly, Lei added that most visitors fell into the younger age group of 18 to 35. He said that he believed tourist volumes were now at about 60 percent of their pandemic levels, and attributed the strong recovery to the government's ongoing promotional campaigns. Among the most popular promotions is a ticket giveaway scheme, by which visitors arriving from Hong Kong by bus or ferry can claim a free ticket if they stay in Macau for at least a night. An average of 87,660 visitors a day came to Macau during the recent three-day Easter holiday, prompting Macau Government Tourism Office chief Helena de Senna Fernandes to declare at the time that she was "satisfied" with the pace of recovery.

ATO Notes: Macau reopened its border in January and visitors are gradually returning. However, the influx has led to a sharp spike in the cost of hotel accommodation, and labor shortage is still serious in Macau. It will take another few months before hotel prices normalize and the city can be fully staffed to serve the multi-million visitors.

March Visitors to Macau Up 271 Percent to 1.9 Million [[The Macau Post Daily](#), April 25]

Macau welcomed 1.95 million visitor arrivals in March, a year-on-year increase of 271.4 percent and month-on-month growth of 22.8 percent, the Macau Statistics and Census Bureau (DSEC) announced on April 24. The daily average of visitor arrivals reached 63,124 in March. According to a DSEC statement, overnight visitors (979,152) and same-day visitors (977,715) rose by 522.7 percent and 164.5 percent year on year respectively. Overnight visitor's average length of stay dropped by 1.4 days to 2.2 days year-on-year. Mainlanders accounted for 63.5 percent of all March visitor arrivals while Hongkongers accounted for 31.8 percent. Visitors from the three Chinese regions (mainland, Hong Kong, Taiwan) made up 96.6 percent of last month's total number of visitor arrivals. The number of mainland Chinese visitor grew 164.9 percent year-on-year to 1.24 million. Visitors from Hong Kong (622,304) and Taiwan (26,645) increased by 1,077.2 percent and 447.5 percent year-on-year respectively.

Macau Expects over 70,000 Visitors Daily During May Golden Week [[The Standard](#), April 26]

Macau Government Tourism Office (MGTO) Director Maria Helena de Senna Fernandes told reporters on April 25 she estimates that the daily average number of mainland visitors to Macau during the mainland's Labor Day "Golden Week" will exceed 70,000, while the occupancy rate of hotels will reach 80 to 90 percent. The mainland's Labor Day "Golden Week" will run from April 29 to May 3. Senna Fernandes said that currently the average number of daily visitor arrivals has reached over 60,000, adding she hoped the number of visitors during the upcoming Labor Day "Golden Week" holiday will be as many as the Easter holidays, or even more. Senna Fernandes said last week's hotel booking rate was over 60 percent, adding that the bureau had reminded travel agents to stagger their tours and meals. **ATO Notes:** It is expected that tens of thousands of mainland Chinese visitors will visit Macau during mainland's "Golden Week" holiday and boost the city's tourism, retail, food service and gaming sectors.

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HOTELS, RESTAURANTS, AND INSTITUTIONS



Macau Hotel Group Revenue Went Up [[The Standard](#), April 21]

Macau hotel group Sands China narrowed its net loss by 97 percent to \$10 million in the first quarter from 12 months earlier thanks to the recovery of tourism in Macau. The company's overall net revenues for January-March rose to \$1.27 billion compared to \$547 million generated during the same period last year. Robert Goldstein, chairman and chief executive of Las Vegas Sands, the parent company of Sands China, said: "While travel restrictions and reduced visitation continued to impact our financial performance during the quarter a robust recovery in travel and tourism spending across our markets is now under way." **ATO Notes:** Macau hotels and casinos are the major beneficiaries of the return of visitors. With the continuous increase in the number of visitors, it is expected that Macau hotel and gaming revenues will continue to recover in the second quarter and beyond in 2023.

RETAIL



Hong Kong Grocery Prices Jumped Most in 10 Years [[The Standard](#), April 18]

A study released by the Hong Kong Consumer Council on April 17 found that grocery prices surged 2.1 percent in 2022 - the biggest increase since 2013 and beating the inflation rate. Canned goods rose a staggering 30 percent in the first three months of the year compared to pre-pandemic levels in 2019, the Consumer Council said. The study conducted by the watchdog studied prices of 260 items in 54 categories from three supermarket chains, finding that prices of more than 70 percent of goods - or 175 items - shot up. Butter increased by 15.4 percent, tea bags by 11.7 percent, cheese by 10.2 percent, and edible oil by 10.1 percent. **ATO Notes:** The supply chain disruption in some food supplying countries and the surge in demand for foods amid the re-opening of the border are the major reasons for the increase in prices. It is expected that grocery prices will roll back within this year as the city returns to normalcy and foreign supply chain issues continue to improve.

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TRADE



ATO Hong Kong Welcomes New Agricultural Specialist Adeline Ho

Join ATO/Hong Kong in extending a warm welcome to our new Agricultural Specialist, Adeline Ho. Before joining the ATO, Ms. Ho worked at The Hong Kong Polytechnic University facilitating research and collaborations in the areas of food safety and biotechnology. She also developed extensive networks with local and regional industries, academia and governmental / non-governmental organizations. Taking on the agricultural policy portfolio at ATO Hong Kong, she is enthusiastic to bring her previous experience to our team. Adeline graduated with honors with Bachelor's degree in Arts (specializing in Urban Planning, Economics and Geography).



Hong Kong Resumes Imports of Poultry and Poultry Products from Four U.S. Counties [ATO Hong Kong]: On April 26, Hong Kong authorities notified USDA of the resumption of imports of U.S. poultry and poultry products from Washington County, MD; Gooding County, ID; Butler and Defiance County, OH. Imports from these counties were previously banned due to findings of avian influenza (AI) in commercial flocks. The Hong Kong government's decision to resume imports responds to information provided by USDA's Animal and Plant Health Inspection Service on the AI status in these counties. As of April 27, 2023, 105 counties (in 22 U.S. states) and one city are banned from exporting these products to Hong Kong. In 2022, U.S. combined exports of poultry products (including eggs) to Hong Kong dropped 42 percent to \$56 million.

Snacks in Hong Kong Found Inconsistent with Declared Nutrition Labels [[The Standard](#), [CFS Press Release](#), April 25]

The Hong Kong Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department announced on April 25 that they discovered seven of the 40 tested samples of potato chips and prawn crackers didn't comply with their declared nutrition labels. A spokesperson for the CFS said the samples were collected from different retail outlets to check if the energy content and specified nutrient content such as total fat, sugars, sodium, carbohydrates, and more were consistent with the declared labels. They discovered seven samples had sugars, sodium, saturated fatty acids, total fat, or carbohydrate content inconsistent with the declared values on the nutrition labels, while the remaining 33 samples passed the test. The CFS announced the irregularities earlier, and the vendors concerned have also stopped selling the relevant batches of the affected products and will be prosecuted pending sufficient evidence. The spokesperson reminded the food industry to comply with

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the law and urged the public to pay attention to the information on nutrition labels when buying food to achieve a balanced diet and stay healthy. They further added that nutrition labeling could help consumers make informed food choices, encouraging manufacturers to use sound nutrition principles and regulate misleading labels and claims. Any false declaration is liable to a maximum fine of \$6,410 and six months imprisonment upon conviction.

Hong Kong Woman Caught Possessing Endangered Species Jailed Six Months [[The Standard](#), April 13]

On April 13, a 56-year-old Hong Kong woman was jailed for six months after she was earlier convicted of possessing about 1.2 kg of dried totoaba macdonaldi fish maw worth about \$33,000. Hong Kong Customs inspected an air express parcel arriving in Hong Kong from Mexico at Hong Kong International Airport on March 3. After a controlled delivery operation, a 56-year-old woman who claimed to be a businesswoman in connection with the case was arrested upon acknowledged receipt of the parcel. In determining the sentence, the Court considered that the protection of endangered species is of utmost importance, and the offender should be imposed a custodial sentence. Customs welcomed the sentence and said the custodial sentence had imposed a considerable deterrent effect and reflected the seriousness of contravening offenses in related endangered species. Customs reminded that under the Protection of Endangered Species of Animals and Plants Ordinance, any person found guilty of importing, exporting, or possessing an endangered species without a license is liable to a maximum fine of \$1.28 million and imprisonment for ten years.

Heavy Metals Found in Dried Goji Berries in Hong Kong [[The Standard](#), April 17]

The Hong Kong Consumer Council said on April 17 that all 27 samples of dried Goji berries it tested were detected with different types of heavy metals, with two samples found with lead concentration close to the maximum level permitted under relevant Hong Kong regulations. The watchdog said it collected 27 dried goji berry samples from the market in August and September 2022, of which 23 were prepackaged and the remaining 4 non-prepackaged. Test results showed that all samples were detected with different types of heavy metals, with 21 samples found to contain lead at levels ranging from 0.018mg to 0.29mg per kg. Of the samples containing lead, two samples had detected amounts of 0.284mg and 0.29mg per kg respectively, which, after conversion, were close to the upper limit set in the Hong Kong Food Adulteration (Metallic Contamination) Regulations. The watchdog said studies have shown that chronic dietary intake of lead through the diet can adversely affect the neurodevelopment and mental development of children, as well as the systolic blood pressure of adults. The council has since referred the results to the Centre for Food Safety for follow-up.

Hong Kong Woman Arrested for Selling Slimming Product Containing Sibutramine [[The Standard](#), April 20]

Hong Kong Police arrested a 39-year-old woman on April 20 for selling a slimming product containing a substance called sibutramine, a Part 1 poison under the Pharmacy and Poisons Ordinance. The arrest came as the Department of Health (DH) conducted an operation against the sale of the slimming product named “Bellissimo Instant Premix Coffee & Chocolate Drinks” after intelligence analysis. The DH bought the product online and found it contained sibutramine after testing. An investigation by the DH is ongoing. Sibutramine was once used as an appetite suppressant but has been banned in Hong

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Kong since November 2010 due to its effect on increasing cardiovascular risk. A spokesperson for the DH urged the public to stop consuming products from unknown sources and to seek medical attention immediately if they feel unwell after consuming the product. The spokesperson warned that selling or possessing unregistered pharmaceutical products or Part 1 poisons is a criminal offense. The maximum penalty carries a \$12,820 fine and two years' imprisonment.

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

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