

THE HONG KONG WONTON

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Asia Pacific Leather Fair 2025 - From March 12-14, the Leather and Hide Council of America (LHCA) organized a USA pavilion at the annual Asia Pacific Leather Fair (APLF) in Hong Kong.

Eleven U.S. leather and hide companies joined the pavilion, showcasing U.S. leather materials and products to global buyers. APLF remains the largest international trade show for leather and hides, with over 60,000 visitors annually. Along with colleagues from ATO Guangzhou, ATO Hong Kong visited the pavilion to meet with U.S. exhibitors and discuss opportunities and challenges for U.S. exporters. Congratulations to Kerry Brozyna, President of LHCA, and the entire LHCA team on a highly successful trade show!

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ECONOMY



HK and Macau 'Irreplaceable' as Windows of Country's Opening Up [The Standard, Mar. 4]

According to National People's Congress spokesman Lou Qinjian, Hong Kong and Macau remain irreplaceable as they have consistently served as crucial "windows" for China's opening up. The central government has introduced a series of measures to fully support the participation of Hong Kong and Macau in the development of the Guangdong-Hong Kong-Macau Greater Bay Area (GBA). The National People's Congress will initiate a focused study on the GBA's development, which will be built on the principle of "one country," the benefits of "two systems," and the strengths of the three regions: Guangdong, Hong Kong, and Macau. **ATO Notes:** The GBA seeks to deepen integration between south China, Hong Kong, and Macau, including strategic cooperation to harness the advantages of the city-clusters in the region as a catalyst for economic growth. The total population of the GBA area is 86.9 million and its GDP reached \$1.9 trillion in 2023.

Beijing's Counter-tariffs on U.S. Goods to Have 'Limited Impact' on Hong Kong Prices [SCMP, Mar. 5]

The latest round of Beijing's retaliatory measures against the United States includes imposing additional import tariffs of 15 percent on poultry, wheat, corn and cotton, and 10 percent on sorghum, soybeans, pork, beef, seafood, fruit, vegetables, and dairy. Economists have indicated that Beijing's new counter-tariffs on certain U.S. goods are expected to have a limited impact on the prices of U.S. products in Hong Kong. Due to Hong Kong's status as a free port and its separate customs territory from China, the special administrative region does not automatically implement Beijing's tariffs on U.S. products. Experts have noted that Beijing's tariffs could create a "price gap" between products in Hong Kong and those over the border, potentially enticing mainlanders to visit the city to purchase products at lower prices. **ATO Notes:** The referenced "price gap" in this article is unlikely to shift consumer shopping patterns. Prices in Hong Kong are generally higher than across the border in mainland China and the 10-15 percent tariffs are unlikely high enough to cause mainland shoppers to head south.

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HOTELS, RESTAURANTS, AND INSTITUTIONS



Food Delivery Platform Deliveroo to Exit Hong Kong Market in April [SCMP, Mar. 10]

Food delivery platform Deliveroo will exit the Hong Kong market next month amid intense competition from mainland Chinese rival Meituan's Keeta. Foodpanda will absorb certain assets of Deliveroo, including customers and some restaurant partners. By offering perks and discounts, Keeta has obtained a significant 43 percent market share, surpassing Foodpanda's 37 percent. A restaurant owner expressed concern about the potential increase in platform fees after Deliveroo's exit. **ATO Notes:** Several ATO contacts expressed shock at the seemingly sudden announcement of Deliveroo exiting the market. As Hong Kong is stepping up efforts to develop low altitude economy, there's increased competition in the food delivery. Keeta, owned by China's delivery service giant *Meituan*, aims to launch its drone delivery services in Hong Kong, following its success in multiple cities in China.

Michelin Guide Hong Kong and Macau 2025 Full List: Amber Gains Third Star after 17 Years [SCMP, Mar. 13]

The 17th edition of the Michelin Guide Hong Kong and Macau was announced, crowning 95 restaurants in both cities with stars. The latest selection of starred restaurants for 2025 includes 76 in Hong Kong and 19 in Macau. Amber at the Landmark Mandarin Oriental hotel in Hong Kong was promoted to third star from two stars. **ATO Notes:** Hong Kong boasts over 12,000 restaurants. In 2024, Hong Kong restaurant receipts were on par with 2023 level, valued at \$14 billion.

Incredible India Festival Brings Color, Culture and Cuisine to Hong Kong [SCMP, Mar. 7]

In collaboration with the Indian consulate, the Lan Kwai Fong Association has organized the first Incredible India Festival in Hong Kong. The two-day event showcased Indian music, dance, art, movies, and cuisine throughout the streets of Lan Kwai Fong. The consul general of India highlighted that they hope the event will bring Indian art and culture to an accessible space for all Hongkongers and foster an appreciation and better understanding of India's rich cultural heritage. **ATO Notes:** The Indian community in Hong Kong is estimated to be around 44,000. The city has more than 200 Indian restaurants, spanning from Michelin-starred fine dining to popular eateries serving street snacks and vegetarian-friendly outlets.

F&B Businesses Struggle Post-CNY amid Shifting Spending Trends [Macau Business, Mar. 19]

Industry veteran Chan Chak Mo has observed that shifts in tourist spending patterns have posed challenges to Macau's catering industry. Since February, the food and beverage sector has been sluggish, with March being even quieter. Footfall in residential areas and popular

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tourist destinations has witnessed a downturn. Mainland China's ongoing economic uncertainties, a decline in post-holiday visitors, and weakened spending power of tourists have undermined industry confidence. He urged the government to enhance urban revitalization, organize more festive activities to attract tourists, and expand the tourist market. **ATO Notes:** In order to boost the city's tourism and diversify government revenue resources, the Macau government has imposed a mandatory requirement on six casino concessionaires to fulfill non-gaming commitments by hosting extensive programs of sports, art, culture and gastronomy throughout the year. The casino operators are required to upscale their non-gaming investment by 20 percent if gaming revenue reaches \$22.5 billion in any year until 2027. Macau's gaming revenue in 2024 increased 24 percent year-on-year to US\$28.34 billion, accounting for 56 percent of GDP.

RETAIL



Hong Kong's Food, Alcoholic Drinks and Tobacco up 10.9 Percent While Total Retail Sales Down in Hong Kong [SCMP, Mar. 3]

The value of total retail sales in Hong Kong for January, provisionally estimated at \$4.5 billion (HK\$35.3 billion), was 3.2 percent less year-on-year while supermarket sales were up 4.9 percent and food, alcoholic drinks and tobacco rose 10.9 percent, according to government data shown in early March. **ATO notes:** Retail data from January in Hong Kong reveals a market split, with significant growth in essentials while luxury goods like jewelry fell by 17.9 percent and high-priced products, such as motor vehicles, dropped sharply by 52.6 percent. This contrast highlights a shift in consumer behavior towards cost-conscious spending driven by rising living expenses and evolving consumption patterns among visitors. The government attributes the narrower decline to the Lunar New Year's timing, but structural challenges persist, including reliance on tourism and global economic uncertainties.

JD Mall to Open First Physical Store in Hong Kong [Retail News, Mar. 14]

China's JD.com is preparing to open its first brick-and-mortar store in Hong Kong as part of its expansion efforts. The company is currently in search for a location for its offline superstore, focusing on home appliances and consumer electronics, similar to JD Mall locations in mainland China. While the Hong Kong store is expected to follow a similar model, space constraints may lead to a more compact format. **ATO notes:** JD.com's move to open its first physical store in Hong Kong reflects a strategic push to diversify its retail presence amid a challenging market. While Hong Kong's total retail sales declined by 3.2 percent year-on-year in January, certain sectors like food and beverages (+10.9 percent) and supermarkets (+4.9 percent) showed resilience. This hybrid approach aligns with broader retail trends, as online sales in Hong Kong grew 3.5 percent in January, suggesting potential synergies between offline and digital channels.

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Macau Community Consumption Grand Prize Launches on March 24 [[Macao Daily](#), Mar 24]

To boost local spending and market confidence in Macau, the government launched the community consumption coupon for Macau residents. Running until June 1, the event offers electronic discount coupons for mobile payments. Transactions of US\$ 6.24 (MOP50) or more from Monday to Friday can earn up to three coupon chances, redeemable on the weekend. Senior citizens with the updated Macau Pass can receive daily discounts of US\$ 37.74 (MOP300). Over 20,000 stores will accept these coupons, aiming to support local businesses and stimulate the community economy. **ATO notes:** The program supports ongoing initiatives aimed at seniors, like Pizza Express's offering of half-price deals for older cardholders, enhancing spending across different generations.

TRADE



HKTB and Muslim Representatives Elevate HK as a Muslim-Friendly Travel Hub [[Marketing Interactive](#), Mar.5]

The Hong Kong Tourism Board (HKTB) invited 22 Muslim travel trade representatives from Singapore, Malaysia, and Indonesia to visit Hong Kong for four days and three nights to experience the city's Muslim-friendly tourism facilities and offerings firsthand. The HKTB is also encouraging more local trade partners to enhance their Muslim-friendly facilities, apply for related accreditations and certifications, and introduce Halal-certified food products. Additionally, the HKTB is developing a series of new training materials to familiarize tourism practitioners with Muslim culture and lifestyle and continues to actively promote Hong Kong tourism in various Muslim markets. **ATO Notes:** HKTB's efforts align with Hong Kong's latest Tourism Blueprint 2.0, which calls for increasing visitors from Muslim countries and regions. In 2024, Hong Kong received over 3.7 million visitors from Southeast Asian and East Asian countries.

Hong Kong Customs Seizes \$643,000 of Dried Seafood from Mainland-bound Tesla [[SCMP](#), Mar.6]

Customs officers have detained a driver at the Hong Kong-Zhuhai-Macau Bridge checkpoint after discovering over \$643,290 (HK\$5 million) worth of dried delicacies, including bird's nests and fish maw, hidden in his mainland-bound Tesla. According to the department, the driver would have evaded approximately \$77,224 (HK\$600,000) in taxes if he had successfully transported the goods across the border. **ATO Notes:** In 2024, Hong Kong imported \$14 million of bird's nests and edible products of animal origin, primarily from Indonesia, Malaysia and Vietnam. During the same period, about \$230 million of fish heads, tails and maws were imported, primarily from Uganda, Tanzania and Brazil.

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ATO EVENTS CALENDAR



UPCOMING EVENTS

Mar 2025

- 3/1-3/31 Ruby Tuesday Restaurant Promotion (USMEF, ATO HK)
- 3/12-14 APLF Leather
- 3/28-4/2 Next Morning Bar Pop-Up (Sunkist)

Apr 2025

- 4/3 U.S. Ingredients Baking Seminar and Hands-on Workshop in PolyU (ATO HK, U.S. Wheat, USDEC, RAC)

May 2025

- 5/12-16 USDA Agribusiness Trade Mission
- 5/14-16 HOFEX/ProWine

Jun 2025

- TBC California Wine Month (CWI)

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