

THE HONG KONG WONTON

wrapped by ATO Hong Kong

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FEATURED PHOTO:



On October 7, 2021, ATO Hong Kong accompanied the U.S. Dairy Export Council to introduce a variety of U.S. cheeses to aspiring student chefs at the International Culinary Institute. The well-attended Cheese Seminar allowed young chefs to taste the quality of cheeses from the States of Oregon, California, Wisconsin, Georgia, and Vermont.

OVERALL ECONOMY



Second Batch of Government's Consumer Vouchers Estimated to Boost the Economy with \$1.62 billion worth of Expenditures ([Oriental Daily](#), September 29, 2021)

The second batch of consumer vouchers, under the Hong Kong government's HK\$5,000 (\$643) per person e-voucher scheme to boost the economy, will begin on October 1, 2021, and is estimated to inject the market with \$1.62 billion worth of consumer expenditures. Simon Wong, the President of the Hong Kong Federation of Restaurants & Related Trades, says, over half of the first batch of consumer vouchers (distributed in August 2021) went to the food service sector and increased the sector's sales by 15 percent. He expects that the second batch will increase food service receipts by

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over \$80 million. In other news reports, Mr. Wong stated that around 8 percent of total restaurant receipts, \$1.15 billion to \$1.28 billion, came from Mainland and overseas tourists, so the opening of the border is crucial to improving industry sales ([source article](#)). **Post Notes:** The 2019/2020 Hong Kong Household Expenditure Survey reveals that average monthly household expenditure is \$3,876 and 17 percent of which is spent on dining out and takeaway food.

HOTELS, RESTAURANTS AND INSTITUTIONS



Foodpanda Launches its Certified Sustainable Restaurants Scheme ([Mingpao](#), October 4, 2021)

Foodpanda, an important food delivery platform which has expanded rapidly in recent years – launched a 3-level Certified Sustainable Restaurants Scheme to encourage sustainability in the food service sector. The scheme is supported by WWF. The restaurants will be certified as Gold, Silver, or Bronze restaurants based on the review of the company in areas including sourcing, operations, packaging, etc. Foodpanda will reward the certified restaurants by providing free advertising opportunities and extra exposure on their phone app. **Post Notes:** Sustainability and social responsibility are increasingly recognized by the Hong Kong food service sector. Prior to the COVID-19 Pandemic, Deliveroo (another leading food delivery company), formed a team within the company to lead initiatives in social responsibility targeting food waste reduction, ending hunger, and promoting well-being ([source article](#)).

Food Service Sector Sales Expected to Recover 90 percent of the Level in 2018 ([Hong Kong Economic Times](#), October 1, 2021)

Simon Wong, the President of the Hong Kong Federation of Restaurants & Related Trades, says, the second batch of government's consumer vouchers, launched on day of the Chinese National Day holiday (October 1, 2021) is expected to boost the food service sector as the first batch did in August 2021. Although tourists are missing due to the pandemic, locals are not traveling and their expenditure within the city will help the industry. He is hopeful that sales will reach 90% of the level in 2018, the days prior to the social unrest and the pandemic. **Post Notes:** Hong Kong restaurant receipts in 2018 were \$15.33 billion (up 6 percent compared to 2017) but dropped in 2019 to \$14.42 billion and again in 2020 to \$10.17 billion. However, there is evidence that the sector is recovering: provisional figures for the second quarter of 2021 reflect an increase of 9.9 percent compared to the previous year.

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McDonald's Announcement on Resumption of McWings Criticized as Disrespectful Following Police Officer's Death during recent Marine Operation ([HK01.com](#), September 27, 2021)

On September 27, McDonald's announced through mobile phone app that McWings were back in stores, after a suspension since early September due to shipment delays. This is the third item temporarily suspended following the suspension of hash browns and peanuts on sundaes since January 2021. The announcement attempted a humorous tone about wings found unexpectedly after they were lost. The message was unfortunately delivered shortly after a police officer's body was found two days after a collision during a police anti-smuggling operation. Some consumer groups linked the two events and criticized McDonald's for making light a loss of life. McDonald's Hong Kong clarified it was not their intention to associate the announcement with the police officer's death, and they apologized for their message.

Hongkongers flock to Malls, Restaurants as Second Batch of Government E-Vouchers Lands ([South China Morning Post](#), October 1, 2021)

The second batch of the Hong Kong government's \$4.6 billion consumption vouchers was released on October 1, 2021, prompting local residents to spend more to boost the economy. **Post Notes:** For more details about the signs of economic recovery please see Post's released [HRI Sector Report](#). For the second quarter of 2021, Hong Kong year-on-year GDP grew 7.6 percent. During the first eight months of 2021, imports of consumer-oriented food products increased 8 percent to \$16 billion compared to the same period last year. Restaurant receipts grew slightly 0.53 percent during the first half of 2021 to \$5.52 billion. The Hong Kong government consumption vouchers are expected to encourage spending and accelerate the city's economic recovery amid the COVID-19 pandemic.

RETAIL



Hong Kong Retail Sales improve but Food Sales at Supermarkets drop ([Hong Kong Census and Statistics Department](#), September 30, 2021)

Overall retail sales in August 2021 were estimated to increase 11.9 percent compared to the same month last year at \$3.7 billion. However, sales of commodities at supermarkets decreased 8 percent.

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Post Notes: As the COVID situation in Hong Kong continues to improve, more consumers are choosing to dine at restaurants instead of buying and preparing food at home.

TRADE



Ongoing Issues with Sea Shipment push Fruits Importers towards Air Shipment to catch Mid-Autumn Festival Sales, prices for a particular type of pear could be 30 percent higher (HK01.com, September 20, 2021)

A fruit importer in the Yau Ma Tei Fruit Market says he shipped most of his fruits by air this year for Mid-Autumn Festival sales, first time after several decades of working in the industry. According to the importer, fruits from Southeast Asia's shipment usually takes 5 days, but now the dismantling is taking as long as 2 weeks, so he opted for the more expensive way to ensure fruits will arrive and will be in good conditions. He expects that wholesale price of a type of popular Japanese pear could increase 20-30 percent, and inevitably will hike the retail price. A representative of the fruit and vegetable industry commented that the worst he has seen was half a container of watermelon spoiled after delayed arrival. As he understands, cost of sea shipments per container has increased from \$3,000 to \$10,000. However, he does not foresee shortage of fruits supplies to Hong Kong because Hong Kong imports from around the world and the diverse sources will help sustain adequate supplies. **Post Notes:** Hong Kong imported \$3.47 billion of fresh fruits during Jan-Aug 2021, up 16.9 percent from the same period in 2020. Top suppliers are Chile, Thailand, Australia, the United States, and China. The top three imported fruits by value are cherries, durians, and grapes.

Hong Kong braces for Higher Imported Food Prices as Pandemic delays Shipping, Drives Costs (South China Morning Post, September 18, 2021)

Hong Kong food importers, distributors, restaurants, retailers, and consumers all felt the pressure of increasing prices for products like beef, chicken wings, flour, fruit and vegetables, dairy products, wine and liquor due to delays in shipments and swelling transport costs because of the global supply chain disruption under COVID-19. **Post Notes:** ATO has received numerous inquiries from importers and buyers in Hong Kong and Macau about delays and shortages on U.S. supplies, namely hash browns, frozen French fries, lamb and Alaskan crab.

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Hong Kong Triads Suspected of using Speedboats to smuggle up to 1,000 tons of Frozen Meat to mainland China Each Day ([South China Morning Post, July 17, 2021](#))

As many as 80 speedboats were reportedly seen picking up frozen meat every night for delivery to mainland. Gangs controlled by Hong Kong triads are believed to be behind a massive smuggling operation delivering more than 1,000 tons of frozen meat a day to mainland China. Using dozens of high-powered speedboats, they cross into Hong Kong waters, pick up the contraband and race to delivery points just minutes away on the mainland. Many make several trips a night. Smuggling increased sharply because stringent import restrictions against some foreign exporters have lowered frozen meat supplies. A law enforcement source said the number of speedboats involved had nearly doubled from between 40 and 50 earlier this year to as many as 80.

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