

FEATURED PHOTO:



ATO Hong Kong Connects with U.S. Cooperator Representatives:

On November 22, 2021, ATO Hong Kong hosted cooperators' meeting to share thoughts and insights on the current market situation. Attendees represented about twenty U.S. agricultural trade associations operating in Hong Kong and the region. Colin Crosby, Acting U.S. Consul General for Hong Kong and Macau, joined the discussion and shared U.S. Consulates' priorities. The hybrid meeting offered the option to attend in-person or virtually, which is the current practice in Hong Kong.

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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:

- Beef
- Dairy products
- Dried cherries
- Dried raspberries
- Dried blackberries

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



Unemployment Rate Drops to 4.3 percent from August to October [[The Standard](#), November 16, 2021]

Latest statistics show that Hong Kong's unemployment rate dropped to 4.3 percent from August to October. This is lower than the market expectation of 4.4 percent. Within the consumption and tourism-related sectors, the unemployment rate for food and beverage service activities declined 0.8 percent from the preceding three-month period to 7.7 percent in August – October 2021. Other sectors that showed more visible declines in the unemployment rate include decoration, repair and building maintenance sector and the arts, entertainment and recreation sector. Simon Wong Ka-wo, president of Hong Kong Federation of Restaurants and Related Trades, said the industry is lacking

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manpower and are now “fighting over workers” due to the increased number of bookings and banquets. Secretary for Labor and Welfare, Law Chi-kwong, said the labor market should continue to improve, but the extent of improvement would depend on the pace of economic recovery.

HOTELS, RESTAURANTS AND INSTITUTIONS



2022 Menu Trends: “Local Exotics” are on the minds of hotels chefs, as is sustainable production, plant-based menu items and creative and health batched cocktails [[Magazine – HOTELSMag.com, November /December 2021 Issue](#)]

Fine vegan and vegetarian cuisine, exotic yet local cuisines, and all-day coffee are just some of the menu trends that hotels and resorts are gearing up to capture in 2022. The hotel F&B operators are seeing the need around the globe. **ATO Notes:** According a PricewaterhouseCoopers’ March 2021 Survey, 34 percent of Hong Kong respondents “agreed” that they would include more plant-based food in their diet, while 18 percent “strongly agreed.” In recent years, as demand for plant-based food has been growing, more F&B industry players are entering the market with innovative plant-based products to feed the city’s hunger for a sustainable lifestyle.

Royal Caribbean Resumes Hong Kong Cruises After 21-day Ban Over Infected Crew Member [[South China Morning Post, November 11, 2021](#)]

Royal Caribbean International resumed “cruises to nowhere” from Hong Kong, marking the end of a 21-day suspension imposed on the multinational operator over a crew member testing re-positive for COVID-19. **ATO Notes:** Hong Kong has kept Covid-19 cases and related deaths to a minimum but has maintained stringent restrictions in the hope to reopen borders with mainland China.

Chief Bar Owner Claims Businesses are Paying the Price for Customers who Refuse to Comply with Pandemic Measures [[South China Morning Post, November 14, 2021](#)]

Allan Zeman, chairman of the Lan Kwai Fong Group which operates one of the most popular nightlife districts in Hong Kong, claimed that city’s bars and restaurants are being unfairly punished because some customers refuse to comply with measures to control the spread of COVID-19. He stated the government should warn businesses before they are penalized and forced to close for 14 days. **ATO**

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Notes: The hospitality industry is urging the government to review current COVID-19 rules to facilitate fairer operations of these businesses.

Wedding Banquets Thrive as Government's Social Distancing Restrictions Continue to Relax, but Restaurants are Short on Labor [[Oriental Daily](#), November 15, 2021]

In late September, the government relaxed the social distancing restriction in restaurants allowing banquets up to 240 people under specific COVID control requirements for staff and guests. The change in the policy prompted couples to host their long-awaited banquets. A wedding planner says number of confirmed wedding banquets in November and January surged, and she already has received over 100 inquiries for weddings in 2022. The Chairman of the Association for Hong Kong Catering Services Management Ltd believes the situation will lead to increase in restaurant sales, but the shortage of wait staff and kitchen staff, as some of them left the industry during the pandemic, poses an ongoing challenge to operations. Despite the 38 percent wage increase for part-time hotel wait staff and over 10 percent wage increase for staff in some Chinese restaurants, the industry is still 20 percent short in workers. **ATO notes:** Foodservice leaders commented that catering workers now desire flexibility in working hours which has prompted some of them to switch to other professions such food delivery service. In addition, bringing additional kitchen labor from abroad is not easy as visa applications depend on the level of chef expertise.

What caused Hong Kong's Foodpanda Riders to Go on Strike? Long Waiting Times, Pay Cuts and Order System among Grievances [[South China Morning Post](#), November 15, 2021]

Hundreds of Hong Kong workers from Foodpanda, a major online food delivery platform, protested over the weekend for reasons including long waiting times at restaurants and inability to cancel orders, reduced earnings, and expanded delivery zones. The worker who helped organize the protest stated that his earning has decreased from about \$167 per day to \$90, due to the company cutting fees and expanding delivery zones. Food delivery companies including Foodpanda and Deliveroo have seen tremendous growth during the pandemic. Workers joined these companies hoping for good wage and schedule flexibility. They are considered independent workers and include members of the city's ethnic minority communities from Pakistan, India and Nepal. Foodpanda has said it has reinvested money into higher peak service fees, allowing more workers to earn more during peak hours. One worker who has joined the strike said only those who get those shifts that they want will be earning the most. A worker who did not participate in the strike said he was harassed when he tried to go to work. He also experienced a decrease in wages but can only accept the cut as it has been hard to find other jobs. **ATO notes:** On November 18, the strike ended as workers and Foodpanda came to agreement. A worker representative said that while the settlement is not perfect, the company has expressed willingness to improve the situation and has addressed some of their concerns ([source article](#)). A California Wine Fair is running in November 2021 and is expected to run for another two months.

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RETAIL



Major Retailer Launches Rice Donation Charity Program [[The Standard](#), November 17, 2021]

Wellcome, a local supermarket giant, launched a 'Rice Donation Charity Program' in Hong Kong and Macau. Aiming to raise \$641,000 within 365 days, Wellcome kick-started the program by donating \$385,000 to Foodlink Foundation, a charitable organization that provides meals to the elderly, the homeless and low-income families. **ATO Notes:** Wellcome is a member of DFI Retail Group and one of the two largest supermarket chains in Hong Kong with a footprint of over 280 stores. ATO Hong Kong has been in collaborations with Wellcome on various promotional activities highlighting U.S. foods and beverages.

The Consumer Council Tested 33 Samples of Peanuts and Tree Nuts; 5 Samples Tested High in Sugar and Sodium [[RTHK News](#), November 15, 2021]

The Consumer Council releases test results on 33 samples of peanuts and tree nuts bought in local retail outlets. Five samples were tested to have high sugar and high sodium (due to added sugar and salt) with amounts exceeding the guideline, and six samples were found with variances in nutrition labels and test results exceeding the tolerance limits stated by the authority's technical guidance. Over 90 percent of the tested products were high in fat, but those fats are beneficial to health. Among the types, walnuts on average have been tested to have the highest content of omega-3 fatty acids. The Consume Council's platform advised consumers to avoid frequent consumption of high amount of added oil, sugar, and salt, and control quantity to prevent weight-related health problems ([source article](#)). **ATO notes:** The United States is the leading supplier of tree nuts to Hong Kong since 2007. Top items are pistachios and almonds. In the past five years, an average of over 80 percent of the imported volume of U.S. tree nuts were re-exported to other markets. The local demand for tree nuts is also strong, especially during Chinese New Year as consumers purchase tree nuts for gifting and snacking.

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TRADE



Hong Kong Detects COVID-19 Virus on Frozen Seafood Imports from Malaysia [[Gain Report](#), November 08, 2021]

Hong Kong authorities reported a detection of COVID-19 virus on slice surface and its inner packaging of imported frozen cuttlefish from Malaysia. The shipment was not allowed to be distributed before test result was available and was then disposed upon confirmation of positive test result. Hong Kong has launched random and intelligence-based precautionary COVID-19 testing on imported chilled and frozen foods since mid-2020. Another finding happened in August of this year concerning three seafood shipments from Indonesia. As of October 2021, Hong Kong has collected and tested over 20,000 samples of foods and their packaging for the COVID-19 virus. **ATO Notes:** In January – September 2021, Hong Kong imported a total of \$2.6 billion worth of seafood products from the world with China as the largest supplier taking up 36 percent of the market. The United States holds 2 percent of the market contributing \$60 million. Malaysia is not a significant supplier, during the first nine months of 2021, seafood exports to Hong Kong were negligible.

ATO Hong Kong and Washington State Work Together to Lift Hong Kong's ban on Oysters from Samish Bay [[Gain Report](#), November 16, 2021]

Effective November 12, 2021, U.S. growers in Samish Bay, Washington, will once again be able to ship ready-to-eat oysters to the Hong Kong market. The Hong Kong government imposed a ban on U.S. shipments in July 2021 following a U.S. closure and recall of oysters shipped from the area citing bacterial concerns. When environmental conditions improved and Washington state health authorities re-opened the growing area on October 1, the Agricultural Trade Office worked on their behalf to engage Hong Kong officials to lift the ban. This collaborative effort re-opened U.S. trade to Hong Kong valued at \$3.5 million in FY2021. **ATO Notes:** The United States is the fourth largest supplier of fresh/chilled/frozen oysters to Hong Kong. From January – September 2021, Hong Kong imported \$3.3 million worth of U.S. oysters, a 9 percent rise compared to the same period last year. However, over the last two years, the market share dropped slightly from 11 percent to 9 percent during the same time frame. The temporary trade suspension this summer can account for the drop in U.S. market share.

Washington State Holds Virtual Trade Mission Highlighting Alcoholic Beverages [[Washington State Department of Agriculture](#), November 16, 2021]

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The Washington State Department of Agriculture (WSDA) International Marketing, the Washington State Small Business Development Center (WSBDC), Washington State University (WSU) and the Export Finance Assistance Center of WA (EFACW) organized a Taste of Washington Virtual Trade Mission which comprised a series of webinars, tastings, and one-on-one virtual meetings from mid-November to early December. ATO Hong Kong joined the Mission which featured in-person beverages tasting from fifteen Washington State breweries, cideries, distilleries and wineries for importers, distributors, restaurateurs, and others. **ATO Notes:** Hong Kong is the 12th largest market for U.S. exports of alcoholic beverages (spirits, wines, and beer) with value of exports above \$67 million in 2020. When asked, Hong Kong buyers stated that they are looking for beverages that are new and provide interesting flavor profiles otherwise it is unlikely that local consumers will move away from what they are already purchasing.

ATO Hong Kong joins AHEC and Regional Chapters of the American Institute of Architects (AIA) to Highlight Sustainable Interior Designs with American Hardwood [November 18, 2021]



ATO Hong Kong and the American Hardwood Export Council supported a regional AIA's hybrid (virtual and in-person) seminar hosting designers, architects, and end-users of American hardwood products. Speakers include architects who masterminded the Andaz Hotel Shenzhen and Stephen Luk, Regional Vice President for Design Services and Head of Design Services of Hyatt. **ATO Notes:** Hong Kong is home to many architects and designers who have a background of

American education and culture. There are close to 300 AIA members in Hong Kong. In 2020, around 45 percent of the volume of American hardwood lumbers and logs exports went to the East Asian region in 2020, valued at \$1.2 billion. *Masks were temporarily removed for the photo-op.

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

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