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Voluntary - Public

**Date:** 9/14/2010

**GAIN Report Number:** HK0018

## **Hong Kong**

### **Hong Kong Seafood Market**

**Report Categories:**

Agriculture in the News

Fishery Products

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**Report Highlights:**

Hong Kong's love of seafood is reflected in the statistics. Hong Kong's market for seafood was valued at \$2.68 billion in 2009. About 30 percent of the imports were re-exported, with China and the U.S. being the major re-export markets. The U.S. ranked as Hong Kong's fourth largest seafood supplier with exports valued at \$139 million in 2009. The U.S. has a strong competitive edge due to Hong Kong consumers' perception of safety of U.S. seafood. As indicated by the presentation of survey findings at the recently held Asian Seafood Exposition 2010 in Hong Kong, food safety, freshness and price are the main considerations of Hong Kong consumers when they buy seafood either for preparation at home or at restaurants. The survey also showed that 89 percent of the respondents have seafood weekly or more often compared to 33 percent in a similar survey conducted for American consumers.

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## **The Survey**

At the Asian Seafood Exposition held in September 2010 in Hong Kong, the Perishables Group, a consulting firm, released new research analyzing seafood consumption in the Asian consumer market. A summary of the survey results on Hong Kong is provided below.

- Food safety, freshness and price are key drivers for seafood consumption in Hong Kong.
- The older and higher income groups consume seafood more than the younger and lower income groups.
- The top preferences are shellfish, including shrimps, scallops and prawns; and live fish.
- Squid is consumed more at home than restaurants; whereas expensive items like lobster and crabs are consumed more in restaurants than at home.
- For consumers preparing seafood at home, 48 percent will buy in wet market, 30 percent in fish shops and 23 percent in supermarkets.
- The key factors attracting consumers to try new seafood items are price (such as through a special offer); and recommendations from others.
- The best channel in introducing new food items and recipes is television and cooking shows.

Complete details of the report will be available via [SeafoodSource.com](http://SeafoodSource.com) in late September. [SeafoodSource.com](http://SeafoodSource.com) is an online resource for industry news, market reports and supplier listings produced by Diversified Business Communications, organizer of the Asian Seafood Exposition.

## **Seafood Market**

Hong Kong has a seafood market of \$2.68 billion comprising of local supplies of \$128 million (including \$124 million worth of marine fish and \$4 million of freshwater fish) and \$2.55 billion worth of imported seafood products. In value terms, the seafood market is even larger than the market for pork, the biggest stable meat item in Hong Kong. Local pork production plus imports amounted to merely \$1.95 billion in 2009 (comprising \$881 million of pork imports, \$830 million of offal imports and \$242 million worth of live pigs for slaughter).

As noted above, imports make up over 95 percent of the value of all seafood products in Hong

Kong. Major suppliers include China (\$393 million), Japan (\$388 million), Australia (\$277 million) and the United States (\$139 million).

The U.S. ranked as Hong Kong's fourth largest seafood supplier, with exports valued at \$139 million in 2009. The U.S. is particularly strong in supplying molluscs including clams, oyster, and dried sea cucumber. In addition, the U.S. is the largest supplier for frozen lobster, cod and clams, with respective market share and export value of 45% (\$16 million), 78% (\$5 million) and 80% (\$8 million). The U.S. is also the second largest supplier of oysters in Hong Kong, with an export value that amounted to \$9 million in 2009 constituting 24% of market share.

The survey's finding that food safety is a key factor for seafood consumption in Hong Kong bodes well for U.S. exports. Consumers and trade alike have long-established and strong confidence in the food safety of U.S. seafood products. Caterers are very prudent in sourcing products from trust worthy suppliers particularly for food consumed raw such as chilled oysters. Any food contamination case in a high-end restaurant and hotel has the potential to ruin its reputation. In addition, the weakness in the U.S. dollars in recent years also benefits U.S. exports to Hong Kong in terms of price. This attributed to the significant growth rate of U.S. exports to Hong Kong in the past two years. Hong Kong dollar is pegged to the U.S. currency at HK\$7.80 = US\$1.00.

Given the geographical proximity, China is the largest supplier of live fish. China supplies mainly live fish, shrimp, prawns, squid, and sea cucumber. China competes with Philippines and Indonesia in the supplies of expensive live fish, which are mostly served in Chinese restaurants. China's distinct advantage is being close to Hong Kong and its ability to maintain freshness of seafood products, which is one of the key factors of Chinese consumption preference. For Chinese recipes, taste and favor largely depend on the freshness of food ingredients.

Japan is the dominant supplier for dried scallop, selling over \$90 million to Hong Kong in 2009.

Dried scallop is a very popular Chinese recipe served both at home and Chinese restaurants.

Australia is the largest supplier of chilled crawfish to Hong Kong, exporting \$96 million in 2009.

Lobster is another major export product by Australia. Hong Kong consumers also have confidence in food safety of Australian food products.

**Table 1. Hong Kong: Fish and Seafood Imports in Value, in US\$ Million**

Country				% Share			% Change 09/08 -
	2007	2008	2009	2007	2008	2009	
The World	2,229	2,416	2,547	100	100	100	5
China	238	301	393	11	12	15	31
Japan	369	353	388	17	15	15	10
Australia	251	287	277	11	12	11	-3
U.S.	89	111	139	4	5	5	25
Indonesia	134	110	115	6	5	5	4
Norway	76	90	102	3	4	4	13
Canada	83	86	95	4	4	4	10

Source: Hong Kong Census & Statistics Department

**Table 2. Hong Kong: Fish and Seafood Imports from the U.S. by Categories, in US\$ Million**

Description	2007	2008	2009	% Change - 09/08 -
United States	89	111	139	25
Fish & Seafood Products	89	111	139	25
Molluscs & Aqua Invert Nesoi, Lve Etc.; Flours Etc	51	57	71	24
Crustens Lve Frsh Etc, Ckd Etc.; Flrs Mls H Cnsump	20	34	48	43
Fish, Frozen (No Fish Fillets Or Other Fish Meat)	5	8	8	0
Fish, Dried, Salted Etc, Smoked Etc; Ed Fish Meal	9	7	6	-6
Crustaceans, Molluscs Etc. Prepared Or Preserved	2	2	4	85
Fish, Live	2	2	1	-34
Fish Fillets & Oth Fish Meat, Fresh, Chill Or Froz	0	1	0	-50
Prep Or Pres Fish; Caviar & Caviar Substitutes	1	1	0	-50
Fish, Fresh Or Chilled (No Fillets Or Other Meat)	0	1	0	-38

Source: Hong Kong Census & Statistics Department

### Re-exports

Like other food and agricultural products, Hong Kong maintains an important role serving as a re-export center for seafood products. About 30 percent of Hong Kong's imported seafood products were re-exported in 2009. The largest re-export market is China followed by the U.S., Macau and Vietnam. While China sells primarily live fish to Hong Kong, it buys a lot of sharks' fins, crabs, lobsters and abalone via Hong Kong. For Hong Kong's re-export to the U.S., 81% of the re-exports originate from China. Re-export items to the U.S. include preserved shrimp, prawns, scallops, and fillet. Certain products are first exported to China and then re-exported to the U.S. after being processed there.

Moreover, while some of the trade is not recorded in Hong Kong statistics because products are shipped in/out of China directly without going through Hong Kong customs, many procurement decisions, however, still lie with Hong Kong traders who serve as middlemen in facilitating the transactions.

**Table 3. Hong Kong: % of Fish & Seafood Imports (excluding live fish) being Re-exported, in Metric Tons**

MT	2007	2008	2009
Imports	299,697	264,001	279,950
Re-exports	120,683	84,486	82,748
% re-exported	40%	32%	30%

Source: Hong Kong Census & Statistics Department

**Table 4. Hong Kong: Fish & Seafood Exports by Major Markets, US\$ million**

Country	2007	2008	2009	% Change - 09/08 -
--The World--	394	409	383	-6.5
China	172	175	149	-15
United States	47	51	55	6.46
Macau	33	36	43	17.7
Vietnam	27	28	42	49.6
Taiwan	37	29	23	-21

Source: Hong Kong Census & Statistics Department

### **Import Regulations**

Currently, the Hong Kong government (HKG) does not require health certificates for seafood imports. Health certificates, however, are provided on a voluntary basis for expediting customs clearance and marketing purposes. The HKG is proposing new food safety control measures on seafood imports by introducing a regulation that would impose mandatory certification requirements. To this end, the HKG has provided the U.S. government a draft of the information and attestation requirements for the new health certificates. Once the regulation is passed, the new certificate will be required to accompany U.S. seafood exports to Hong Kong. Details are found in GAIN report HK0015 issued in September 2010.

Prepackaged food items are required to fulfill Hong Kong labeling requirements, such as allergen and nutritional labeling. A general guideline on Hong Kong's import regulation is provided in GAIN report HK9018 issued in August 2009.