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Food Service - Hotel Restaurant Institutional

Report Categories:

Food Service - Hotel Restaurant Institutional

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Report Highlights:

Macau is the fifth-most visited city in the world and a budding culinary destination in Asia. In 2017, Macau's food service sector sales topped US\$1.4 billion, a positive growth trend forecast to continue, especially in segments where U.S. products have strong prospects, such as fresh fruit, poultry, food preparations, condiment and sauces, beef, fish, chocolate, tree nuts, processed fruit, and snack foods.

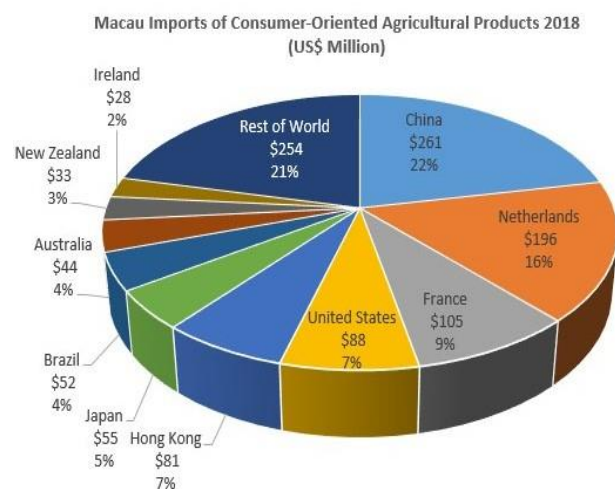
Market Fact Sheet: Macau

Executive Summary

Macau is located at the entrance of the Pearl River Delta, about 90 miles southeast of Guangzhou, China and 37 miles southwest of Hong Kong. It covers 18.3 square miles, around one-sixth the size of Washington, D.C. and has a population of 667,000. Macau's per capita GDP was over US\$82,600 in 2018, one of the highest in the world. Macau is a major tourist destination in Asia, and received nearly 36 million visitors in 2018. Due to limited arable land, essentially all food in Macau is imported. In 2018, imports of agricultural and related products reached US\$1.62 billion.

Imports of Consumer-Oriented Products

Macau imports of Consumer-Oriented Agricultural Products reached US\$1.2 billion in 2018, or 74 percent of overall agricultural imports. The most popular imported products were dairy products, food preparations, fish, wine and beer, pork, poultry, snack foods, fresh fruit, beef and chocolates. China, the Netherlands, France, the United States, and Hong Kong were the top five suppliers.



Food Processing Industry

Land is limited and expensive in Macau. Therefore, the local food-processing sector is small. Imports of bulk and intermediate agricultural commodities in 2018 were US\$35 million and US\$101 million, respectively, together representing only 8.4 percent of agricultural imports.

Food Service Industry

According to the latest figures (2017), Macau's food service sector sales reached US\$1.4 billion, 5.5 percent more than 2016. The Macau food service sector is made up of Chinese restaurants, local-style cafes, western restaurants, Japanese and Korean restaurants, other Asian restaurants, fast food restaurants, coffee shops, bars and lounges, and cooked food stalls. Many of these food service outlets are located in hotels and casinos.

Macau has over 48 hotels and 41 casinos. Major Five-Star hotels include: Altira; Grande Lisboa; Lisboa; Grand Lapa; MGM Macau; Royal; Sands; StarWorld; Hotel Sofitel Macau de Ponte 16; The Venetian Macau; Resort Grand Coloane; Wynn; Hotel L'Arc Macau; Nüwa; Conrad Macau, Cotai Central; Regency Art Hotel; Wynn Palace; Grand Hyatt Macau; Legend Palace; MGM Cotai; and Mandarin Oriental.

Quick Facts CY 2018

Imports of Consumer-Oriented Ag. Products

US\$1.2 billion

Top 10 Consumer-Oriented Ag. Imports

Dairy products, food preparations, fish, wine and beer, pork, poultry, snack foods, fresh fruit, beef, and chocolates

Top Growth of Consumer-Oriented Ag. Imports

(For HRI Sector) Fresh fruit, poultry, food preparations, condiment and sauces, beef, fish, chocolate, tree nuts, processed fruit, and snack foods

Food Industry by Channels

Consumer-Oriented Ag. Products:

- Gross imports	US\$1.2 billion
- Re-exports	US\$76 million
- Retained Imports	US\$1.1 billion
- Retail food sales	US\$571 million
- Restaurant receipts	US\$1.4 billion (2017)

Tourism/Gaming

No. of hotels: 48
No. of casinos: 41
No. of tourists: 35.8 million
Gaming revenue: US\$37.5 billion

GDP/Population

Population: 667,000
GDP: US\$54.5 billion
GDP per capita: US\$82,609

Strengths/Weaknesses/Opportunities/ Challenges

Strengths	Weaknesses
<ul style="list-style-type: none"> - Free and fast-growing market with affluent customers - U.S. products are perceived as high-quality products 	<ul style="list-style-type: none"> - Cost of shipment from the U.S. is high - Order size of importers is small
Opportunities	Challenges
<ul style="list-style-type: none"> - Macau customers are open to new products - Macau is major trading tourist destination in Asia 	<ul style="list-style-type: none"> - Keen competition from other food supplying countries - Strengthening U.S. dollar will make U.S. products less price competitive

Data and Information Sources: U.S. Census Bureau Trade Data, Global Trade Atlas, Euromonitor International, Government of Macao Special Administrative Region Statistics and Census Service

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SECTION I. MARKET SUMMARY

Macau is located at the entrance of the Pearl River Delta, about 90 miles southeast of Guangzhou, China and 37 miles southwest of Hong Kong. It covers 18.3 square miles, around one-sixth the size of Washington, D.C. and has a population of 667,000¹. Formerly a Chinese territory under Portuguese administration, Macau became a Special Administrative Region (SAR) of the People's Republic of China on December 20, 1999. Pursuant to a 50-year transition period, the Macau SAR (MSAR) maintains a high degree of autonomy in all matters except foreign, defense, and security affairs.

With its unique blend of European and Chinese cultures, Macau's economy is growing steadily with a per capita GDP that reached US\$82,609² in 2018. Macau has enjoyed an influx of international investment over the last decade to develop its casino resorts as it is the only legal gambling site in China. The pace of its economic growth has far surpassed expectations. The gaming industry's gross revenue in 2018 amounted to US\$37.5 billion³, more than three times the total gaming revenue of Nevada. Gaming by itself is the largest source of direct tax in Macau. The tax revenue from gaming represented around 69 percent⁴ of Macau's total revenue.

The Macau government intends to expand Macau's attraction as a tourist and leisure hub including the growth of hotels, family-friendly mega resorts, and accompanying HRI outlets. Macau also looks to diversify into a multi-platform entertainment destination. Meetings, Incentives, Conferences, and Exhibitions (MICE) is another area that the Macau government is targeting for development.

U.S. Food and Beverage Exports to Macau⁵

Due to production limitations, virtually all of Macau's food requirements are imported. In 2018, Macau's total global imports of agricultural, food, and fisheries reached US\$1.62 billion. Among them, US\$1.2 billion, or 74 percent, were consumer-oriented agricultural products. The vast majority of Macau's imports were transshipped via Hong Kong as Macau lacks a deep-water port. In 2018, Hong Kong exported US\$915 million in consumer-oriented agricultural products to Macau, US\$98 million of which were U.S. origin.

In late 2018, the Hong Kong-Zhuhai-Macau Bridge project, consisting of a series of bridges and tunnels crossing the Lingdingyang channel, opened and now connects southern China, Macau, and Hong Kong for vehicular and freight movement. Once details for freight and cargo transportation on the bridge are determined, this new transport option will substantially cut the shipping time compared to current water transport arrangements. Spanning 34 miles, the bridge is the longest sea-crossing bridge ever built.

Hotel, Restaurant, and Institutional (HRI) Sector

Supported by inbound tourism and gaming resorts, Macau's HRI sector has developed rapidly over the past two decades. With an average of nearly three million visitors each month, Macau's

¹ Government of Macao SAR Statistics and Census Service

² - ditto -

³ - ditto -

⁴ - ditto -

⁵ Global Trade Atlas

world-class gaming resorts have pushed the demand for high-quality food ingredients to serve their guests and provide staff meals.

According to the latest statistics⁶, a total of 2,309 restaurant and foodservice facilities were in operation in 2017, an increase of 44 facilities over 2016. The presence of 19 Michelin starred restaurants in Macau for 2018 bodes well for the HRI sector. Macanese food, which is a fusion of Portuguese, African, Southeast Asian, and Chinese cooking, is gaining international recognition, as is Macau as a culinary destination following an influx of internationally renowned restaurant brands and celebrity chefs. In late 2017, Macau was named a UNESCO City of Creative Gastronomy for its unique culinary heritage and significant investment in high-quality dining. In early 2019, Top Chef’s season finale, which was filmed in Macau, aired and promoted Macau’s gastronomic diversity.

Restaurant receipts amounted to US\$1.39 billion (MOP11.2 billion) in 2017, up by 5.5 percent year-on-year, attributable to an increase in the number of food service outlets and steadily growing economy. Restaurant expenditures totaled US\$1.36 billion (MOP 11 billion) and \$510 million (MOP 4.1 billion) of which, or 37 percent, was spent on purchases of goods.

Table 1: Receipts and Expenditures of Various Types of Restaurants in Macau in 2017 (US\$ million)

	Number	Receipts	Expenditure
Chinese Restaurants	621	602	587
Local-style Cafes and Congee & Noodle Shops	840	300	292
Western Restaurants	208	160	162
Japanese and Korean Restaurants	129	98	97
Other Asian Restaurants	115	39	42
Fast-food Restaurants	42	94	86
Coffee Shops	123	36	34
Bars & Lounges	41	10	14
Cooked Food Stalls	72	6	3
Others	118	45	47
Total	2,309	1,389	1,364

(Source: Government of Macau, Statistics and Census Service)

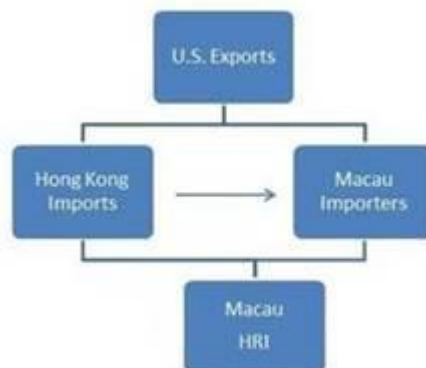
⁶ Government of Macao SAR Statistics and Census Service

Table 2 – Major Advantages and Challenges in the Macau Markets

Advantages	Challenges
Macau’s per capita GDP was over US\$82,600 in 2018, one of the highest in the world.	Order size of importers is small
Macau is a major tourist destination in Asia. In 2018, Macau received nearly 36 million tourists.	Strengthening U.S. dollar will make U.S. products less price competitive.
U.S. food products enjoy an excellent reputation among Macau consumers and visitors, as they are renowned for high-quality and food safety standards.	Transportation time, costs, and product seasonality for U.S. food and beverage products to Macau can make them less competitive than products available from regional suppliers such as China, Australia, and New Zealand.
Macau is a quality and trend driven market so price is not always the most important factor for food and beverage purchases.	The importance of Hong Kong as a transshipment point and buying center for Macau is not widely known to U.S. exporters.

SECTION II. ROAD MAP FOR MARKET ENTRY

Market Structure



Entry Strategy

Food and beverage suppliers from the United States seeking to enter the Macau food service market will need to work primarily with importers in Hong Kong who are engaged in the Macau

market and have good connections with Macau’s HRI sector and distribution network. U.S. exporters may also work directly with Macau’s food importers. Hong Kong is the primary trading partner for consumer-oriented products and many U.S. suppliers develop long-term relationships with Hong Kong buyers who provide effective linkages to Macau.

To enter the Macau market, some promotional/marketing strategies and tactics to consider include:

- Identification of key players - ATO Hong Kong can provide lists of importers, distributors, USDA commodity cooperators and state/regional trade groups.
- Establishment of a presence in the market – test marketing and stakeholder education may be required prior to entry.
- Invitation to foodservice buyers to seminars and/or to the U.S. - ATO Hong Kong/ USDA cooperators organize seminars and trade missions to the U.S. to introduce U.S. products and U.S. exporters to Macau buyers.
- Explore cooperation with the Institute for Tourism, which is Macau’s only teaching institution for future chefs who will serve Macau’s HRI industry.

A list of hotels in Macau:

<http://www.macauhotel.org/hotel>

A list of restaurants in Macau:

<http://en.macaotourism.gov.mo/dining/restaurant.php>

A list of Macau food and beverage traders:

http://www.macaueport.com/english/members_list.php?category_id=11

SECTION III. COMPETITION

Due to land constraints, Macau produces a minimal amount of its food requirements, depending on global sources to meet most of its needs. Macau imports of Consumer-Oriented Agricultural Products reached US\$1.2 billion in 2018. Major suppliers included China (22%), the Netherlands (16%), France (8%), and the United States (7%).

**Table 3 – Macau Imports of Consumer-Oriented Ag. Products (2014-2018)⁷
(Value in US\$ million)**

Category	2014	2015	2016	2017	2018	Percentage of Gross Imports	Growth 18 v 17

⁷ Global Trade Atlas

Gross Imports	1,050	1,135	1,034	1,080	1,197	100%	11%
Re-exports	27	24	44	91	76	8%	-16%
Retained Imports	1,023	1,111	990	989	1,121	92%	13%

As seen at Table 3, Macau retained most of its food and beverage imports, partly for food retail consumption and more for their stronger food service sector, which includes their nearly 36 million tourists each year.

Table 4 – Top 10 Macau Imports of Consumer-Oriented Agricultural Products and Competition⁸

Product Category	Gross Import 2018		1st Supplier*	2nd Supplier*	U.S. Ranking*
	US\$ million	Quantity			
Dairy Products	288	23,770 Tons	Netherlands (61%)	Ireland (9%)	11 (0.47%)
Food Preps. & Misc. Bev	192	36,891 Tons	China (23%)	Hong Kong (16%)	4 (8%)
Fish Products	177	28,451 Tons	China (30%)	Japan (12%)	9 (4%)
Wine & Beer	148	24 million Liters	France (58%)	China (8%)	6 (3%)
Pork & Pork Products	69	25,811 Tons	China (36%)	Brazil (34%)	6 (3%)
Poultry Meat & Prods. (ex. eggs)	68	28,638 Tons	China (68%)	Brazil (16%)	3 (7%)
Snack Foods NESOI	51	9,759 Tons	China (23%)	Japan (19%)	6 (6%)
Fresh Fruit	51	41,654 Tons	U.S. (28%)	China (20%)	1 (28%)
Beef & Beef Products	50	9,245 Tons	Brazil (30%)	U.S. (29%)	2 (29%)
Chocolate & Cocoa Products	43	3,403 Tons	Italy (38%)	Switzerland (8%)	8 (4%)

(* based on import value)

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

Table 5 – Best Growths of Macau’s Imports of Consumer-Oriented Agricultural Products⁹

Category	2014 (US\$ million)	2018 (US\$ million)	Average Annual Growth
Fresh Fruit	31	51	13%
Poultry Meat & Prods. (ex. eggs)	44	68	12%
Food Preps. & Misc. Bev	124	192	11%
Condiments & Sauces	22	33	11%
Beef & Beef Products	35	50	10%

⁸ Global Trade Atlas

⁹ - ditto -

Fish Products	123	177	9%
Chocolate & Cocoa Products	32	43	8%
Tree Nuts	9	12	7%
Processed Fruit	14	18	7%
Snack Foods	40	51	7%

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Post Contact

Agricultural Trade Office
 Consulate General of the United States
 Hong Kong and Macau
 18th Floor, St. John's Building
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Website: <http://www.usconsulate.org.hk>
<https://www.usfoods-hongkong.net>

Other Macau Government / Semi-Government Contacts

Macao Government Tourism Office

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 Edifício "Hot Line", 12º andar, Macau
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 Email: mgt@macaotourism.gov.mo
 Website: <http://www.macaotourism.gov.mo>

Macao Hotel Association

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