

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Macau Food Retail Industry

**Country:** Hong Kong

**Post:** Macau

**Report Category:** Retail Foods

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**Report Highlights:**

In 2019, Macau’s retail food sector sales rose 7.3 percent to US\$613 million, a positive growth trend forecast to continue, especially in segments where U.S. products have strong prospects, such as distilled spirits, spices, fruit and vegetable juices, coffee, poultry, fresh fruit, beef, nursery products, tree nuts, and food preparations.

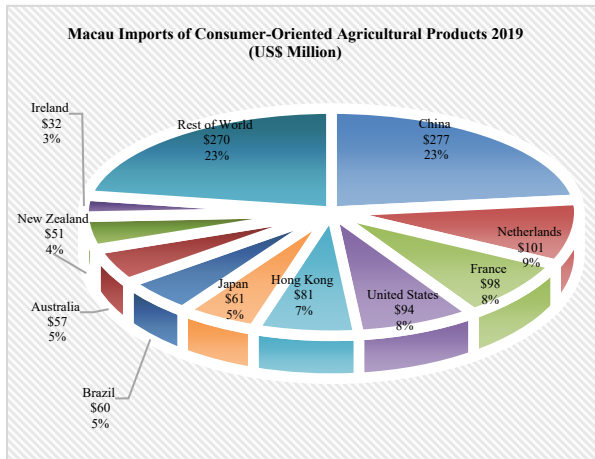
# Market Fact Sheet: Macau

## 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 12.7 square miles, around one-sixth the size of Washington, D.C. and has a population of 679,600. Macau's per capita GDP was over US \$79,977 in 2019, one of the highest in the world. Macau is a major tourist destination in Asia and welcomed over 39 million visitors in 2019. Due to limited arable land, essentially all food in Macau is imported. In 2019, imports of agricultural and related products reached US \$1.64 billion.

## Imports of Consumer-Oriented Agricultural Products

Macau imports of Consumer-Oriented Agricultural Products reached US \$1.18 billion in 2019, or 72 percent of overall agricultural imports. The most popular imported products were dairy products, food preparations, fish products, wine and beer, distilled spirits, poultry, pork, fresh fruit, snack foods, and beef. China, the Netherlands, France, the United States, and Hong Kong were the top five suppliers, respectively.



## 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 2019 were US \$36.78 million and US \$103.47 million, respectively, together representing only 8.55 percent of agricultural imports.

## Food Retailing Industry

In 2019, Macau's retail food sector sales rose 7.3 percent to US \$613 million. The Macau food retail market is made up of supermarkets, convenience stores, and traditional markets.

Major supermarkets include Royal, San Miu, ParknShop, Cheang Chong Kei, Vang Kei Hong, and New Yaohan. Major convenience stores include 7-11 and Circle K.

## Quick Facts CY 2019

**Imports of Consumer-Oriented Ag. Products**  
US \$1.18 billion

**Top 10 Consumer-Oriented Ag. Imports**  
Dairy products, food preparations, fish products, wine and beer, distilled spirits, poultry, pork, fresh fruit, snack foods, and beef

**Top Growth of Consumer-Oriented Ag. Imports**  
Distilled spirits, spices, fruit and vegetable juices, coffee, poultry, fresh fruit, beef, nursery products, tree nuts, and food preparations

### Food Industry by Channels

**Consumer-Oriented Ag. Products:**

- Imports US \$1.18 billion
- Exports US \$30.85 million
- Net Imports US \$1.15 billion
- Retail food sales US \$613.11 million
- Restaurant receipts US \$1.47 billion (2018)

### Tourism/Gaming

No. of hotels and guesthouses: 123  
No. of casinos: 41  
No. of tourists: 39.4 million  
Gaming revenue: US \$36.24 billion

### GDP/Population

Population: 679,600  
GDP: US \$53.86 billion  
GDP per capita: US \$79,977

## Strengths/Weaknesses/Opportunities/Challenges

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

**Data and Information Sources:** U.S. Census Bureau Trade Data, Nevada Gaming Control Board, Global Trade Data Monitor, Macao Financial Services Bureau, Macao Gaming Inspection, and Coordination Bureau, Macao Government Information Bureau, Macao Government Tourism Office, Macao 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 an area of 12.7 square miles<sup>1</sup>, around one-sixth the size of Washington, D.C. and has a population of 679,600<sup>2</sup>. 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 at US \$79,977<sup>3</sup> in 2019, one of the highest in Asia. 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 2019 amounted to US \$36.24 billion<sup>4</sup>, more than three times the total gaming revenue of Nevada<sup>5</sup>. Gaming by itself is the largest source of direct tax in Macau. The tax revenue from gaming represented around 80 percent<sup>6</sup> 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 hotel, restaurant, and institutional (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 Macau<sup>7</sup>**

Due to production limitations, virtually all of Macau's food requirements are imported. In 2019, Macau's total global imports of agricultural, food, and fisheries reached US \$1.64 billion. Among them, US \$1.18 billion, or 72 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.

### **Food and Beverage Retail Sales in Macau<sup>8</sup>**

In 2019, retail sales in Macau reached US \$9.56 billion, among them US \$613 million, or 6.3 percent, were goods in supermarkets. That represented a 7.3 percent growth compared with 2018.

“Supermarket/Department Stores” includes sales of supermarkets, convenience stores, and food and beverage sections at department stores. They are the modern grocery outlets that provide consumers with convenient and high-quality options. In addition to groceries, these stores are offering a more comprehensive shopping experience with increased items of fresh food, bread and pastry, organic options, and hot takeout meals.

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<sup>1</sup> Macao Government Information Bureau

<sup>2</sup> - Ditto -

<sup>3</sup> Macao Statistics and Census Service

<sup>4</sup> Macao Gaming Inspection, and Coordination Bureau

<sup>5</sup> Nevada Gaming Control Board

<sup>6</sup> Macao Financial Services Bureau

<sup>7</sup> Global Trade Data Monitor

<sup>8</sup> Government of Macao SAR Statistics and Census Service

## Outlook for 2020

Macau has a small population of 679,600 to support its food retail sales, which have grown steadily and reached US \$613 million in 2019. That is less than half the sales in the food service sector, valued at US \$1.47 billion (latest figure, 2018), supported by local residents and over 39 million tourists.

Macau's economy is highly dependent on its tourism and gaming industries. World-wide travel restrictions due to the coronavirus outbreak are slowing Macau's economic growth and food demand. For the first quarter of 2020, Macau's gaming revenue dropped by 60 percent year-on-year<sup>9</sup>. For the first two months of 2020, Macau's imports of consumer-oriented agricultural products reached US \$188.45 million<sup>10</sup>, representing growth of four percent year-on-year.

In February, the Macau Government launched a series of measures involving aggregate financial support of up to Macau Patacas (MOP) 40 billion (US \$5 billion) to help Macau residents' businesses cope with adversity brought on by the COVID-19 pandemic. The Macau Government has since created an additional MOP10 billion (US \$1.24 billion) fund<sup>11</sup> to further expand its financial support. It is expected that Macau's economy will gradually rebound in the latter half of 2020, when the coronavirus situation improves.

**Table 1 – Major Advantages and Challenges in the Macau Markets**

<b>Advantages</b>	<b>Challenges</b>
Macau's per capita GDP was over US \$79,977 in 2019, one of the highest in the world.	Order size of importers is small
Macau is a major tourist destination in Asia. In 2019, Macau received over 39 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.

<sup>9</sup> Macao Gaming Inspection, and Coordination Bureau

<sup>10</sup> Global Trade Data Monitor

<sup>11</sup> Macao Government Information Bureau

## SECTION II. ROAD MAP FOR MARKET ENTRY

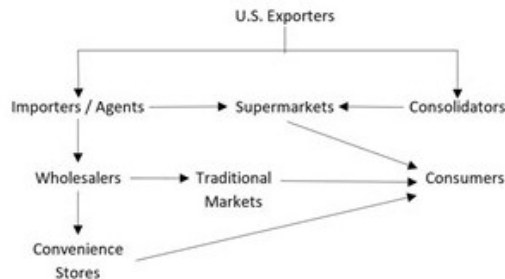
### Entry Strategy

Food retail sales in Macau were US \$613 million in 2019, relatively small compared with US \$12.8 billion for neighboring Hong Kong (please refer to [GAIN Report#HK1932](#) for more details on the Hong Kong Food Retail Market). Therefore, U.S. exporters rarely sell directly to Macau food retailers.

New-to-market exporters may consider several approaches to enter the Macau retail market:

- Establishing a representative office in Macau or Hong Kong: A good method to build trade relationships and implement marketing programs, but operating expenses can be high.
- Working with a U.S. trading company: Some companies serve U.S. exporters and Macau importers so both sides can benefit through expanded options and cost-effective shipping.
- Developing a relationship with an agent in Hong Kong or Macau: Well-established companies have extensive distribution networks to supermarkets, other retail outlets, and many also cover non-retail sectors. Many Hong Kong agents also cover Macau.

### Market Structure



- U.S. exporters intending to sell to retail outlets can utilize one of the above channels. Some supermarkets source through U.S. consolidators as well as Hong Kong or Macau agents and importers.

#### A. Supermarkets and Convenience Stores

Royal, San Miu and ParknShop are the three largest supermarket chains in Macau. The largest convenience store chains are 7-Eleven and Circle K.

**Table 2 – Major Supermarkets / Food Retailers<sup>12</sup>**

<b>Name of Retailer</b>	<b>Description</b>	<b>No. of Outlets</b>
<a href="#">Royal</a>	Supermarket	34
<a href="#">San Miu</a>	Supermarket	20
<a href="#">ParknShop</a>	Supermarket	16
<a href="#">Cheang Chong Kei</a>	Supermarket (Frozen Food)	4
<a href="#">Vang Kei Hong</a>	Supermarket	2
<a href="#">New Yaohan</a>	Supermarket	1
<a href="#">7-Eleven</a>	Convenience Store	51
<a href="#">CircleK</a>	Convenience Store	33

**B. Traditional Markets – Wet Markets and Independent Grocery Stores**

Traditional markets include wet markets and mom-and-pop shops. They are widespread throughout Macau. They are favored for daily, neighborhood shopping primarily especially amongst an older consumer base. Due to size restrictions, many of these stores work with importers to buy smaller batches.

**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 \$1.18 billion in 2019. Major suppliers included China (23%), the Netherlands (9%), France (8%), and the United States (8%).

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<sup>12</sup> Websites of the retailers

**Table 3 – Macau Imports of Consumer-Oriented Ag. Products (2015-2019)<sup>13</sup>**  
(Value in US\$ million)

Category	2015	2016	2017	2018	2019	Percentage of Gross Imports	Growth 19 v 18
Imports	1,138	1,034	1,077	1,178	1,182	100%	0.3%
Exports	24	44	91	70	31	3%	-56%
Net Imports	1,114	990	986	1,108	1,151	97%	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 over 39 million tourists each year.

**Table 4 – Top 10 Macau Imports of Consumer-Oriented Agricultural Products and Competition<sup>14</sup>**

Product Category	Gross Import 2019		1st Supplier*	2nd Supplier*	U.S. Ranking*
	US\$ million	Quantity			
Dairy Products	230	22,259 tons	Netherlands (37%)	New Zealand (15%)	13 (0.7%)
Food Preps. & Misc. Bev	203	36,976 tons	China (24%)	Hong Kong (17%)	3 (9%)
Fish Products	183	30,738 tons	China (35%)	Japan (12%)	7 (4%)
Wine & Beer	140	21 million liters	France (57%)	Australia (10%)	6 (3%)
Distilled Spirits	111	1.9 million liters	China (41%)	France (38%)	5 (0.5%)
Poultry Meat & Prods. (ex. eggs)	80	32,221 tons	China (68%)	Brazil (17%)	3 (6%)
Pork & Pork Products	76	27,306 tons	Brazil (38%)	China (29%)	8 (3%)
Fresh Fruit	60	43,427 tons	China (24%)	U.S. (23%)	2 (23%)
Snack Foods NESOI	56	10,686 tons	Japan (30%)	China (24%)	8 (3%)
Beef & Beef Products	55	9,633 tons	U.S. (30%)	Brazil (29%)	1 (30%)

(\* based on import value)

<sup>13</sup> Global Trade Data Monitor

<sup>14</sup> - Ditto -

## SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

**Table 5 – Best Growths of Macau’s Imports of Consumer-Oriented Agricultural Products<sup>15</sup>**

<b>Category</b>	<b>2015 (US\$ million)</b>	<b>2019 (US\$ million)</b>	<b>Average Annual Growth</b>
Distilled Spirits	38	111	31%
Spices	0.9	2	20%
Fruit & Vegetable Juices	3	6	20%
Coffee	8	15	18%
Poultry Meat & Prods. (ex. eggs)	45	80	15%
Fresh Fruit	35	60	14%
Beef & Beef Products	33	55	14%
Nursery Products	5	8	11%
Tree Nuts	9	14	10%
Food Preps. & Misc. Bev	143	203	9%

## SECTION V. KEY CONTACTS AND FURTHER INFORMATION

### **Post Contact**

Agricultural Trade Office  
Consulate General of the United States  
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Fax: (852) 2845-0943  
Email: [Atohongkong@fas.usda.gov](mailto:Atohongkong@fas.usda.gov)  
Website: <http://www.usconsulate.org.hk>  
<https://www.usfoods-hongkong.net>

### **Other Macau Government / Semi-Government Contacts**

#### **Macao Government Tourism Office**

Alameda Dr. Carlos d'Assumpção, n.os 335-341  
Edifício "Hot Line", 12º andar, Macau  
Tel: (853) 2831-5566  
Fax: (853) 2851-0104

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<sup>15</sup> Global Trade Data Monitor



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**Macau Hotel Association**

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Website: <http://www.macaueport.com>

**Attachments:**

No Attachments.