

Voluntary Report – Voluntary - Public Distribution

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Country: Macau

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Report Highlights:

In 2020, Macau's retail food sector sales rose 4.1 percent to \$644 million, and fast growth food imports included distilled spirits, spices, pet food, meats, fresh fruit, food preparations, poultry meat, coffee, tea, and confectionery products. COVID-19 has adversely affected Macau's economic growth and food demand. Throughout 2020, the Macau government launched stimulus measures to help Macau residents and businesses cope with the economic adversity, which has helped outlets remain open as Macau's economy is already picking up in 2021 and the coronavirus situation improves.

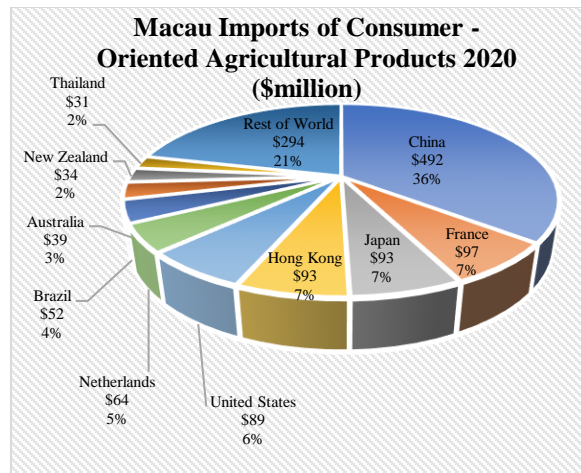
Market Fact Sheet: Macau*

Executive Summary

Macau is located 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 683,100. Macau's per capita GDP was \$35,714 in 2020. Due to limited land, essentially all food in Macau is imported. In 2020, imports of agricultural and related products reached \$1.58 billion.

Imports of Consumer-Oriented Agricultural

Macau imports of Consumer-Oriented Agricultural Products reached \$1.38 billion in 2020, or 87 percent of overall agricultural imports. The most popular imported products were dairy products, distilled spirits, seafood, bakery products, wines, non-alcoholic beverages, poultry meat, food preparations, pork, and fresh fruit. China, France, Japan, Hong Kong, and the United States 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 2020 were \$37 million and \$101 million, respectively, together representing only 8.74 percent of overall agricultural imports.

Food Service Industry

According to the latest figures (2019), Macau's food service sector sales reached \$1.53 billion, 4.1 percent more than 2018. The Macau food service sector is made up of Chinese restaurants, local-style cafes, western restaurants, Japanese and Korean restaurants,

other Asian restaurants, coffee shops, fast food restaurants, bars and lounges, and cooked food stalls. Many of these food service outlets are located in hotels and casinos. Macau has over 120 hotels and guesthouses, and 39 casinos as well as major Five-Star hotels including Altira, Four Seasons Hotel, Sands, Grande Lisboa, the Venetian Macau, Legend Palace, Wynn, Lisboa, Wynn Palace, MGM Macau, MGM Cotai, and the Hotel Okura Macau.

Quick Facts CY 2020

Imports of Consumer-Oriented Ag. Products
\$1.38 billion

Top 10 Consumer-Oriented Ag. Imports
Dairy products, distilled spirits, seafood, bakery products, wines, non-alcoholic beverages, poultry meat, food preparations, pork, and fresh fruit

Top Growth of Consumer-Oriented Ag. Imports
Distilled spirits, spices, pet food, meats, fresh fruit, food preparations, poultry meat, coffee, tea, and confectionery products

Food Industry by Channels

Consumer-Oriented Ag. Products:

- Imports	\$1.38 billion
- Exports	\$44 million
- Net Imports	\$1.33 billion
- Retail food sales	\$644 million
- Restaurant receipts	\$1.53 billion (2019)

Tourism/Gaming

No. of hotels and guesthouses: 120
No. of casinos: 39
No. of tourists: 5.9 million
Gaming revenue: \$7.56 billion

Strengths/Weaknesses/Opportunities/Challenges

<i>Strengths</i>	<i>Weaknesses</i>
<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
<i>Opportunities</i>	<i>Challenges</i>
<ul style="list-style-type: none"> - Macau's economy is set to rebound quickly as global pandemic situation improves 	<ul style="list-style-type: none"> - Keen competition from other food supplying countries

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 miles¹, around one-sixth the size of Washington, D.C. and has a population of 683,100². 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.

The Macau government plans 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 long-term development.

Macau’s Food and Beverage Imports³

Due to production limitations, virtually all of Macau’s food requirements are imported. In 2020, Macau’s total global imports of agricultural, food, and fisheries reached \$1.58 billion. Among them, \$1.38 billion, or 87 percent, were consumer-oriented agricultural products⁴. 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 Macau⁵

In 2020, retail sales in Macau reached \$5.65 billion, among them \$644 million, or 11 percent, were goods in supermarkets. That represented a 4.1 percent growth compared with 2019.

“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.

COVID-19

Macau’s economy is highly dependent on tourism and gaming industries. World-wide travel restrictions due to COVID-19 outbreak have slowed down Macau’s economic growth and food demand. The gaming industry’s gross revenue dropped from \$36.6 billion in 2019 to \$7.56 billion in 2020⁶, whereas Macau per capita GDP dropped from \$81,893 in 2019 to \$35,714 in 2020⁷, a decrease of 79 percent and 56 percent, respectively. Macau’s imports of consumer-oriented agricultural products were less seriously affected, and reached \$1.38 billion in 2020, a decrease of 12 percent over 2019.

¹ Macao Statistics and Census Service

² Macao Statistics and Census Service

³ Global Trade Data Monitor

⁴ Consumer Oriented Agricultural Products (including seafood products, excluding tobacco products)

⁵ Macao Statistics and Census Service

⁶ Macao Statistics and Census Service

⁷ Macao Government Tourism Office

Outlook for 2021

In 2020, the Macau Government launched a series of measures involving aggregate financial support of up to MOP50 billion (\$6.25 billion)⁸ to help Macau residents and businesses cope with adversity brought on by the COVID-19 pandemic. The Macau Government plans to spend another MOP29.2 billion (\$3.65 billion)⁹ in 2021 on cash handouts, domestic spending facilitation, vocational training, tax incentives, and allowances to further enhance the financial support leading to signs of recovery. For the first three months of 2021, Macau's import of consumer-oriented agricultural products reached \$362 million, an increase of 7.8 percent over the same period in 2020. The number of visitors has also resumed growth. For the months of February and March 2021, the number of visitors reached over 427,000 and 754,000, an increase of 173 percent and 255 percent over 2020. It is expected that Macau's economy will grow more quickly in the latter half of 2021 when the coronavirus situation further improves.

Table 1 – Major Advantages and Challenges in the Macau Market

Advantages	Challenges
Macau's economy is set to rebound quickly as global pandemic situation improves.	Order size of importers is small.
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

Entry Strategy

Food retail sales in Macau were \$644 million in 2020, relatively small compared with \$12.7 billion for neighboring Hong Kong (please refer to [GAIN Report #HK2020-0034](#) 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.

⁸ Macao Government Information Bureau

⁹ Macao Government Information Bureau

- 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 Retailers¹⁰

Name of Retailer	Description	No. of Outlets
Royal	Supermarket	36
San Miu	Supermarket	20
ParknShop	Supermarket	15
Cheang Chong Kei	Supermarket (Frozen Food)	4
Vang Kei Hong	Supermarket	1
New Yaohan	Supermarket	1
7-Eleven	Convenience Store	51
CircleK	Convenience Store	32

¹⁰ Websites of the retailers

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 \$1.38 billion in 2020. Major suppliers included China (36%), France (7%), Japan (7%), Hong Kong (7%), and the United States (6%).

Table 3 – Macau Imports of Consumer-Oriented Ag. Products (2016-2020)¹¹
(Value in \$million)

Category	2016	2017	2018	2019	2020	Percentage of Gross Imports	Growth 20 v 19
Imports	1,303	1,386	1,530	1,564	1,378	100%	-12%
Exports	50	96	74	35	44	3%	+27%
Net Imports	1,253	1,290	1,456	1,529	1,334	97%	-13%

Table 4 – Top 10 Macau Imports of Consumer-Oriented Agricultural Products and Competition¹²

Product Category	Gross Import 2020		1st Supplier*	2nd Supplier*	U.S. Ranking*
	\$million	Quantity			
Dairy Products	166	20,038 Tons	Netherlands (31%)	New Zealand (16%)	17 (1%)
Distilled Spirits	160	1.9 million Liters	China (67%)	U.K. (15%)	5 (0.2%)
Seafood Products	131	26,496 Tons	China (44%)	Japan (11%)	8 (3%)
Bakery Products	123	24,855 Tons	China (40%)	Hong Kong (24%)	10 (1%)
Wine & Related Products	96	4.7 million Liters	France (63%)	Australia (9%)	5 (4%)
Non-Alcoholic Beverages	93	88 million Liters	China (58%)	Hong Kong (23%)	8 (1%)
Poultry Meat & Prods. (ex. eggs)	77	29,112 Tons	China (70%)	Brazil (15%)	3 (5%)
Soup & Other Food Preparations	76	7,392 Tons	U.S. (32%)	Hong Kong (13%)	1 (32%)
Pork & Pork Products	67	22,723 Tons	Brazil (39%)	China (23%)	6 (4%)
Fresh Fruit	66	47,709 Tons	China (36%)	U.S. (14%)	2 (14%)

(* based on import value)

¹¹ Global Trade Data Monitor

¹² Global Trade Data Monitor

SECTION IV. BEST PROSPECTS PRODUCT CATEGORIES

Table 5 – Best Growths of Macau’s Imports of Consumer-Oriented Agricultural Products¹³

Category	2016 (\$million)	2020 (\$million)	Average Annual Growth
Distilled Spirits	51	160	33%
Spices	4	8	18%
Pet Food	5	9	16%
Meat	12	20	13%
Fresh Fruit	40	66	13%
Food Preparations	47	76	13%
Poultry Meat	48	77	13%
Coffee	8	12	11%
Tea	6	9	9%
Confectionery Products	19	26	9%

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
33 Garden Road, Central, Hong Kong
Tel: (852) 2841-2350
Fax: (852) 2845-0943
Email: Atohongkong@usda.gov
Website: <http://www.usconsulate.org.hk>
<https://www.atohongkong.com.hk>

Other Macau Government / Semi-Government Contacts

Macao Government Tourism Office

Alameda Dr. Carlos d' Assumpção, nos 335-341
Edifício "Hot Line", 12º andar, Macau
Tel: (853) 2831-5566
Fax: (853) 2851-0104
Email: mgt@macaotourism.gov.mo
Website: <http://dataplus.macaotourism.gov.mo/>

¹³ Global Trade Data Monitor

Macau Hotel Association

Tel: (853) 2870-3416
Email: mhacmo@macau.ctm.net
Website: <http://www.macauhotel.org>

The American Chamber of Commerce in Macau

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Macao Trade and Investment Promotion Institute – IPIM

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Macau Importer and Exporter Association

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Email: aeim@macau.ctm.net
Website: <http://www.macaueport.com>

Data and Information Sources: Global Trade Data Monitor, Macao Gaming Inspection and Coordination Bureau, Macao Government Information Bureau, Macao Government Tourism Office, Macao Statistics and Census Service

Attachments:

No Attachments.