

THE HONG KONG WONTON

wrapped by ATO Hong Kong

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FEATURED PHOTO:



ATO Hong Kong Joins the American Egg Board to Promote U.S. Egg Products

On November 29, 2021, the American Egg Board hosted a webinar introducing U.S. egg products to eighty-two experts from the local baking and foodservice industries. The well-attended event included a product presentation, cooking demonstration, and a lively Q&A. From 2017-2020, the United States was Hong Kong's top supplier of egg products by volume. In the first ten months of 2021, Hong Kong imports of U.S. egg products grew by 36 percent compared to the same period last year.

ATTENTION U.S. EXPORTERS! HONG KONG BUYERS ARE LOOKING FOR:

ATO maintains close contacts with buyers from Hong Kong and Macau. Currently, a Hong Kong food buyer is seeking U.S. suppliers of the following products:

- Dried blueberries
- Dried cherries
- Dried cranberries

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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

Hong Kong Imposes Stringent Quarantine on U.S. Arrivals: [rthk.hk, December 12, 2021]

Effective December 13, inbound travelers from the United States will have to spend the first seven days of their three-week isolation at Penny's Bay -the government-run quarantine center- and get tested every day before they move to a quarantine-hotel for the next 14 days. The new measures came after a man traveling from the United States was found to be carrying the Omicron variant. **ATO Notes:** Diplomatic Missions and the international business community in Hong Kong continue to convey their concerns to the host government about the lengthy quarantine requirements. As quarantine rules continue to evolve, Post recommends U.S. travelers check the [U.S. Consulate webpage](#) for the latest information.

Use of the “LeaveHomeSafe” App Becomes Mandatory for Entering Restaurants and other Listed Premises; Elderly People, Minors and those with Disabilities are Exempted [Oriental Daily, December 9, 2021]

Starting December 9, 2021, the use of the “LeaveHomeSafe” app is mandatory when entering restaurants and other listed premises. People over the age of 65, under 15, with disabilities, or are approved by authorized organizations, are exempted and will need to fill out a paper form in lieu of the app. The premises listed are all restaurants that offer dine-in service, bars or pubs, bathhouses, party rooms, clubs or nightclubs, karaoke establishments, mahjong-tin kau premises, cruise ships, amusement game centers, fitness centers, places of amusement, places of public entertainment, beauty parlors and massage establishments, clubhouses, sports premises, swimming pools, hotel and guesthouses, and event premises. Under the regulation, all restaurants no longer have the option of shortening operating hours and limiting capacity due to replacing staff undergoing mandatory COVID-19 testing or vaccination. **ATO Notes:** The Hong Kong government introduced the “LeaveHomeSafe” app in late 2020. The app tracks locations visited when users scan the QR code at the premises, and sends users message alerts if COVID cases are reported in frequented places. In the event the person tests positive, the health authority will use the record to trace contacts. In November 2021, the government imposed mandatory use of the app when entering government buildings (libraries, museum, sport centers, hospitals etc.) and government-run wet markets with the exemption of the elderly, children, and people with disabilities. On December 10, the government introduced the “Hong

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Kong Health Code” system to facilitate quarantine-free travel between Guangdong, Macau and Hong Kong. Users need to upload their visit records to the "Hong Kong Health Code" system through an updated version of "LeaveHomeSafe" mobile app and then login to receive the code as a prerequisite to travel.

In 2020, Hong Kong Disposed of 200 Million Plastic Wraps and Used 5.91 billion Plastic Disposable Packaging Items for Takeaway Orders [[The Standard](#), December 8, 2021]

Four groups in a joint statement said that last year, Hong Kong sold nearly 200 million packs of foodstuffs – rice, instant noodles, Chinese noodles, and sugar – with enough plastic wrapping that could stretch twice around Earth. Another environmental group estimated that Hong Kongers used 3.94 billion disposable packaging items for takeaway orders in 2019, a figure that increased to 5.91 billion in 2020 as takeaway orders on delivery platforms surged 50 percent amid the pandemic. The group urged the government to develop policies to restrict single-use plastic wraps and establish a producer responsibility scheme requiring food manufacturers to reduce the use of plastic packaging. Earlier this year, the government launched a public consultation on regulating disposable plastic tableware, but a group said the policy should address all kinds of takeout packaging. The group also said the government should educate the public and engage with the industry to reduce plastic waste.

ATO Notes: Companies and groups in Hong Kong have started reusable tableware rental services at areas with restaurant clusters or at events. Customers or event organizers may rent the tableware at a reasonable price and return them to the designated kiosks. A green group is urging the government to facilitate establishment of these rental services to pave the way for the plasticware ban ([source article](#)).



HOTELS, RESTAURANTS AND INSTITUTIONS

Hong Kong Bars Flock to Join New ‘Happy Hour’ App [[The Drinks Business](#), November 23, 2021]

A bar app that connects drinkers with happy hours and drinks deals in bars across Hong Kong, is causing a stir in the city, with local bars leaping to sign up. The app went live in February, but as most bars and pubs were closed during this period due to COVID-19 lockdowns, the official launch for the platform took place on November 27. More than 400 bars across Hong Kong’s 18 districts have already signed up to partner with the app, which has been downloaded more than 1,700 times by thirsty consumers.

ATO Notes: Sales of food and beverages are expected to continue recovering during the holiday season and as the local cases of COVID-19 remain under control.

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Local Fast-Food Chain *Cafe de Coral* is set to Increase Menu Prices [[The Standard](#), November 25, 2021]

Local fast-food chain *Cafe de Coral* is not ruling out a price hike as it saw its net profit plunge by 50 percent year-on-year to \$10.4 million and no prospects of government assistance. Facing pressure from food costs and labor expenses, their chief executive Peter Lo said that the fast-food restaurant chain may increase prices around \$0.13 by restructuring its menu, but there is little room for higher price increases. Meanwhile, Lo reported revenue is still 10 percent lower compared to pre-pandemic levels, as disruptions in the supply chain has taken a toll on the firm's operations mainly due to the shortage in containers. **ATO Notes:** *Cafe de Coral* is one of the largest fast-food chains in Hong Kong with over 160 stores serving more than 300,000 customers daily.

Local Fast Food Chain *Fairwood* Sees Profit Slides [[The Standard](#), December 1, 2021]

Local fast-food chain *Fairwood* posted a 19 percent drop in its interim net profit to \$6.7 million year-on-year. Rising food costs and staff shortages represent some of its biggest challenges going forward. The company said it will continue to negotiate lower rentals while also enhancing efficiencies in its operations. The increasing takeaway sales are also opening options to better utilize the physical floor space, especially in its larger restaurants. **ATO Notes:** *Fairwood* is a large fast-food chain in Hong Kong with 155 stores, including 143 fast food stores and 12 specialty restaurants.

Uber Eats to Quit Hong Kong, Focus Turns to Uber Taxi [[The Standard](#), November 30, 2021]

Uber Eats announced that the company will stop its five-year-old food delivery service in Hong Kong on December 31, 2021, as the company shifts its focus to the taxi hailing service. Uber said it is a difficult decision and will help employees, restaurant partners, delivery people, and consumers in the transition. There are three takeaway delivery platforms in Hong Kong: Deliveroo, Foodpanda, and Uber Eats. Francis Fong Po-kiu, honorary president of the Hong Kong Information Technology Federation, said Uber Eats has a smaller market share, and may see more significant potential in advancing its taxi-related business as Uber bought taxi-hailing platform HKTaxi earlier. Apart from the HKTaxi acquisition, Uber is investing in a taxi driving license rebate scheme to help new drivers join the taxi industry. Currently, Hong Kong's Uber Taxi business is ranked No.1 globally and contributes to over 25 percent of the global Uber Taxi business. **ATO Notes:** Simon Wong, the president of the Hong Kong Federation of Restaurants and Related Trades, stated in another article that the food delivery service providers are being challenged by many factors. As dine-in business resumes as the local pandemic situation stabilized it slowed the rapid growth in delivery service. The delivery service market is saturated and major players are aggressively investing in advertising and promotion, and only those have allocated adequate resources may survive. The earlier strike initiated by workers of Foodpanda, one of Hong Kong's top delivery service, revealed the complexities in labor management and system operations that other food delivery services may be facing. Wong also stated that operations could become increasingly difficult ([source article](#)).

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RETAIL



CitySuper Opens its First Convenience Store at a Subway station [[CitySuper](#), November 29, 2021]

Retailer CitySuper opened its first convenience store “EKI” (Japanese for station) at one of the busiest MTR (subway) stations in Admiralty. **ATO Notes:** CitySuper is a high-end food retailer with four stores in Hong Kong. The initiative responds to consumer interest in ready-to-go meals. ATO Hong Kong has collaborated with CitySuper on various promotional activities highlighting quality U.S. foods and beverages.

Hong Kong Retail Sales Surge 12 Percent in October as Rebound Extends for Nine Straight Months [[South China Morning Post](#), November 30, 2021]

Provisional figures released by the Census and Statistics Department showed October retail sales jumped 12 percent to \$3.9 billion. October 2021’s retail sales figure was still 22.8 percent lower than the \$5.1 billion recorded in 2018, before the 2019 political protests and the COVID-19 pandemic. The turnaround in the city’s retail sector finally started in February after the two-year slump. As the Hong Kong strict border measures under COVID-19 have carried on for more than 20 months, shopping centers can only rely on local consumption. **ATO Notes:** Despite the overall rise in retail, food sales dropped 6 percent to \$10 billion for the first 10 months of 2021. As the domestic COVID-19 situation has improved, consumers are dining-out more instead of buying and preparing meals at home.

TRADE



Seafood Expo Asia Will Move to Singapore in 2022 [[Seafood Expo Asia](#), December 7, 2021]

Diversified Communications, organizer of one of the largest seafood trade shows “Seafood Expo Asia,” announced that their tenth edition will take place September 14-16, 2022, at the Suntec Singapore Convention & Exhibition Centre. **ATO Notes:** Seafood Expo Asia used to take place in Hong Kong, but

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the show was cancelled in 2019 due to political protests, and in 2020 due to COVID-19. The show became digital in 2021 and it is expected to be an in-person event in 2022 in Singapore.

Hong Kong Police Seize CBD Products [[SCMP](#), November 30, 2021]

While cannabidiol (CBD) products are not illegal in Hong Kong, the Hong Kong police seized 1,500 items of food and non-food CBD products off store shelves after detecting traces of tetrahydrocannabinol (THC). Eight people related to the investigation have been arrested since early December. The arrest was based on the earlier collection and testing result of 50 different CBD products from various vendors across the city in late November. Of those fifty products, five have been found to contain THC, which is banned in Hong Kong (under a zero-tolerance policy). Of the remaining forty-five products, sixteen were found not to contain THC, while results for the remaining products are still pending. Products were mostly imported from the United States and Canada. **ATO Notes:** In recent years, Hong Kong has seen a surge of CBD products in the market. In response, the Hong Kong government issued a [notice](#) cautioning the public of the risk of violating the law. Further information is available in ATO's Gain report: [Eligibility of CBD-Containing Foods to Hong Kong Remains Ambiguous](#)

How Hong Kong Traders Cope with Supply Chain Disruptions [The 7th Food Safety Forum hosted by GS1 on December 1, 2021]

In a food safety forum themed “Food Safety in Times of Crisis: Rethink, Reset, Revive”, representatives from various Hong Kong food-related entities voiced similar strategies to combat supply chain disruptions: 1) Traders tend to diversify supplies for both individual suppliers and country of origin. They source products from multiple suppliers and no longer rely on one major partner. 2) Traders now prefer to look for suppliers in the region, particularly from China because shipping schedule is less volatile, and the transportation time is shorter compared to products shipped from the United States or Europe. They have adopted the doctrine “the closer the better.” 3) Traders tend to stock up more and discard the outdated approach of “just-in-time” inventory control. 4) Traders explore and evaluate the cost and efficiency of various transportation modes. A speaker shared that one of his clients shipped a consignment from Europe to China by train and then to Hong Kong by truck. **ATO Notes:** U.S. food and agricultural exports to Hong Kong slowed 11.4 percent to \$1.5 billion during the first ten months of 2021. (Source: U.S. Census Bureau Trade Data)

Supply Chain Disruption Led to a 50 MT of Chicken Wings Donation to a Charity Organization [[Food Angel Facebook](#), November 25, 2021]

The supply chain disruption unexpectedly brought 50 MT of frozen chicken wings donated to Food Angel in November. Reportedly, an importer approached Food Angel donating two containers of frozen chicken wings amounting to about 50 MT. The importer said that as a result of chaotic shipping schedules, the imported shipment was stranded in Hong Kong and was not able to be re-exported to the final scheduled destination. Instead of paying the expensive storage fees, the importer decided to have the shipment donated. **ATO Notes:** Food Angel is a food rescue and food assistance program that collects edible surplus food from different sectors of the food industry that would otherwise be disposed. The collected food is then turned into meals in their central kitchens and served to the

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underprivileged communities in Hong Kong. Currently, Food Angel rescues 35 MT of edible surplus food each week. It prepares 15,000 meals and 9,000 food packs on a daily-basis and offers it free of charge to people in need of food assistance.

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

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