

Voluntary Report – Voluntary - Public Distribution

Date: July 15,2020

Report Number: HK2020-0038

Report Name: Third-wave of COVID-19 Prompts Nighttime Dining Ban

Country: Hong Kong

Post: Hong Kong

Report Category: Agricultural Situation, Agriculture in the News, Market Development Reports

Prepared By: Caroline Yuen

Approved By: Alicia Hernandez

Report Highlights:

In view of the recent surge of local COVID-19 cases, the Hong Kong government re-introduced a series of measures to combat the disease outbreak in the city; and for the first time, a ban on nighttime dining will be imposed effective July 15, 2020. The ban will be in place for one week. This measure will be reviewed later to determine whether it needs to continue. The industry estimated that the week-long ban will result in a loss of HKD3 billion (USD386 million).

In May and June 2020, there were signs that the local epidemic situation had stabilized in Hong Kong and the government gradually eased social distancing measures in phases. However, amid the backdrop of an emergence of a third wave of COVID-19 in Hong Kong with records of over 50 domestic cases per day, the Hong Kong government re-launched a series of measures to contain the spread of disease. (As of July 15, Hong Kong had 1,570 confirmed/probable cases.) Among measures such as mandatory wearing of masks on public transport, closing public recreation facilities, and restricting gathering to a maximum of four persons, the measure impacting the food service industry is the ban on dine-in service after 6:00 p.m. and the closing of bars in all restaurants. All of these measures will become effective July 15. While most measures will last for two weeks, the ban on dine-in after 6:00 p.m. and closing of bars will last for one week for the time being.

It is the first time that Hong Kong has introduced the ban on dine-in in restaurants in the evening. Although restaurants can still serve take-away, this will not help those restaurants offering formal dining and banquets. The industry has complained that this measure will result in a loss of HKD3 billion, or USD386 million, and is urging the Hong Kong government to provide a subsidy or another financial relief measure.

Hong Kong's restaurant receipts for quarter 1 of 2020 amounted to USD2.7 billion, decreasing 31 percent compared to quarter 1 of 2019.

Following tightened anti-disease-transmission measures and the government's urge to practice social distancing, there are pictures on social media showing panic buying in areas where the recent disease cases are clustered. This phenomenon prompted the two major Hong Kong supermarket chains to impose a quota on essential goods such as rice, eggs, and toilet paper. Retail representatives assured the public that there are no issues with the supply chain. The empty shelves in certain supermarkets are simply due to the sudden surge of stocking by some consumers.

Hong Kong did experience some panic buying in February when the city first battled the epidemic. Both general consumers and supermarkets should be more experienced this time as to how to handle the situation. There are reasons to believe that such panic buying behavior is not justified and will not last long.

The value of total retail sales in May 2020 was HKD26.8 billion, or USD 3.4 billion, a decrease of 32.8 percent compared with the same month in 2019. In stark contrast, the value of sales of commodities in supermarkets increased by 7.3 percent in May 2020 over a year earlier.

Attachments:

No Attachments.