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Hong Kong

Retail Foods

Competitive Shelf Space in Hong Kong Calling for High Quality Foods

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Report Highlights:

In 2016, Hong Kong's retail food sector sales rose 1.29 percent to \$12.06 billion, a positive growth trend forecast to continue, especially in segments where U.S. products have strong prospects, such as healthy, reliable, and high-quality foods.

Hong Kong is the 4th largest export market for U.S. consumer-oriented agricultural products, by value. With a dynamic food culture, sophisticated buyers, and a world-class logistical infrastructure, Hong Kong is an attractive market for innovative U.S. food and beverage products as well as a gateway to the region.

Post:

Hong Kong

SECTION I. MARKET OVERVIEW

U.S. Food and Beverage Exports to Hong Kong

Total exports of U.S. agricultural and related products to Hong Kong reached US\$4.1 billion in 2016, making Hong Kong the 6th largest export market by value. For U.S. consumer-oriented exports, Hong Kong ranked 4th in 2016, with exports reaching US\$3.7 billion. Demand is increasing for healthy, reliable, and high-quality foods, which are market segments where the United States has strong prospects. Top categories for U.S. food exports to Hong Kong include: beef, pork, poultry meats, fresh fruits, tree nuts, seafood products, processed foods, and wine.

Due to land constraints, local agricultural production in Hong Kong is minimal. As a market which imports consist of around 95 percent of local food requirements, Hong Kong at large welcomes foods from around the world. The import regime is transparent. Food and beverage products are imported to Hong Kong without tax or duty with the exception of four commodities, namely liquors, tobacco, hydrocarbon oil, and methyl alcohol.

Hong Kong recorded per capita GDP of US\$43,500 in 2016, one of the highest in Asia. According to Euromonitor, average annual disposable income per urban household in Hong Kong in 2016 stood at US\$104,492¹. Though facing challenges as are many other leading economies in the world, Hong Kongers have a strong potential and willingness to spend on food and beverage products.

In addition to being an active market, Hong Kong is also a trading hub where buyers make purchasing decisions for a vast range of consumer-oriented products that are transshipped to China and other parts of Asia. Most transshipments to Macau are purchased, consolidated, and shipped via Hong Kong.

Food and Beverage Retail Sales in Hong Kong

Total retail sales of food and beverages in Hong Kong reached US\$12.06 billion, representing growth of 1.2 percent compared to 2015, as shown in Table 1.

Table 1 – Food and Beverage Retail Sales in Hong Kong (US\$ billion)

Channel	2012	2013	2014	2015	2016	Growth (16 vs 15)
Supermarket/Dept. Stores	5.77	6.16	6.58	6.74	6.80	0.8%
Other outlets	4.43	4.59	4.89	5.18	5.26	1.7%
Total	10.2	10.75	11.47	11.92	12.06	1.2%

(Source: Hong Kong Census and Statistics Department)

¹ Euromonitor International “Income and Expenditure: Hong Kong”, Jul 14, 2017. The report mentions that all Hong Kong households are considered urban.

“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. As reflected in Chart 1, supermarket sales have been taking market share from other outlets - from 44 percent of total retail sales in 1995 to 56.4 percent in 2016, and the trend is expected to continue.

“Other outlets” refers to the traditional markets, also called wet markets, mom-and-pop stores, bakeries, fresh fruits stalls, etc. These outlets are usually smaller in scale and U.S. food exporters probably need to work with local importers/agents to place products in this sector of the market. Some Hong Kongers prefer these stores due to proximities, established relationships, and perception that meat, fish, and produce in traditional shops are fresher.

Chart 1 – Food and Beverage Retail Sales in Hong Kong (US\$ billion)



(Source: Hong Kong Census and Statistics Department)

Table 2 – Major Advantages and Challenges in the Hong Kong Markets

Advantages	Challenges
Hong Kong is one of the top markets in the world for food and beverages, processed, fresh, and frozen gourmet products. U.S. exports of consumer oriented agricultural products to Hong Kong were US\$3.7 billion, consolidating its position as the 4 th largest market for the United States in 2016.	Global competition
Hong Kong is a major trading hub where buyers make purchasing decisions for a vast range of consumer-oriented products that are transshipped to China and other parts of Asia.	Transportation time and costs plus product availability due to seasonality (e.g. fresh produce) associated with importing U.S. food and beverage products to Hong Kong can make them less competitive than products available from regional suppliers such as China, Australia, and New Zealand.
Hong Kong's modern and efficient port terminal and free port status make it an attractive destination and for re-exports.	The importance of Hong Kong as a transshipment point and buying center for regional markets is not widely known to U.S. exporters.
U.S. food products enjoy an excellent reputation among Hong Kong consumers, as they are renowned for high-quality and food safety standards.	Food manufacturers and government agencies of competing countries such as Australia, France, and Netherlands, tout the high safety standard and traceability of their food products through extensive advertising and promotional programs.
Hong Kong is a quality and trend driven market so price is not always the most important factor for food and beverage purchases.	Consumers appreciate the options and presence of good-quality and price competitive products in the market.
Technical barriers to imports of U.S. products are generally very low.	Hong Kong labeling requirements and residue standards can impact trade.
A wide variety of U.S. products are available to Hong Kong consumers (over 30,000 different items).	Numerous Hong Kong food regulations differ from Codex, which can complicate import clearances.
The peg between the Hong Kong Dollar (HKD) to the U.S. Dollar helps insulate the HKD from currency fluctuations.	Hong Kong logistical efficiency involves expensive port handling charges.
In general, implementation and	Two major supermarket chains operate

application of regulations is transparent and open.	a dominant number of stores in town and they often request slotting fees and discounts.
Hong Kong exporters choose to work with Hong Kong importers and distributors to re-export products to Mainland China because of Hong Kong's dependable legal system, financial system, and rule of law.	Inflation is on the rise in Hong Kong. The composite CPI in 2016 grew 2.4% as compared to 2015. The increase in food prices may cause some consumers to turn to more lower-price lower-quality food products where U.S. products do not enjoy strong competitive advantage.
Most trans-shipments to Macau are purchased, consolidated, and shipped via Hong Kong.	
Demand is increasing rapidly for healthy and high-quality foods, market segments where the United States is especially strong.	
Hong Kong concerns over food safety have made U.S. food products a top choice for quality and safety.	
Hong Kong is a dynamic market with a sophisticated international community where new high-quality products are readily accepted.	
Lack of local production means virtually no protectionist pressures for food and agricultural products.	
Hong Kong is economically stable. GDP growth in real terms was 2% in 2016.	
Hong Kong's supermarkets have a wide distribution network. Cold chain and distribution channels for food products are generally efficient and dependable, as is the customs clearance process.	

(Source of data: Hong Kong Census and Statistics Department, U.S. Census Bureau)

SECTION II. Road Map for Market Entry

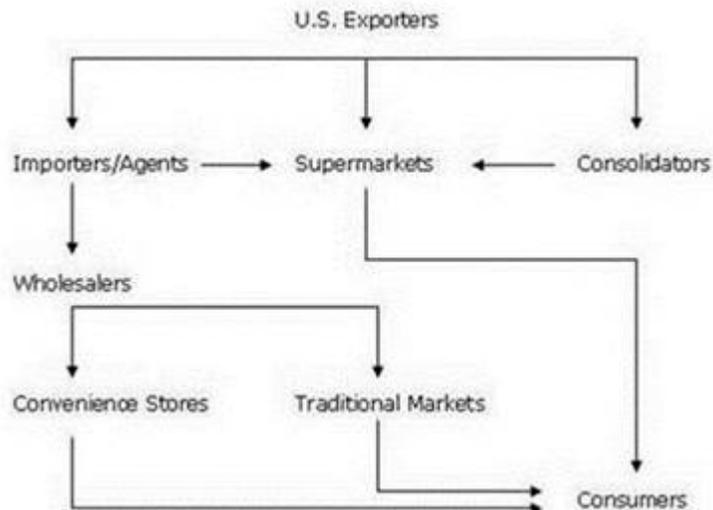
Entry Strategy

New-to-market exporters may consider several approaches to enter the Hong Kong

retail market:

- Establishing a representative office in Hong Kong: A good method to build trade relationships and implement marketing programs, but rents and operating expenses can be costly.
- Working with a U.S. trading company: Some export companies serve U.S exporters and Hong Kong importers so both sides can be benefited by expanded options and cost-effective shipping.
- Developing a relationship with a Hong Kong agent: Well-established companies have extensive distribution networks to supermarkets, other retail outlets, and many also cover non-retail sectors. Hong Kong agents very often request exclusive sales rights. This is common in Hong Kong due to the small geographical size.
- Exporting direct to supermarkets: Branded products that sell direct to supermarkets may be required to provide exclusive sales rights for the products in Hong Kong. In this case, expensive slotting fees may be waived. For non-branded and large turnover products such as fruit, meat, and vegetables, supermarkets tend to buy direct from overseas exporters for cost savings.

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 local agents and importers.

A. Supermarket

Two major grocery chains, Wellcome and ParknShop, dominate the supermarket category with their over 550 outlets all together. Both chains recently expanded their premium and upscale outlets as consumers continue to seek high-quality, imported gourmet products.

Table 3 – Profiles of Leading Supermarket Chains in Hong Kong

Name of Retailer	Ownership	No. of Outlets	Target Customer	Type of Purchasing agent
Wellcome	Dairy Farm Intl Holdings, Hong Kong	Over 280	Middle Class	Importers/Agents Exporters Consolidators
ParknShop	AS Watson, Hong Kong	Over 270	Middle Class	Importers/Agents Exporters Consolidators
CR Vanguard Shops	China Resources Enterprises, China	36 shops	Primarily Local	Importers/Agents Exporters
U-Select	China Resources Enterprises, China	31 shops	Primarily Local	Importers/Agents Exporters
DCH Food Mart	Dah Chong Kong Holdings Ltd, Hong Kong	Over 50 DCH Food Mart & DCH Food Mart Deluxe	Middle Class, Primarily Local	Importers/Agents Exporters
Market Place by Jasons	Dairy Farm Intl Holdings, Hong Kong	42	Affluent	Importers/Agents Exporters Consolidators
AEON Stores (HK) Ltd.	AEON Group, Japan	9 department stores with supermarkets and 3 separate supermarkets	Middle Class	Importers/Agents
YATA	Sun Hung Kai Properties Japan	3 department stores with supermarkets and 6 separate supermarkets	Middle Class, Primarily Local	Importers/Agents

City'Super	City Super Group, Hong Kong	20	Affluent	Importers/Agents Consolidators
Sogo	Lifestyle Intl Holdings, Japan	2	Middle Class, Primarily Local	Importers/Agents
Oliver's The Delicatessen	Dairy Farm Intl Holdings, Hong Kong	1	Affluent	Importers/Agents Consolidators
APITA (Uny)	Uny (HK) Co., Ltd, Japan	1	Middle class, Primarily Local	Importers/Agents

(Source: Websites of the above supermarkets)

Many Hong Kong supermarkets charge slotting fees for new products' placement, as well as other terms, such as promotion discounts, back-end income (flat rebate per year that a supplier pays to the retail chain based on the annual turnover), D.A. (Distribution allowance - the fee that the supermarkets charge for distributing the products from its warehouse to its many branch stores), and incentive rebates (a percentage of turnover rebated to the supermarkets when sales exceed an agreed amount).

Supermarkets may import direct from a U.S. supplier or may use consolidators, depending on the product and minimum order quantity, to source new products from the U.S. Most major supermarkets like ParknShop and Wellcome offer online grocery shopping platforms that are increasingly appealing to busy Hong Kong shoppers with discounts and delivery services.

B. Convenience Stores

Convenience stores, such as 7-Eleven (operated by Dairy Farm) and Circle K (Convenience Retail Asia) are very popular in Hong Kong with more than 1,300 outlets that offer drinks and snacks and some hot food options.

Table 4 – Profiles of Leading Convenience Stores in Hong Kong

Retailer Name	Ownership	No. of Outlets	Locations	Purchasing agent	Year established
7-Eleven	Hong Kong	Over 900	Hong Kong	Importers Agents	1981
Circle K	Hong Kong	Over 350	Hong Kong	Importers Agents	1985
VanGO	China	48	Hong Kong	Importers Agents	2007

(Source: Websites of the above convenience stores)

Recent expansion of health food, confectioners, and regional specialty stores are increasing competition for traditional convenience stores. For example, the “759 Store” started in 2010 with small stores selling pre-packaged products, particularly snacks, has now expanded to over 220 outlets including some larger-sized stores selling more food items including frozen foods, baby foods, and other groceries. To place products in convenience stores, U.S. exporters would typically work through a local distributor since this is the most common supply source for convenience stores.

C. Traditional Markets – Wet Markets and Independent Grocery Stores

Traditional markets include wet markets and mom-and-pop shops. They are widespread throughout Hong Kong. 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. However, there are examples of individual specialty stores buying artisanal and gourmet food products from U.S. manufacturers directly.

SECTION III. COMPETITION

Due to land constraints, Hong Kong produces a minimal amount of its food requirements, depending on global sources to meet about 95 percent of its needs.

Table 5 – Major Product Categories of Hong Kong’s Imports of COAP and Seafood Products and Competition

Product Category	Major Supply Sources**	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
<p>Red Meats, chilled/frozen</p> <p>Imports US\$4.36 billion 1,488,432 MT</p> <p>Retained Imports US\$2.71 billion 750,675 MT</p>	<p>1. Brazil – 35%</p> <p>2. United States – 25%</p> <p>3. China – 5%</p> <p>4. Germany – 4%</p>	<p>Products from Brazil and China are price competitive, but they are of different market segments from U.S. products.</p> <p>U.S. market share dropped from 21% in 2003 to 3% in 2005 as a result of the ban on U.S. bone-in beef.</p> <p>U.S. market share gradually picked up following Hong</p>	<p>Local production is largely on freshly slaughtered meats.</p>

		<p>Kong's opening to U.S. boneless beef in 2006, to U.S. bone-in beef in 2013, and to all cuts excluding specified risk materials (SRM) in mid-2014.</p> <p>U.S. beef is highly regarded in Hong Kong. It is always the top choice for high-end restaurants and sophisticated consumers. U.S. beef is largely for the high-end market.</p>	
<p>Red Meats, Prepared/preserved</p> <p>Imports US\$784 million 275,801 MT</p> <p>Retained Imports US\$729 million 245,799 MT</p>	<ol style="list-style-type: none"> 1. China – 45% 2. United States – 10% 3. Thailand – 5% 4. Spain – 4% 	<p>Chinese supplies dominate the market because there is a big demand for price competitive prepared/preserved meatballs and other products typical in Chinese dishes in Chinese restaurants and processing in China is cost effective.</p>	<p>Local production is insignificant.</p>
<p>Poultry Meat</p> <p>Imports US\$1.41 billion 868,509 MT</p> <p>Retained Imports US\$505 million 277,237 MT</p>	<ol style="list-style-type: none"> 1. United States – 30% 2. Brazil – 29% 3. China – 24% 	<p>The United States took over Brazil's leading position in 2015.</p> <p>Brazil and China are still competitive in terms of price point, supplies and product range. Also the established relationship of Brazilian and Chinese exporters and Hong Kong importers help sustain the business.</p>	<p>Local production is on freshly slaughtered meats.</p> <p>HRI sector tends to use chilled and frozen chicken products rather than freshly slaughtered chickens because the latter are far more expensive.</p>
<p>Fish and Seafood</p> <p>Imports</p>	<ol style="list-style-type: none"> 1. China – 26% 2. Japan – 15% 	<p>China has a leading position because of its proximity and</p>	<p>Hong Kong has a long history of fisheries. In</p>

<p>US\$3.40 billion 336,213 MT</p> <p>Retained Imports US\$2.74 billion 254,238 MT</p>	<p>3. United States – 5%</p> <p>3. Norway – 5%</p>	<p>supplies of lower value items. Japan supplies frozen and dried scallops that are very popular in the market.</p>	<p>addition, live and fresh fish is important in the local diet. Local capture fisheries and marine fish culture production has been maintaining a steady supply and is equivalent to about 22% of seafood consumed in Hong Kong.</p>
<p>Dairy Products</p> <p>Imports US\$1.76 billion 276,408 MT</p> <p>Retained Imports US\$1.25 billion 228,472 MT</p>	<p>1. Netherlands – 50%</p> <p>2. Australia – 10%</p> <p>3. New Zealand – 9%</p> <p>4. Ireland – 9%</p> <p>5. Germany – 3%</p> <p>.</p> <p>.</p> <p>.</p> <p>8. United States – 2%</p>	<p>Netherlands is strong in dairy product supplies and it has established position in Hong Kong.</p> <p>Dairy products from major supplying countries primarily include concentrated dairy and cream.</p> <p>Melamine was found in eggs and dairy products from China and that has led consumers to pay more attention to food safety and seek high quality products from other supplying countries.</p>	<p>Local companies supply fresh milk drinks, which are processed in Hong Kong with milk originated from farmlands in the southern part of China.</p> <p>Local companies can easily fulfill local milk registration requirements.</p>
<p>Eggs & Egg Products</p> <p>Imports US\$196 million 2.49 billion eggs*</p> <p>Retained Imports US\$191 million 2.44 billion eggs*</p> <p>(* Quantity of egg products, other than whole eggs, were omitted as the unit</p>	<p>1. China – 49%</p> <p>2. United States – 20%</p> <p>3. Thailand – 10%</p> <p>4. Malaysia – 6%</p>	<p>Eggs from China are price competitive. However, since 2006, when some Chinese eggs were found tainted with Sudan red (which is a dye for industrial use), Hong Kong consumers lost confidence in the safety of all Chinese eggs.</p> <p>The United States</p>	<p>Local production is insignificant.</p>

<p>was different and the value is trivial, around 6% of total value)</p>		<p>consolidated its position as the second largest eggs supplier to Hong Kong. The United States dominates the white egg markets.</p> <p>Melamine was found in eggs and dairy products from China and that has led consumers to pay more attention to food safety and seek high quality products from other supplying countries.</p>	
<p>Fresh Fruit</p> <p>Imports US\$2.61 billion 1,664,787 MT</p> <p>Retained Imports US\$1.06 billion 669,697 MT</p>	<ol style="list-style-type: none"> 1. Chile – 29% 2. Thailand – 19% 3. United States – 15% 	<p>Chile fresh fruit imports increased significantly by 69% in 2016 and consolidated its leading position.</p> <p>Chile’s major fruit items to Hong Kong are cherries and grapes. The supplying season is different from the United States.</p> <p>Chile’s supplies of cherries, grapes, plums, cranberries, kiwi fruit, and avocados have all increased significantly in 2016.</p> <p>Thai Trade commission in Hong Kong aggressively sponsors trade promotion activities. Thai’s tropical fruits, particularly durians, are very popular in Hong Kong.</p>	<p>No local production.</p>

		U.S. fresh fruits are perceived as having good quality.	
Fresh Vegetables Imports US\$459 million 837,683 MT Retained Imports US\$452 million 833,340 MT	1. China –77% 2. United States – 5% 3. Australia – 4%	Products from China are very price competitive. Due to expensive operation costs in Hong Kong, some farmers in Hong Kong move their operations to China and sell their products back to Hong Kong. High-end restaurants and five-star hotels prefer to use high quality U.S. products.	Local production is about 5 % of total demand. Production costs, both in terms of land and labor, in Hong Kong are high. The Hong Kong Government has encouraged organic farming so as to find the niche market for local vegetables.
Processed Fruit & Vegetables Imports US\$688 million 251,848 MT Retained Imports US\$532 million 209,621 MT	1. China – 35% 2. United States – 25% 3. Thailand – 6%	China's imports have been increasing since 2013, which consolidated China's position as the largest supplier. Their major items are dried mushrooms and truffles. These items widely used in Chinese cuisines at restaurants and homes. Since some international brands have operations in China, their exports to Hong Kong are considered as imports from China.	Local production is insignificant.
Tree Nuts Imports US\$1.62 billion 306,673 MT Retained Imports US\$767 million 64,031 MT	1. United States – 70% 2. Iran – 15% 3. South Africa – 6%	The United States is very strong in supplying pistachios, almonds, walnuts, and hazelnuts. Some of the imports are re-exported to Vietnam and China	No local production

		for processing.	
Wine (HS codes: 220421, 220410, 220429) Imports US\$1.55 billion 62.9 million liters Retained Imports US\$883 million 35.8 million liters	1. France – 63% 2. Australia – 18% 3. U.K. – 7% 4. United States – 4% 5. Italy – 2%	France is the major supplier for wine. French wine is highly regarded in Hong Kong though expensive. Hong Kong people are becoming more familiar with U.S. wine. Australia is aggressive in sales and recorded a 54% growth in value in 2016. The Hong Kong Government abolished the tax on wine in February 2008. The new policy has attracted more wine imports into Hong Kong.	Hong Kong has insignificant wine production.

*** Ranking and figures are taken from gross import values*

(Source of Data: Global Trade Atlas by Hong Kong Census & Statistics Department, Hong Kong Agriculture, Fisheries & Conservation Department)

SECTION IV. BEST PRODUCT PROSPECTS

Notes:

- 95 percent of Hong Kong food supplies are imported. Since Hong Kong's domestic production is nominal, the market size in the following table is equal to retained imports without taking into account local production.
- Import tariff rates for all food and beverage products in the tables are zero except for spirits with alcohol content greater than 30 percent for which the tariff is 100 percent.
- Products listed below either enjoy a large market import value or a significant growth rate for the last 5 years (2012-2016).

Table 6 – Hong Kong: Top 10 Prospects

Product Category	2016 Retained Imports (MT)	2016 Retained Imports (US\$ million)	2012 – 2016 Average Annual Retained Import Growth	Key Constraints Over Market Development**	Market Attractiveness For USA**
Fish & Seafood Products	254,238 MT	US\$2.74 billion	+6% (volume) +2% (value)	Asian countries enjoy advantages of proximity. Major suppliers of fish and seafood products in 2016 were China (26%), Japan (15%), United States (5%) and Norway (5%).	U.S. fish and seafood products are perceived as high quality and safe. It is anticipated that these seafood products will continue to be popular among HRI sector in Hong Kong.
Fresh Fruit	669,697 MT	US\$1.06 billion	+2% (volume) +6% (value)	Hong Kong consumers prefer fresh fruit to frozen fruit. Competition from Thailand and China is keen as these countries supply tropical fresh fruit at competitive prices. The shorter transit time for shipments from these countries to Hong Kong also render their products “fresh” to Hong Kong consumers.	U.S. fresh fruit are well known for their variety, good quality and taste. In 2016, the United States was the third largest supplier (15%) of fresh fruit to Hong Kong. Chile and Thailand were the top two suppliers comprising 29% and 19% of import value respectively.
Poultry	277,237 MT	US\$504.6 million	-4% (volume) -10% (value)	Although the United States is the leading poultry supplier to Hong Kong, Brazil is a very strong competitor due to price	U.S. products are highly regarded in quality and safety. More popular U.S. chicken products include chicken wing mid-joints and chicken legs

				competitiveness and established business relationship between Brazilian exporters and Hong Kong importers. Similar scenario also applies to China where products are price competitive, and Chinese exporters also enjoy advantages of proximity and relationship.	because of their size and quality. These two products are particularly popular in local cuisines.
Pork	330,422 MT	US\$962.0 million	+1% (volume) -2% (value)	China and Brazil are the top suppliers of pork to Hong Kong. Their products are price competitive. There is a big demand for price competitive prepared/preserved meatballs and other products typical in Chinese dishes in Chinese restaurants, which are made from pork. China enjoys a low processing cost advantage.	Hong Kong imported US\$125.8 million in pork from the United States, accounting for 10% of the market share in 2016. U.S. meat products are generally perceived as high-quality, safe products.
Processed Fruit & Vegetables	209,621 MT	US\$531.7 million	+5% (volume) +11% (value)	China has consolidated its position as the largest supplier since 2014, accounting for 35% of market share in 2016 by value. Chinese mushroom and truffles remain important ingredients in Chinese cuisines	U.S. processed fruit and vegetables are well known for their superior quality and tastes. U.S. processed fruits and vegetables such as some potatoes, sweet corn, mushrooms, peaches and

				<p>The United States was the 2nd largest (25%) overall supplier.</p> <p>Some international brands have operations in China and their exports to Hong Kong are considered as imports from China.</p>	<p>pineapples continue to be in large demand in Hong Kong.</p>
Beef	323,634 MT	US\$1.58 billion	<p>+17% (volume)</p> <p>+18% (value)</p>		<p>Hong Kong consumers have high regards for U.S. beef in terms of quality and safety. The full re-opening of the Hong Kong market for U.S. beef presents good opportunities.</p>
Wine (HS codes: 220421, 220410, 220429)	35.8 million liters	US\$883.3 million	<p>+3% (volume)</p> <p>+2% (value)</p>	<p>Competition is keen in Hong Kong. Major competitors include France and Australia. French wine is traditionally popular in Hong Kong.</p>	<p>Hong Kong imported US\$60 million of U.S. wine in 2016, accounting for 4% of the market share.</p> <p>Hong Kong consumers are more and more receptive to wine.</p> <p>The HRI sector in Macau is growing, making it an excellent opportunity for U.S. wine traders to expand exports.</p>
Tree Nuts	64,031 MT	US\$767.5 million	<p>-3% (volume)</p> <p>0% (value)</p>	<p>The United States is very strong in supplying almonds, hazelnuts and pistachios.</p>	<p>No local production</p>

				Some imports are re-exported to Vietnam and China for processing.	
Dairy Products	228,472 MT	US\$1.25 billion	+2% (volume) +3% (value)		Although the Netherlands dominates supply, consumers perceive U.S. dairy products as safe and high quality products.
Organic Food and Beverage	Statistics not available	Statistics not available	Statistics not available	Organic food and beverage products are generally 20-40% higher in prices compared to non-organic products. Hong Kong does not regulate organic labeling and standards.	According to Euromonitor, organic packaged food in Hong Kong saw an increase of 5% in current terms in 2016, amid consumers' growing health consciousness which has boosted sales.

*** Ranking and figures are taken from gross import values*

(Source of data: Global Trade Atlas by Hong Kong Census & Statistics Department)

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Post Contact

Foreign Agricultural Service (FAS)

Home Page: <http://www.fas.usda.gov>

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

E-Mail: ATOHongKong@fas.usda.gov

Web site: <http://www.usconsulate.org.hk>

<http://www.usfoods-hongkong.net>

Department charged with Food Safety Control

Food & Environmental Hygiene Department
43rd Floor, Queensway Government Offices
66 Queensway
Hong Kong
Tel: (852) 2868-0000
Fax: (852) 2834-8467
Web site: <http://www.fehd.gov.hk>

Department responsible for the Control of Importation of Plants & Live Animals

Agriculture, Fisheries & Conservation Department
5th – 8th Floors, Cheung Sha Wan Government Offices
303 Cheung Sha Wan Road
Kowloon
Hong Kong
Tel: (852) 2708-8885
Fax: (852) 2311-3731
Web site: <http://www.afcd.gov.hk>

Department responsible for the Issuance of Licenses for Imported Reserved Commodities

Trade & Industry Department
18th Floor, Trade Department Tower
700 Nathan Road
Kowloon
Hong Kong
Tel: (852) 2392-2922
Fax: (852) 2789-2491
Web site: <http://www.tid.gov.hk>

Department responsible for the Registration of Health Foods Containing Medicine Ingredients

Department of Health
Pharmaceuticals Registration
Import & Export Control Section
18th Floor, Wu Chung House
213 Queen's Road East, Wanchai
Hong Kong
Tel: (852) 2961-8754
Fax: (852) 2834-5117
Web site: <http://www.dh.gov.hk>

Department responsible for Issuing Licenses for Imported Dutiable Commodities

Hong Kong Customs & Excise Department
Office of Dutiable Commodities Administration
6th - 9th Floors, Harbor Building
38 Pier Road, Central
Hong Kong
Tel: (852) 2815-7711
Fax: (852) 2581-0218
Web site: <http://www.customs.gov.hk>

Department responsible for Trade Mark Registration

Intellectual Property Department
Trade Marks Registry
24th and 25th Floors, Wu Chung House
213 Queen's Road East, Wan Chai
Hong Kong
Tel: (852) 2803-5860
Fax: (852) 2838-6082
Web site: <http://www.ipd.gov.hk>

Semi-Government Organization Providing Travel Information

Hong Kong Tourist Board
9th - 11th Floors, Citicorp Center
18 Whitfield Road, North Point
Hong Kong
Tel: (852) 2807-6543
Fax: (852) 2806-0303
Web site: <http://www.hktourismboard.com>

Semi-Government Organization Providing Hong Kong Trade Information

Hong Kong Trade Development Council
38th Floor, Office Tower, Convention Plaza
1 Harbor Road, Wan Chai
Hong Kong
Tel: (852) 2584-4188
Fax: (852) 2824-0249
Web site: <http://www.tdctrade.com>