

SPECIAL ADMINISTRATIVE REGION HONG KONG

KEY STATISTICS



LAND AREA
1,115 km²



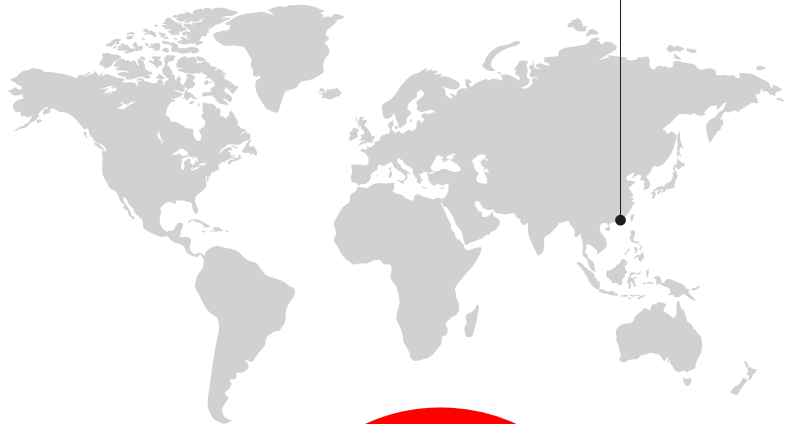
CAPITAL CITY
HONG KONG



LANGUAGES
**CANTONESE
& ENGLISH**



CURRENCY
**HONG KONG
\$ (HKD)**

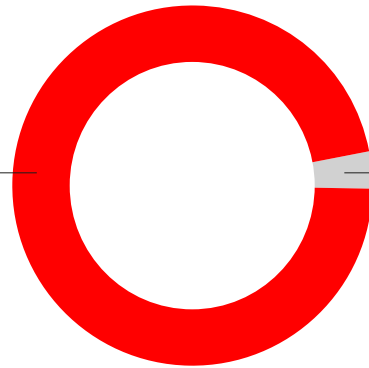


USUAL RESIDENTS

7 223 600

MOBILE RESIDENTS

249 000



- The Australia-Hong Kong Free Trade Agreement (A-HKFTA) was enacted in 2020, launching a new chapter in economic relations between Australia and Hong Kong
- Hong Kong is an import-dependent market with over 95% of food and beverage products imported from around the world with Zero tariff charged on most imports
- Australia is extremely well placed as an exporter to Hong Kong due to its proximity, connectivity & time zone
- Hong Kong is ranked no. 3 on "Ease of Doing Business Index" globally

TOTAL POPULATION **7.5m**

POPULATION DENSITY RANKED **#4 IN WORLD AT 7,135 PER km²**

MEDIAN AGE **45.9 YEARS AND AGEING RAPIDLY**

100% URBAN

ETHNICITY: CHINESE 91.6% | OTHER 8.4%

ECONOMY

- Characterised by free trade, low taxation and minimum government intervention
- 10th largest trading economy globally, with the mainland of China as its most significant trading partner
- Also a major service economy, with particularly strong links to mainland China and the rest of the Asia-Pacific region

POLITICAL ENVIRONMENT

- Hong Kong is a Special Administrative Region of the People's Republic of China
- The region is governed by the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (the Basic Law), passed by China's National People's Congress (NPC) in 1990
- The Basic Law serves as Hong Kong's "mini constitution"

CONNECTIVITY

- Hong Kong is in the world's largest cluster of seaports and airports
- Hong Kong International Airport handles the most cargo in the world, and the shipping routes around Hong Kong are some of the busiest in the world
- Direct flights to Hong Kong currently operate from all Australian major cities

2024 CULTURAL HOLIDAYS

Gift-giving is a significant tradition within the Chinese psyche & premium fruit is often used as a gift.

1 Jan - New Year's Day • 10 Feb - 13 Feb - Lunar New Year • 29 Mar - 1 Apr - Easter • 4 Apr - Ching Ming Festival • 1 May - Labour Day • 15 May - Buddha's Birthday • 10 Jun - Tuen Ng Festival • 1 Jul - Hong Kong Special Administrative Region Establishment Day
18 Sep - Day after Mid-Autumn Festival • 1 Oct - National Day • 11 Oct - Double Ninth Festival • 25 Dec - Christmas Day • 26 Dec - Boxing Day

THE HONG KONG CUSTOMER

- Hong Kong consumers focus on value and quality over sticker price
- One in three Hong Kong shoppers say they've switched to more premium brands or spent more on high quality products
- Reliability and trustworthiness are among the top three reasons why consumer choose to purchase



KEY INSIGHTS

Hong Kong's food culture brings together Cantonese, European, Japanese, Korean, Southeast Asian, and a variety of non-Cantonese Chinese influences in a unique and open sector

A thriving restaurant industry complements home cooking that relies on locally purchased produce from both independent and larger grocery stores

High-density living, long working hours, and interest in exploring new tastes and flavours, means residents in Hong Kong are open to new food experiences both in and out of the home

Hong Kong is one of the top 15 wealthiest countries globally based on GDP per capita which means a relatively sophisticated consumer base with high spending power and an eagerness to try new products

Wealthy consumers are driving rising demand for luxury food and beverage products, especially those from Western markets

Mirroring global trends, consumers in Hong Kong are becoming more and more environmentally conscious




70% choose to buy from brands that do without extra packaging

The global shift towards health and wellness is also evident, with products labelled as sugar-free and organic experiencing growth, as well as product categories such as nutritional supplements

49% of consumers say that they're expecting to increase their spending on health and wellness products in coming years

BERRY TRADE 2023

In 2023, Australia was the 9th largest supplier of berries to Hong Kong in volume with 640 tonnes of total berries supplied

Exporter Country	2023 Share %	5yr avg Share %	Total Volume Imported
Japan	40.9	25.4	 5,490 tonnes HS081010
Rep. of Korea	25.6	29.0	
USA	23.3	28.8	
Mexico	2.5	3.3	
China	2.4	1.3	 240 tonnes HS081020
USA	59.2	28.6	
Mexico	30.0	10.7	
UK	5.0	2.1	
Australia	3.8	3.2	 15,388 tonnes HS081040
China	2.1	0.9	
Peru	63.8	52.5	
Chile	12.8	32.7	
Zimbabwe	5.8	2.3	
Morocco	4.8	2.0	
South Africa	4.4	2.0	

SUPPLY CHAINS

Hong Kong is situated in an ideal location in Asia, which allows businesses to tap into a world of opportunities in both Hong Kong and beyond.

It houses a superb logistics network, which is ranked 12 globally, ensuring efficient export activity and in-country distribution saving both time and money for exporters

MAINSTREAM RETAIL

The 2 largest supermarket chains in Hong Kong are:



(owned by Dairy Farm Company)



(owned by A.S. Watsons)

Major supermarket chains source a variety of fresh produce through direct importation and/or local importers/agents

They prefer to trade direct when dealing with large volumes of fresh produce and have their own warehousing facilities

MAINSTREAM RETAIL

Some upscale supermarket chains may source new products—typically smaller-volume, niche products—from consolidators in Australia.

These supermarket chains include:



Great Food Hall (owned by A.S. Watson)



Market Place by Jason (owned by Dairy Farm Company)



Smaller supermarket chains and local convenience stores without warehousing facilities generally source overseas fruit products from importers in-country or via the Yau Ma Tei wholesale fruit market

FOOD SERVICES

- The food services industry plays a vital role in Hong Kong's food scene with dining out a key part of the culture for locals, the expat community and visiting tourists
- The Hong Kong HRI food service market is made up of hotels, restaurants, and institutions, with most food and beverage sales at restaurants
- There are over 14,000 restaurants in Hong Kong
- 74% of Hong Kongers eat out several times per week and 23% eat out every single day
- About 6,000 Hong Kong hawkers still operate selling cheap food from stalls and street carts

ECOMMERCE

Online retail is a growing channel in Hong Kong. The leading supermarket chains have online stores and mobile apps, with online shopping platforms such as HKTV Mall, Ztore and Neigbuy gaining market share.



The never-ending pursuit of convenience has boosted the growth of e-commerce platforms

OPPORTUNITIES

Hong Kong is one of Asia's richest markets with consumers expecting access to a range of foods

The market relies heavily on imported foods as there is only very limited local production

It's an ideal launching pad for new exporters to enter the region or expand their existing businesses

Supermarkets, fast food stores and themed restaurants have become more popular in recent times, providing an opportunity for Australian businesses to showcase their premium products

When choosing produce, consumers consider:

- nutritional value
- details about ingredients
- food safety

There is driving a trend towards healthy, sustainable and organic produce

CHALLENGES

Strong competition – with minimal trade barriers, the horticulture market is very competitive so quality products often compete on price

Ongoing support – importers, retailers and food service operators often expect ongoing financial and marketing support from suppliers to promote their products

Prioritising the market – some importers are concerned that suppliers treat Hong Kong as a back-up market so to build partnerships in Hong Kong you will need to show your commitment to this market

Pricing concerns – changes in price quotations and currency fluctuation are potential barriers to Hong Kong companies partnering with Australian suppliers

TIPS FOR SUCCESS

- ✓ Personal relationships in Hong Kong are key to doing business meaning companies that visit Hong Kong tend to be more successful at securing new distributors
- ✓ Securing a channel or distributor is only the first step as it's important to get back out to market to build a relationship with your importer, retailers, hotels and restaurants, media and trade bodies
- ✓ It is common to bring the local partners to Australia to meet with company executives, look at production and learn more about the stories and history of the companies
- ✓ Hong Kongers are very discerning in business; they know the efficiency of their economy, and are therefore only interested in judging the bottom line of a deal
- ✓ You will gain their trust and respect by being straightforward and clear about your fundamental goals
- ✓ Hong Kongers prefer to take a long-term approach to business relationships and therefore often want to know a great deal about their partners in order to build the trust and loyalty needed to support business in the future
- ✓ Introductions by a trusted third-party are almost a necessity to beginning any business relationship