

Voluntary Report – Voluntary - Public Distribution

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Report Name: Hong Kong Determines Eligibility of Incoming Poultry Products Based on the Bill of Landing Date Not the Date of Production

Country: Hong Kong

Post: Hong Kong

Report Category: Agricultural Situation, Agriculture in the News, Detained Shipments, Livestock and Products, Poultry and Products

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Report Highlights:

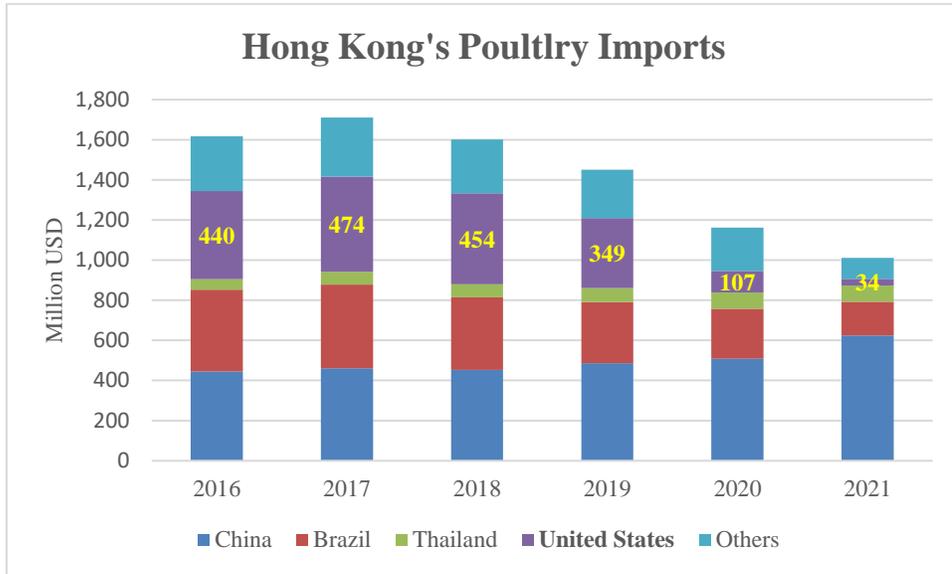
This report serves as a reminder to U.S. exporters and traders that the Hong Kong government does not allow entry of U.S. poultry and egg products originating from affected counties reporting highly pathogenic avian influenza (HPAI) when the bill of lading falls on or after the effective date of a ban. According to Hong Kong government's practice, shipments loaded after the ban are not allowed access to Hong Kong regardless of the date of production. Moreover, in the event that eligible meat products are shipped along with ineligible products in the same container, these may risk denied access to Hong Kong as all affected containers will not be released to consignees.

Recently, it came to the attention of ATO Hong Kong that a Hong Kong importer failed to obtain an import permit for a container shipment which consisted of assorted meats, including raw, cooked turkey, and beef products. The raw turkey products were not allowed entry to Hong Kong because they were loaded after the Hong Kong government (HKG) imposed a county ban, despite of the fact that it was produced long before the ban's effective date. According to Hong Kong government's practice, shipments loaded on or after the ban's effective date are not allowed access to Hong Kong regardless of the date of production. This means that in the event a container carries an assortment of eligible meats (cooked turkey, raw beef products, other meats) and ineligible meats (raw poultry or egg products from banned U.S. counties), the HKG will decline to issue an import permit for the entire shipment on the grounds that the importer is prohibited from taking possession of a container carrying banned products. Importers will not be allowed to receive and open the container even if agreeing to dispose of the ineligible products and just collect eligible products for entry.

In this regard, U.S. meat exporters should be mindful of Hong Kong's implementation of county AI-related bans on U.S. poultry and egg products. While the HKG has been limiting the scope of the bans to affected counties, **it determines the eligibility of incoming products based on the bill of lading date and not the date of production.** Therefore, to preempt any risks, U.S. exporters should minimize mixing shipments of eligible products with AI-affected products.

As of October 26, U.S. poultry and egg products from a total of 77 counties in 17 states are still ineligible to ship to Hong Kong due to AI. While AI incidents have severely impacted turkey and egg supplies in the United States, it has not affected the supply of chicken products. During the first eight months of 2022, U.S. exports of whole turkeys to Hong Kong dropped 66 percent to \$206,000 compared to the same period last year, with the ATO receiving regular calls from local importers looking for U.S. turkeys. Higher U.S. prices slashed U.S. exports of egg and egg products 49 percent to \$17 million. On the other hand, the 21 percent decline in U.S. chicken meat exports to Hong Kong is more likely attributed to other factors, including higher direct shipments of U.S. poultry to mainland China which rose 42 percent during the same period.

Since 2017, Hong Kong's global poultry imports have steadily declined over the years. In 2021, the city's total poultry imports were the lowest since 2008. After being the largest poultry supplier in 2017, last year, the United States was the fourth largest supplier accounting for 3 percent of the Hong Kong poultry market. China, Brazil, and Thailand have taken over as largest suppliers. In the first nine months of 2022, Hong Kong's poultry imports dropped 10 percent compared to the same period in 2021.



Source: Trade Data Monitoring – Hong Kong Census & Statistics Department

Attachments:

No Attachments.