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Report Highlights:

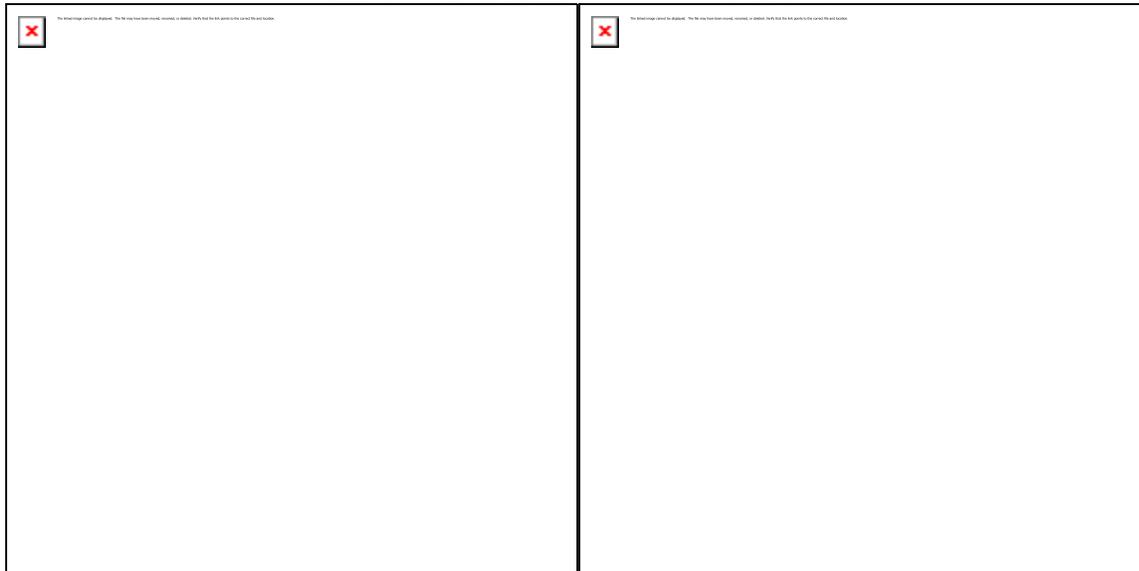
Ginseng Board of Wisconsin Retail Promotion; Hong Kong Eases Curbs on Inbound Travelers; Visitor Arrivals to Hong Kong Grow 22 Percent; Cathay Pacific to Reach 70 Percent of Pre-pandemic Capacity by Late 2023; Quarantine for Arrivals in Macau Adjusted to “5+3;” More Places to Go in Hong Kong for Group Travelers; Outdoor Live Music Festival Set to Comeback; Macau Grand Prix and Food Festival to Go Ahead Despite City’s New Lockdowns; Hong Kong’s Major Food Delivery Services Remains Optimistic About the Industry; Glass bottle levy to take effect next year; Hong Kong Will Ban CBD Products Starting February 2023; Hong Kong Confirms Use of Calcium Carbonate as a Coloring Food Additive; U.S. Seafood Makes a Splash in the Fragrant Harbor; Guangdong & Macau Branded Products Fair Recorded 63,000 Visits.

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FEATURED PHOTO:



Hong Kongers Get Healthy with Wisconsin Ginseng Retail Promotion

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From October 28 to November 10, 2022, the Ginseng Board of Wisconsin (GBW) partnered with CRcare, one of the largest retail pharmaceutical chains in Hong Kong, to conduct a Wisconsin Ginseng

Retail Promotion in ten of the CRcare retail stores across the city. The promotion featured a wide range of Wisconsin ginseng products, such as ginseng root, ginseng powder and ginseng slices.

The campaign covered online and offline promotions and giveaways available at the stores. Local influencers also enhanced the campaign. By collaborating with the local giant pharmacies, U.S. ginseng is expanding its reputation in the Hong Kong market as a great alternative to Canadian ginseng. Last year, U.S. ginseng exports to the city recovered slightly above the five-year average to \$28 million.

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

ATO maintains close contacts with buyers from Hong Kong and Macau. Currently Hong Kong buyers are seeking U.S. suppliers of the following products:

- Butter, cheddar cheese, cream cheese, whipping cream.
- Distilled spirits
- Apples, cherries, oranges, and grapes
- Organic products

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



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Hong Kong Eases Curbs Further on Inbound Travelers But City's Lingering Rules Slow Exit from Pandemic [[The Standard](#), November 17 - 18, 2022]

Beginning November 17, travelers arriving in Hong Kong will only need to undergo two PCR tests upon arrival, according to Under Secretary for Health, Libby Lee Ha-yun. Inbound travelers are still required to undergo one PCR test at the airport and another one on day two of arrival, as well as daily rapid tests for a week. Travelers are still required to download the *LeaveHomeSafe* App but will be able to visit hair salons, theme parks, and museums within the first three days of their arrival (while the app shows an “amber health code” but will not be able to visit restaurants and bars. While Hong Kong moves to lift most pandemic curbs, other rules remain. Residents need to show proof of a negative rapid test to frequent bars but not restaurants. As many as 240 people are permitted to attend a banquet while outdoor gatherings are limited to 12. There is no fine to not wear a mask in a crowded restaurant but not wearing one outdoors (when not exercising) can result in a \$640 fine. **ATO Notes:** While pandemic-related restrictions continue to relax and the entry process has vastly improved, visiting the city still requires significant logistical planning. U.S. agricultural exporters considering travel to Hong Kong are encouraged to consult the latest U.S. Department of State's [Travel Advisory](#) or contact ATO Hong Kong.

Visitor Arrivals to Hong Kong Grow 22 Percent in October [[The Standard](#), November 15, 2022]

According to the statistics report released by the Hong Kong Tourism Board, during the month of October, overseas visitors increased 1.2 times month-on-month, with a total number of nearly 33,000. However, travelers from mainland China declined seven percent compared to September at 47,658. "The city logs around 330,000 new arrivals from January to October this year," said a spokesperson of the Board, noting the monthly figures saw a slight rebound after the easing of entry restrictions in late September. Separately, the government announced that it would hold the Asian Logistics, Maritime and Aviation Conference, welcoming over 14,000 visitors from all over the world to gather at the Hong Kong Convention and Exhibition Centre from November 22-23. **ATO Notes:** The number of international visitors to Hong Kong began to grow after the easing of entry curbs in September. With the two international events in Financial Summit and Rugby Seven, and the upcoming Asian Logistics, Maritime and Aviation Conference, the city is gradually hoping to go back to its pre-COVID-19 vibrancy. If the local pandemic situation further improves, it is expected that Hong Kong will further relax travel restrictions and more international events will return to Hong Kong.

Cathay Pacific to Reach 70 Percent of Pre-pandemic Capacity by Late 2023 [[Reuters](#), November 14, 2022]

Hong Kong's Cathay Pacific Airways Ltd said it expected to operate 70 percent of its pre-pandemic passenger flight capacity by the end of 2023, up from a planned 33 percent by the end of 2022, as it pressed ahead with recruitment and training. The airline said it aimed to make a return to full pre-pandemic passenger flight capacity by the end of 2024. Cathay is scrambling to return aircraft from storage and add 4,000 staff over the next 18 to 24 months to meet the rising travel demand after Hong Kong lifted quarantine rules. However, the short-term bottlenecks lie in the recertification of pilots who have not been flying regularly for a long period of time and the reactivation of aircrafts. **ATO Notes:** Rival Singapore Airlines Ltd has made a much quicker recovery, with passenger capacity set to reach 81 percent of pre-pandemic levels by the end of 2022. While Hong Kong is on the track to further ease COVID-related measures, the conditions are not yet lenient enough to fully restore international travel. Hence, the commercial sector is likely to continue its call for a "return to normal" to further business activity and trade.

Quarantine for Arrivals in Macau Adjusted to "5+3" [[The Macao News](#), November 11, 2022]

Starting November 12, quarantine for travelers entering Macau from Hong Kong, Taiwan and other foreign countries will be adjusted to "5+3" scheme. That is, five days in observation hotels – with a nucleic acid test (NAT) on the first four days – and three days' home quarantine. If travelers test negative on the fifth day, they will be allowed to leave the hotel for three days' home quarantine. Arrivals' health code (app) will turn red, and they will not be allowed to go out during that time except for attending daily NATs. If they do not have a suitable place for the three days home quarantine, they can stay in a designated hotel for red health code holders. On November 11, mainland China announced its plan to cut the COVID-19 isolation period for inbound visitors from foreign countries from seven days of centralized quarantine plus three days of home monitoring to five days of centralized quarantine plus three days of hotel quarantine. **ATO Notes:** Macau follows closely mainland China's zero-COVID-19 policy. Although reducing the quarantine period from "7+3" to "5+3," the quarantine still poses a hurdle for international travelers.

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Macau Citizens to Receive Cash Hands Out Again in 2023 [[The Standard](#), November 16, 2022]

Macau citizens will again collect around \$1,250 in 2023 after the hub's GDP drop during the first half of this year. Chief Executive Ho Iat-seng announced on November 15 in his policy address for fiscal year 2023 that the handout will continue to be given to every permanent resident, while around \$750 will go to each nonpermanent resident. A health voucher of about \$75 will also be given to permanent residents. "The epidemic this year caused the major local industrial and commercial activities to be suspended, resulting in a significant decline in the economy," Ho said. Macau has recorded negative growth for three consecutive quarters, with the unemployment rate hitting 5.2 percent in September. **ATO Notes:** Macau's economy is heavily reliant on its gaming and tourism industries. It is expected that the Macau government will still provide cash hand-outs to citizens to temporarily ameliorate the hardship of the pandemic. However, the business community maintains that long-term solution will be to reopen the border to more travelers.

HOTELS, RESTAURANTS AND INSTITUTIONS



More Places to Go in Hong Kong for Group Travelers Holding Amber Code [[The Standard](#), November 7, 2022]

The Hong Kong government announced on November 7 that an exemption would be granted for inbound tour groups to dine outside and to enter designated attractions in November. Inbound group travelers who are received by licensed travel agents and have pre-registered their itineraries will be able to enter designated tourist attractions including theme parks, museums, and temples, even while holding an Amber health code. They will also be able to dine in partitioned areas in designated catering premises. In recent months, Hong Kong has relaxed many of its stringent COVID-19 policies, including hotel quarantine for international arrivals as of September 26. International arrivals are still, however, subject to multiple COVID-19 tests and barred from entering bars, restaurants and venues like sports clubs for the first three days. **ATO Notes:** This is a step towards reopening Hong Kong to international travelers. If the pandemic situation continues to improve, it is expected that the Hong Kong government will relax more travel requirements.

Outdoor Live Music Festival Set to Comeback to Hong Kong [[The Standard](#), November 9, 2022]

Hong Kong's biggest international outdoor live music festival "Clockenflap" is set for a comeback to the Central Harbourfront in March 2023, following a three-year hiatus. Organizers of the much-loved festival said they are "100 percent confirmed" that the event will take place from Friday March 3 to Sunday March 5 next year. Clockenflap will bring its world-class festival experience and vibe back to the city with multiple stages, lush F&B outlets, a litany of local, regional, and international music and arts acts, and a vibrant outdoor atmosphere for all to enjoy. Next year's event will mark the festival's 12 edition and a return for live music and arts in Hong Kong. Launched at Cyberport in 2008, Clockenflap found its home at the West Kowloon Waterfront Promenade in 2011, before flying over across the

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harbor to Central Harbourfront in 2016. **ATO Notes:** In 2015, the event hosted over 60,000 people. The successful launch of the event will be another benchmark that Hong Kong is heading towards post-COVID-19 normalcy.

Macau Casinos Expected to Invest \$12 Billion over Next 10 Years [[The Standard](#), November 14, 2022]

Macau casino operators, vying for a license in the world's biggest gambling hub, are expected to invest a total of around \$12.4 billion over the next 10 years, local broadcaster TDM reported. The seven applicants, which include incumbents Sands China, Wynn Macau, Galaxy Entertainment, MGM China, Melco Resorts and SJM Holdings, as well as new entrant Genting Malaysia, are competing for six slots. Negotiations with the Macau government are almost complete the broadcaster said, with the bidders having reached agreement about what each of them proposes to do over new 10-year license term which begins in 2023. The bidding for new licenses comes as China's "dynamic zero COVID-19" policy has hammered casino revenues over the past two years, and despite some relaxation of travel restrictions for mainland visitors, gambling revenue is unlikely to pick up in the near term, according to analysts. **ATO Notes:** The Macau government took the opportunity of license bidding, to ask licensees to invest in the current gaming facilities but also other entertainment facilities to seek diversifications. Macau government and casinos are having high hopes for 2023 and beyond.

Macau Grand Prix and Food Festival to Go Ahead Despite City's New Lockdowns [[The Macao News](#), November 14, 2022]

The Macau Grand Prix and the Food Festival – the city's top potential money spinners in November – are set to go ahead despite two buildings being declared Red Code Zones and locked down on the afternoon of November 14. Alvis Lo, Director of Health Bureau, said during a press conference: "There are no plans to cancel either event – they will go ahead as scheduled." Lo also stated that despite the mini outbreak of COVID-19 he saw no reason to institute another round of mass-testing. "It is only needed when the source is unclear or the risk of transmission in the community is high," he said. "We have detected the source of the COVID-19 case and the risk of transmission in the community is low. Before, it was different." "We follow the instructions given by mainland China's health authorities and, when needed, we adjust them to our needs but always under the auspices of mainland China following the Zero case policies," Lo added. **ATO Notes:** The Macau Grand Prix is Macau's biggest outdoor sports event traditionally attracting over 65,000 international spectators to the city. Despite its close adherence to mainland China's zero-COVID-19 policy, Macau's "go-ahead" decision for the two events marks the city's intent to welcome international visitors in addition to its major source of tourists from mainland China.

No More Vaccine for Overseas Visitors to Hong Kong Racecourse [[The Standard](#), November 16, 2022]

Starting on November 20, overseas visitors holding an amber health code can enter the racecourse, when outdoor food outlets will be reopened, the Hong Kong Jockey Club (HKJC) has announced. HKJC said racegoers no longer need to present their vaccine pass QR code to enter racecourses, but they are still required to scan the "LeaveHomeSafe" code. "Amber code holders may enter racecourses and eat and drink in the outdoor areas. However, they may not enter premises which are subject to the active checking requirement, such as dine-in premises," Walk-in admissions will also be resumed. Red code holders - COVID-19 patients - are not welcomed. The beer garden and live entertainment between races

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will be fully reopened on November 23. **ATO Notes:** Horse racing is one of the most popular pastimes for Hong Kong residents and tourists. The relaxation in access to the racecourse is another symbol that Hong Kong is gradually heading towards post-COVID-19 normalcy.

Hong Kong's Major Food Delivery Services Remains Optimistic About the Industry [[The South China Morning Post](#), November 15, 2022]

The local food delivery service giants, Deliveroo and Foodpanda, experienced a large business expansion following stricter pandemic restrictions that banned residents from dining in restaurants after 6 pm. This prompted many Hong Kongers to order food online. Foodpanda's active users accounted for 1.2 million while Deliveroo had around 700,000 by October 2022. Hong Kong has a population of around 7 million residents, and one in seven residents is using the app. The manager of Deliveroo highlighted the survey data conducted by their own company indicating that the demand for delivery orders will either be maintained or rise in the next 12 months. Around 95 percent of the local restaurants signed up for the food delivery service and that is the major source of income for many smaller-sized restaurants. Deliveroo surveyed 1,000 people, showing monthly consumption of food delivery service rose 22 percent from \$139 in 2019 to \$171. Around 20 percent of the respondents spent over \$256 a month on food deliveries. Meanwhile, Foodpanda believes a consumption pattern has already been built and that food pickup has become an indispensable part of people's life even after the dining restrictions become a thing of the past. Hence, these companies expect the food delivery business to thrive in the coming years. **ATO Notes:** Similar to other markets, during the pandemic, Hong Kong people have grown accustomed to ordering food via food delivery service platforms. The optimistic attitude of the local food delivery service giants suggest Hong Kong consumers may not be ready to spend less on food delivery despite the relaxation of dining restrictions.

TRADE



Glass bottle levy to take effect next year [[RTHK.HK News](#), November 7, 2022]

Hong Kong will introduce a charging scheme for glass beverage containers in Hong Kong. The scheme, which will take effect in the second quarter of 2023, aims to encourage bottle suppliers to do more to recycle their containers. Under the arrangement, glass beverage bottle importers and suppliers are required to pay a \$0.13 levy for every one-liter bottle they distribute in the city. There are two glass management companies providing waste glass container collection and treatment services across the territory. Under the new scheme, bottle importers and suppliers are required to register with the Environmental Protection Department at the start of next year. Exemptions will be provided for registered firms which have in place a recovery and reuse arrangement for their beverage bottles. However, they will have to pay an application fee of \$1,189. **ATO Notes:** The glass bottle levy was first

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proposed in 2013. The industry therefore is well prepared for the new levy. Hong Kong is adopting a “polluter pays” principle. In addition, consumers are increasingly more conscious of the environment and sustainability. Thus, the trend is growing for simple and environmental-friendly packaging.

Hong Kong Will Ban CBD Products Starting February 2023 [[GAIN Report](#), November 10, 2022]

Effective February 1, 2023, Hong Kong will ban cannabidiol (CBD) products. The newly amended regulation will prohibit the manufacture, import, export, supply, sale, possession and transshipment of any products containing CBD in the city, regardless of quantity. However, licensing for transshipment will be provided on a case-by-case basis. Traders and the public possessing CBD products must dispose of these products before February 1, 2023, or they will be in violation of the new regulation.

Hong Kong Confirms Use of Calcium Carbonate as a Coloring Food Additive [[GAIN Report](#)]

Hong Kong’s regulation on coloring chemicals is based on a positive list and calcium carbonate is not explicitly listed as a permitted chemical. Hence, representatives for U.S. food manufacturers, in consultation with ATO Hong Kong, wrote to the Hong Kong Center for Food Safety for clarification. To the relief of the industry, the CFC has ruled that calcium carbonate is allowed for use as a coloring additive in foods. Following the banning of titanium dioxide in the EU since August 2022, certain food manufacturers have moved to using calcium carbonate as a food coloring alternative. Hence, the Hong Kong government’s recent clarification is welcomed news as it will facilitate trade in consumer-ready foods. In 2021, Hong Kong was the seventh largest export destination for U.S. consumer-ready food products. During the first three quarters of 2022, U.S. sales totaled \$874 million.

U.S. Seafood Makes a Splash in the Fragrant Harbor [[GAIN Report](#), November 10, 2022]

Hong Kong offers good potential for U.S. seafood exports. Over 99 percent of the population is Chinese, and traditional Chinese cuisine includes seafood. Many consumers are willing to pay a premium price for quality seafood, regardless of style of cuisine. In 2021, U.S. seafood exports to Hong Kong recovered 31 percent year-on-year to \$180 million and taking over a significant share in niche market segments such as lobsters, eels, oysters, and other frozen mollusks products. Hong Kong has a vast seafood market with an import value of \$4 billion in 2021, growing 20 percent despite the COVID-19 pandemic. As in other developed markets, sustainable seafood is gradually catching the attention of stakeholders and consumers at large. While Hong Kong’s food import demand lowered in the first half of 2022, improvement in the local pandemic situation and easing of government measures may reinvigorate the city’s hospitality sector and ultimately seafood demand. Seafood always remains as a favorable food choice both at home and dining out.

Guangdong & Macau Branded Products Fair Recorded 63,000 Visits [[The Macao News](#), November 14, 2022]

The three-day 2022 Guangdong & Macau Branded Products Fair (2022 GMBPF), which kicked off on November 11 under the theme of “semi-finished food,” recorded over 63,000 in person and online visits and facilitated more than 140 business negotiations, organizers said. Macau Trade and Investment Promotion Institute (IPIM) Acting President Vincent U Sang said that among the 60 exhibitors related to the “semi-finished food” theme, 37 mainland Chinese enterprises had negotiated agency and cooperation deals with their local counterparts to enter the local retail market, such as two Portuguese catering

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companies which launched cooperation arrangements with “semi-finished food” manufacturers in mainland China. U said that exhibitors from Macau and Guangdong had been “more active” this year, adding that their sales “were better than expected,” pointing out that 33 out of the 155 exhibitors from Guangdong had already sold more than 90 percent of their products on November 12, while eight of them had sold all their goods. **ATO Notes:** The Fair marks Macau’s close business collaboration with neighboring Guangdong province in the mainland. It is expected that the opening of Macau’s border will hinge on the opening of mainland China.

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

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