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Report Highlights:

Bite size local news, Post reports and activity summaries wrapped by ATO Hong Kong. In this issue: Aspiring Chefs Explore “The Science of Souffle” With U.S. Ingredients and Local Flavors; Business Sentiment Among Hong Kong SMEs Improved in February; Hong Kong Welcomes 1.46 million Tourists in February; International Airlines Re-build Networks in Hong Kong; Large Scale Events Returning to Hong Kong; COVID-19 Shrank Macau’s GDP by 26.3 Percent in 2022; Resumption of Air Services from Macau Pick up Pace; Macau’s Economic Prosperity Index Continues to Rise; Hong Kong Retail Sales Up Seven Percent in January; Growing Demand for Local Vegetables in Hong Kong.



ASPIRING CHEFS EXPLORE “THE SCIENCE OF SOUFFLE” WITH U.S. INGREDIENTS AND LOCAL FLAVORS

On March 14, ATO, in partnership with the U.S. Consulate’s Public Affairs Section (PAS), hosted a cooking course for local student chefs at the Technological and Higher Education Institute of Hong Kong (THEi). PAS’s visiting speaker, U.S. astrophysicist and co-host of the Netflix series *Baking Impossible*, Dr. Hakeem Oluseyi, spoke about the science of baking and his inspiring personal story. Local chef Phyllis Lam led students in preparing their own soufflés using U.S. eggs, flour, milk, and cheese, in combination with local flavors such as citrus and black sesame. The U.S. Poultry and Egg Export Council, U.S. Wheat Associates, and the U.S. Dairy Export Council contributed to the event.

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:

- Yellow corn
- Soybean meal

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.

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ECONOMY



Business Sentiment Among Hong Kong Small and Medium-Sized Enterprises Improved in February [[Hong Kong Census and Statistics Department](#), March 9]

The Hong Kong Census and Statistics Department released its Monthly Survey results on Business Situation of Small and Medium-sized Enterprises (SMEs) for February 2023. A Government spokesman said that overall business sentiment among SMEs further improved in February as local economic activities revived and normal travel between Hong Kong and the mainland resumed fully. Views on the business situation in one month's time were also more optimistic than earlier. The overall employment situation continued to improve. **ATO Notes:** The ongoing normalization of economic activities and improvement in the number of visitor arrivals should bode well for business sentiment. Local economists do observe that tightening financial conditions and weaker global economic growth will continue to bring uncertainties. On March 10, the U.S. Centers for Disease Control and Prevention (CDC) [rescinded requirements](#) for negative pre-departure COVID-19 test results for travelers to the United States from the People's Republic of China, Hong Kong, and Macau. U.S. agricultural exporters considering travel to Hong Kong please consult the latest U.S. Department of State's [Travel Advisory](#), the U.S. Consulate's [COVID-19 information page](#), or contact ATO Hong Kong.

Hong Kong Welcomed 1.46 Million Tourists in February [[The Standard](#), March 15]

A total of 1.46 million visitors, of which 75 percent were mainlanders, came to the city in February. This marks the peak of monthly traveler headcount three years after the COVID-19 pandemic. The Hong Kong Tourism Board (HKTb) announced on March 15 that the monthly number of visitors who came to Hong Kong in February doubled and marked the first time the figure exceeded one million in a single month since the outbreak began in February 2020. "Visitors' number has recovered to 30 percent of the pre-pandemic level," said the HKTb. Among that, mainland arrivals tripled from 280,000 to 1.1 million people, and non-mainland visitors, mainly from Southern East Asian countries. In addition, the HKTb announced more offers of welcoming gifts would be added to the current "Hong Kong Goodies" visitor consumption vouchers catering to new visitors. The number of outlets offering "Hong Kong Goodies" will also double from the current 1,500 to around 3,000 across the city. **ATO Notes:** The increase in number of visitors marks the gradual recovery of Hong Kong's inbound tourism which benefits primarily the food service and hospitality sectors but also the retail food sector. It is expected that the next waves of tourist arrivals will fall on Easter holidays in April and the Chinese Golden Week holidays in May.

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Forty-Five Percent of Hong Kong Employers Will Hire in Second Quarter [[The Standard](#), March 15]

Forty-five percent of Hong Kong employers are looking to hire in the next three months according to the latest employment outlook for the city in the second quarter of this year. The employment outlook was conducted by ManpowerGroup and surveyed nearly 39,000 employers globally, including 510 from Hong Kong. Among local employers, some 15 percent expect a decrease in staff size, while 38 percent forecast no change to be made to the staff size. After adjusting for seasonal variation, the outlook stands at a positive 30 percent. Hiring intentions in Hong Kong increased by 8 percent quarter-over-quarter and increased by 27 percent when compared to this time last year. Lancy Chui, senior vice president at ManpowerGroup Greater China, said the overall employment outlook is improving as Hong Kong reopened all borders with mainland China and the economy is gradually recovering from the pandemic. She also expected the number of travelers to Hong Kong will rise as the city's global promotion campaign "Hello Hong Kong" and its long-haul express rail services, which fully resume in April, can further boost tourism and related sectors. **ATO Notes:** It will take several months for Hong Kong's service sectors to recruit enough staff to serve the surging demand from local residents and the increasing number of international visitors. It is expected that Hong Kong employers' intention to increase staff size will normalize in the third quarter as most positions are filled.

International Airlines Actively Re-Building Networks in Hong Kong [Various Sources]

Regional and international airlines are actively re-building their networks in Hong Kong as the city has lifted its travel restrictions in January 2022. **Greater Bay Airlines Announced Order for Boeing Airplanes [[The Standard](#), March 3]**. The airline's CEO, Stanley Hui, said he planned to boost its fleet of planes as travel ramps up after years of COVID-19 restrictions. **British Airways to Double Hong Kong Flights [[The Standard](#), March 7]** starting at the end of March. The flights to and from Hong Kong and London will increase to 14 flights per week starting from March 26. Hong Kong based airline **Cathay Pacific Airways Ltd is ready to rebuild** and Hong Kong's hub status in 2023 [[The Standard](#), March 8]. Cathay is also struggling to bring in staff, while many pilots and crew are dissatisfied following cuts to perks and pay made during the pandemic when passenger capacity was as low as 2 percent of pre-COVID-19 days. The airline said it was operating about one-third of pre-pandemic passenger flight capacity by December and ended the year operating passenger flights to 58 destinations, double the 29 destinations the airline flew to in January 2022. It expects to operate at about 70 percent of its pre-pandemic passenger flight capacity by the end of 2023, with an aim to return to pre-pandemic levels by the end of 2024. **United Airlines Resumed Nonstop Flights Between Hong Kong and San Francisco on March 6 [[The Standard](#), March 10]**. This marks the airline's first passenger flight service out of the city since the start of the pandemic. United's daily nonstop service from Hong Kong to San Francisco directly connects Hong Kong travelers to the airline's largest hub airport on the U.S. West Coast, and numerous cities in the U.S., Canada, Mexico and Latin America. **ATO Notes:** As Hong Kong has lifted its travel restrictions in January, international travels are gradually resuming. Regional and international airlines are seeing the return of business opportunities amid the re-opening of the border of the vibrant city. It is expected that airlines will continue to increase the number of flights connecting Hong Kong to the world in the next few months. Greater number of flights also means improvements in available air cargo space for U.S. food products severely limited during the pandemic years, particularly during the first half of 2022.

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Large Scale Events Returning to Hong Kong [Various Sources]

As Hong Kong lifted its mask mandate in March, the last of its stringent restrictions under COVID-19, the city is welcoming the return of multiple large-scale events that had been suspended under the pandemic. **International Music Festival Blares Out “Hong Kong's Back”** [[The Standard, March 6](#)] “Clockenflap” is the biggest international music festival in Hong Kong and the first outdoor music event since the government lifted the mask mandate. Participants said they were thrilled not to wear masks or observe social distancing measures. Held annually since 2008, the festival was canceled in 2019 due to the mass protests and again in 2020 and 2021 due to the pandemic. **Hong Kong Rugby Seven Expecting 90,000 Spectators** [[The Standard, March 7](#)] Fans will be able to watch both men's and women's rugby competitions for the first time at the upcoming Cathay/HSBC Hong Kong Sevens. The Hong Kong Rugby Union, organizer of the Sevens, has sold more than 25,000 tickets and expects the tournament to draw crowds of 30,000 people at the Hong Kong Stadium each day. The last tournament was held last November for the first time in over three years following several cancellations during the pandemic. **Hong Kong Flower Show Returns** [[The Standard, March 10](#)] Hong Kong's Victoria Park is blooming again as the city's Flower Show after a three-year hiatus due to the COVID-19 pandemic. Some 400,000 exotic flowers, including about 40,000 hydrangeas, as well as potted plants, floral arrangements and landscapes by local, mainland and overseas organizations will be on display at the 10-day event, along with stalls selling flowers and other horticultural products. Assistant director of Hong Kong Leisure and Cultural Services Department Luk Chi-kwong expects the show to attract about 630,000 people, similar to the one in 2019. This year, 225 organizations and 72 exhibitors from 10 countries including China, Japan, Indonesia, Korea, Oman, Pakistan, the Philippines, Singapore, Thailand and Vietnam, are taking part in the show. **Hong Kong International Dragon Boat Races Returns** [[The Standard, March 14](#)] on June 24-25 after a four-year hiatus, according to the Tourism Board. The two-day event will be packed with an array of intense races to fill Victoria Harbor, and fans can cheer paddlers on to the finish line from the harbor's promenade. **ATO Notes:** The return of local and international events symbolizes that Hong Kong is heading towards its pre-pandemic normalcy and vibrancy.

Hong Kong Among Top Three with Most Ultra-Rich Homeowners [[The Standard, March 8](#)]

What do New York, London, and Hong Kong have in common? It is where the world's wealthiest people live. New York is the world's most popular place for the super-rich to own a property, according to a new report by data firm Altrata. A total of 21,714 ultra-high-net-worth (UHNW) individuals — those worth over \$30 million — own either a primary or secondary residence in the city, the study found. Next up in the popularity stakes are London and Hong Kong, where 15,907 and 15,175 of the world's wealthiest people own homes. Los Angeles and Miami round out the top five, while a propensity for the wealthy to snap up second homes in Beijing puts the Chinese capital one spot ahead of Singapore. **ATO Notes:** Hong Kong's affluence is comparable to that in New York and London, posing opportunities for premium foods and fine dining. Hong Kong is gradually recovering after the pandemic and the demand for quality foods and beverages is set to grow in 2023.