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CLASSIFICATION: NOT OFFICIAL USDA DATA

AGR Number: HK6084

From: American Consulate General, Hong Kong
To: USDA/FAS Washington D.C.
Country: HK
Year: 1996
Report Code: 24 Post Report Sequence Number: 022

Report Title: Agricultural Situation
Report Type: V - Voluntary Report
Report Subject: Market Brief: FROZEN FRUIT AND VEGETABLES
Approved By: W. GARTH THORBURN II
Drafted By: ASIA MARKET INTELLIGENCE LTD

Security Classification: NOT OFFICIAL USDA DATA

Date Due (MM/DD/YY): 08/21/96

Report Code: HK9624V AGR Number: HK6084 Page: 1
Agricultural Situation

## Frozen Fruit and Vegetables Market Profile
## HONG KONG

### Executive Summary

Demand

- In Hong Kong, busy lifestyles and dual income households, have created an increasing need for foods that are convenient and require short preparation time.

- These factors are fuelling the rising popularity of supermarket shopping which directly relates to a rise in consumption of frozen fruit and vegetables.

- In 1993 there was a 32% increase in the volume of fruit and vegetables sold and a corresponding 42% increase in value. 1994 records show a smaller rise of 11% in volume and a 23% increase in value.

- Hong Kong is seeing an increase in demand for time-saving convenience foods, particularly frozen microwaveable products.

- In 1992 frozen vegetables made up the majority of frozen produce, comprising nearly 98% of the market. Frozen fruit accounted for 1.9% of sales volume, and potato products had less than 1%.

- In 1994 frozen vegetables was still the largest selling segment. Sales of frozen fruit increased to 2.4% of the total and frozen potato products began to capture market share with sales of 272 tonnes or 1% of the market.

- As the number of working women within the Hong Kong population increases, the profile of the typical grocery buyer is changing.

- Women are still most likely to be responsible for food shopping, however they now have less time to shop and more money to spend.

- Volume growth is expected to be between 12% and 13% a year to 1997, and AMI anticipates large value increases in excess of 20% annually.

Supply

- Frozen fruit and vegetables make up a very small



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part of Hong Kong's agricultural production, which is mainly geared towards producing high value fresh vegetables.

- 1992-94 production: vegetables showed a 3.2% decrease, while fruit thrived with a strong average annual increase of nearly 40%.

- Imports of frozen fruit and vegetables rose by a yearly average volume of 12% from 1992 to 1994, during which time the average value rose by 14%.

- In 1992 the US provided Hong Kong with 59% of its volume of frozen produce imports and 53% of its value. By 1994 the US share of import value had risen to 59% with volume share remaining level.

Distribution

- 50% of frozen fruit and vegetable products reach end-users through foodservice outlets and 50% is distributed through supermarkets.

- In Hong Kong there are up to 20 importers of frozen fruit and vegetables, and approximately 500 retail outlets including supermarkets and department stores.

- Growth in Hong Kong's foodservice sector is a major reason for the increases in demand for frozen fruit and vegetables.

- There are three large supermarket chains in Hong Kong: Park'n Shop with approximately 170 stores; Wellcome with over 200 stores; and Dah Chong Hong with approximately 70 outlets.

- As of 1992 there were more than 1,500 registered hotels and boarding houses in Hong Kong and there are about 10,000 restaurants in the territory.

- Sales of Hong Kong fast food shops grew at rate of 13% in 1993, falling from more than 30% in 1991-92. Cafe de Coral leads the market with a 25% market share, followed by McDonalds, which has 20% of sales.

Competition

- Overall, competition from non-US imports exists, but is not overwhelming.



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- The main source of competition to American products comes from two British brands, Bird's Eye and Ross, both of which offer broad varieties of frozen products.

- US fast food chains which are prevalent within the territory generally favour US products.

Opportunities

- American products are generally well thought of in Hong Kong, which offers US suppliers a distinct advantage.

- The Western style component of the fast food market is gaining market share, causing demand for frozen potato products to grow.

- Grocery shoppers in Hong Kong are increasingly looking for convenience items including frozen microwaveable products.

- The leading warehouse store Grandmart sources most of its products directly from US suppliers and encourages easy entry for these companies.

1. Market Demand

1.1 Market Environment

Most frozen fruit and vegetables passing through retail channels are distributed through supermarkets and department stores in Hong Kong. The majority of the buyers are part of a growing middle class who patronize these outlets.

Traditionally Hong Kong consumers have definite preferences, favouring fresh fruit and vegetables over frozen products. However, busy lifestyles, more dual income households and an increasing need for convenient foods which can be prepared quickly, are all factors fueling the rising popularity of supermarket shopping. These trends are causing in turn an increase in consumption of frozen fruit and vegetables.

1.2 Total Market Demand

In 1993 there was a 32% increase in the volume of frozen fruit and vegetables sold in Hong Kong and a corresponding 42% increase in value. 1994 brought a smaller rise of 11% in volume and a 23% increase in value.

In 1992 per-capita consumption of frozen produce stood at 3.3Kg. In 1993 this rose to 4.3Kg, and it rose again in 1994 to 4.7Kg per person.

It is evident that, on the whole, frozen foods are becoming more popular in Hong Kong. However, at present the segment of frozen fruit and vegetables represents a very small sector of this category.

Traditionally, the Hong Kong household delegates the task of grocery shopping to women, the large number of working women in Hong Kong has an important influence on shopping habits. As the number of working women increases, the profile of the typical grocery consumer changes. Women are still most likely to be responsible for food shopping, however they now have less time to shop and more money to spend.

Frozen foods appeal to the modern shopper because they are more convenient and are ideal for busy lifestyles. Furthermore, by purchasing frozen produce which is less perishable, shopping can be done less frequently.

1.1 Hong Kong: Total Demand for Frozen Fruit and Vegetables 1992-94

| | 1992 | 1993 | 1994 |
|---|---|---|---|
| Tonnes | 19,418 | 25,595 | 28,516 |
| % change | - | 31.8 | 11.4 |
| HK$ million (ssp) | 123.2 | 174.7 | 213.9 |
| % change | - | 41.8 | 22.5 |

Note: Figures are based on apparent consumption
Source: AMI from CSD and trade interviews

1.3 Projected Market Demand

The apparent increase in frozen fruit and vegetable sales in Hong Kong is expected to continue steadily. Volume growth is anticipated to be between 12% and 13% over then next two years. AMI estimates that large annual value increases of over 20% will be realized in the



same period.

Frozen items will become more popular and the number of outlets distributing frozen fruit and vegetables will continue to grow.

1.2 Hong Kong: Projected Total Demand for Frozen

Fruit and Vegetables 1995-97

| | 1995 | 1996 | 1997 |
|---|---|---|---|
| Tonnes | 31,768 | 35,897 | 40,204 |
| % change | 11.4 | 12.9 | 11.9 |
| HK$ million | 262.0 | 319.6 | 383.5 |
| % change | 22.5 | 21.9 | 20.0 |

Source: AMI projections

## 2. Market Segmentation

### 2.1 Market Segments

Segmentation for frozen fruit and vegetables can best be broken down into three categories: vegetables, potato products, and frozen or defrosted fruit.

In 1992 frozen vegetables made up the majority of the market, comprising nearly 98%. Frozen fruit accounted for 1.9% of sales volume and frozen potato products had less than 1%.

In 1994 frozen vegetables were still the largest selling segment, although their share of the market had fallen mildly to 97%. Sales of frozen fruit had increased to 2.4% of total sales, and frozen potato products began to capture market share with sales of 272 tonnes { 1% of the market. All segments have grown significantly over the last two years.

A factor behind the growth of frozen produce sales is an increase in the number of retail outlets distributing them. New outlets have been opening their doors at both the retail and foodservice levels. Growth in the segment of frozen potato products is directly attributable to an increase in the number of fast food restaurants in Hong Kong and strong growth in sales of Western style fast food, notably french



fries.

2.1 Hong Kong: Demand for Frozen Fruit and Vegetables by Product Segment 1992/94

| Tonnes | 1992 | 1994 | AAG(%) |
|---|---|---|---|
| Frozen vegetables | 19,000 | 27,567 | 20.5 |
| Frozen fruit | 372 | 677 | 34.9 |
| Frozen potato products | 99 | 272 | 65.8 |
| TOTAL | 19,471 | 28,516 | 21.0 |

| % analysis | | |
|---|---|---|
| Frozen vegetables | 97.6 | 96.6 |
| Frozen fruit | 1.9 | 2.4 |
| Frozen potato products | 0.5 | 1.0 |
| TOTAL | 100.0 | 100.0 |

Source: AMI from trade interviews

2.2 Breakdown by Type of Product

For the purpose of analysis, the category of 'frozen vegetables other than potatoes' can be broken down further. The two largest sub-segments are both varieties of mixed vegetables. 'Sweetcorn and vegetable mixtures', and 'mixed vegetables other than sweetcorn', make up nearly all of the frozen vegetable category in Hong Kong.

Demand for both product categories grew significantly from 1992 to 1994, sweetcorn by 26% and vegetable mixtures by 48%.

The most prominent subgroup within the frozen fruit segment is 'fruit and nuts uncooked or cooked', demand for this category grew by 32% over the same period.

2.3 Projected Segmentation

Overall demand for frozen fruit and vegetables is expected to continue to rise over the next two years. Past trends suggest that market share of frozen potato products in particular will increase as french fries become more popular and American style fast food shops thrive. Potatoes are expected to take a small percentage share away from frozen vegetables in the next two years.

2.2 Hong Kong: Projected Demand For Frozen Fruit



and Vegetables By Product Segment 1995/97

| Tonnes | 1995 | 1997 | AAG(%) |
|---|---|---|---|
| Frozen vegetables | 30,592 | 38,636 | 12.4 |
| Frozen fruit | 794 | 965 | 10.2 |
| Frozen potato products | 381 | 603 | 25.8 |
| TOTAL | 31,768 | 40,204 | 12.5 |
| % analysis | | | |
| Frozen vegetables | 96.3 | 96.1 | |
| Frozen potato products | 1.2 | 1.5 | |
| Frozen fruit | 2.5 | 2.4 | |
| TOTAL | 100.0 | 100.0 | |

Source: AMI projections

2.4 Products in the Market

Typical supermarket stock of frozen fruit and vegetables in Hong Kong can be characterized in the profile below.

2.3 Hong Kong: Sample Frozen Fruit And Vegetable Products Available At Retail 1995

| Product | Brand | Size | Price(HK$) |
|---|---|---|---|
| Strawberries | Shearway | 500g | 26.9 |
| Onion rings | Ross | 450g | 21.9 |
| Hash brown | Froqual | 500g | 19.8 |

| | | | |
|---|---|---|---|
| "Chip Shop" Chunky Chips | Ross | 454g | 16.9 |
| Corn (on cob) | Green Giant | 560g | 15.9 |
| Brussels sprouts | Ross | 450g | 14.2 |
| Green beans | Ross | 450g | 13.9 |
| Whole kernel sweetcorn | Ross | 450g | 13.8 |
| Mixed vegetables | Birds eye | 340g | 12.3 |
| Baby carrots | Ross | 450g | 11.9 |
| Garden peas | Birds eye | 227g | 11.9 |
| Garden peas | Ross | 300g | 7.9 |
| Mixed vegetables | Ross | 250g | 5.9 |

Source: AMI store checks

3. Supply Structure

3.1 Domestic Production

Frozen fruit and vegetables make up a very small


part of Hong Kong's agricultural production, as it is mainly geared towards producing high value fresh vegetables. Frozen vegetable statistics are incorporated into the general statistics of vegetable production.

Unfortunately, statistics specifying exactly how much of this agricultural production goes into frozen products are unavailable, but it is known to be minimal.

For reference purposes, we can get a general idea of potential domestic production of frozen produce by examining overall fruit and vegetable farming in Hong Kong. The period between 1992 and 1994 brought a 3.2% decrease in Hong Kong's production of vegetables and a strong average increase for domestic fresh fruit production of nearly 40% annually.

3.1 Hong Kong: Production of Fresh Fruit and Vegetables 1992-94

| Tonnes | 1992 | 1993 | 1994 | AAG(%) |
|---|---|---|---|---|
| Vegetables | 95,000 | 91,000 | 89,000 | -3.2 |
| Fruit | 2,730 | 4,150 | 5,340 | 39.9 |
| TOTAL | 97,730 | 95,150 | 94,340 | -1.7 |

Source: CSD

3.2 Imports by Country

The volume of total imported frozen fruit and vegetables rose by an average of 12% between 1992 and 1994, during this period the average value increased by 14%. The US and China are the number one and two suppliers to Hong Kong respectively. In 1994 the two countries supplied a combined 89% of the total volume of imports and 87% of the value.

3.2 Hong Kong: Imports of Frozen Fruit and Vegetables by

Origin 1992-94

| | Tonnes | | | HK$'000(cif) | | |
|---|---|---|---|---|---|---|
| | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 |
| U.S. | 18,779 | 22,766 | 23,691 | 125,019 | 157,602 | 179,017 |
| China | 9,840 | 11,138 | 0,906 | 69,274 | 74,494 | 69,935 |
| Others | 3,210 | 3,839 | 5,511 | 41,829 | 43,508 | 56,830 |
| TOTAL | 31,829 | 37,743 | 40,108 | 236,122 | 275,604 | 305,782 |



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Source: CSD

3.3 United States' Competitive Position

In 1992 the United States accounted for 59% of the volume of Hong Kong's total imports and 53% of the value. By 1994 the country's share had increased to 59% of the value while its volume share remained steady. This indicates that the Hong Kong market has been accepting increasingly higher prices for US origin frozen produce. While the US' share of imports has remained fairly static over the last two years, imports as a whole have increased considerably as demand for frozen vegetables and fruit has grown, and the US has been the primary supplier benefiting, adding 5,000 tonnes to its 1992 figure. This compares favourably with the addition of only 1,000 tonnes from China.

The US is the number one supplier of sweetcorn to Hong Kong, providing 83% of Hong Kong's total import in 1994. Sweetcorn is the second most popular category of frozen vegetable in Hong Kong, after vegetable mixes. The US is also the number one supplier of frozen potato products, a rapidly expanding market, which grew from zero in 1992 to 272 tonnes in 1994.

Furthermore, the US is the leading foreign supplier to Hong Kong's frozen fruit market. Strawberries are a particularly strong category: 97% of the strawberry supply comes from the US, and the remaining 3% from New Zealand.

3.4 Exports and Re-Exports

In 1992 total exports amounted to only 46 tonnes, worth HK$122,000 at export (fob) prices. Since then Hong Kong has not exported any frozen vegetables; in recent years all frozen produce leaving the territory has been previously imported.

Total re-exports have fallen since 1992, dropping by 6.2% in volume and by 19% in value. The main destinations of re-exports from Hong Kong are Japan and China. Japan received 34% of the re-export volume in 1994 and 33% of the value, and China received 20% of the volume and 21% of the value.

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3.3 Hong Kong: Re-Exports of Frozen Fruit and Vegetables by Origin 1992-94

| | Tonnes | | | HK$'000 (fob) | | |
|---|---|---|---|---|---|---|
| | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 |
| Japan | 3,708 | 3,819 | 3,892 | 27,362 | 27,845 | 30,218 |
| China | 1,059 | 1,653 | 2,358 | 9,858 | 13,314 | 19,003 |
| Others | 8,593 | 8,328 | 7,335 | 84,983 | 73,046 | 59,254 |
| TOTAL | 12,366 | 12,148 | 11,592 | 112,826 | 100,935 | 91,865 |

Source: CSD

3.5 Competitive Situation

There are a few prevalent frozen fruit and vegetable brands within the Hong Kong retail market. Bonnie Hubbard brand from the US, has prominent placement with frozen corn, potatoes, green beans, mixed vegetables, raspberries, and strawberries. Other US brands include Green Giant corn and JR Simplot microwaveable potato products.

From the UK, Bird's Eye sells an assortment of frozen vegetables including potatoes, broad beans, peas and mixed vegetables. Ross brand, also from the UK, sells a similar variety of frozen vegetables.

Wellcome stocks the Dairy Farm house products branded as No Frills. No Frills assorted vegetable mixture is available with ingredients from New Zealand.

Overall, competition from non-US products exists, but is not overwhelming. The main source of competition to American products comes from Bird's Eye and Ross, both of which offer a wide variety of frozen products.

4. Product Distribution

4.1 Overview of the Trade

Hong Kong's retail trade is dominated by two large players owned by some of the largest local companies. Wellcome (owned by Dairy Farm) and Park'n Shop (Hutchison Whampoa) have in excess of 150 outlets each and control around 70% of the



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modern grocery trade. These companies are able to import directly from overseas suppliers in many cases due to their size, while smaller operations generally source through traditional importers and distributors.

As of 1992 there were approximately 10,000 restaurants, the majority of which are Chinese style, and approximately 1,300 fast food outlets.

Furthermore, 1,500 hotels and boarding houses were registered by the Census and Statistics Department in 1992. The foodservice sector also sources through traditional channels.

4.2 Distribution by Outlet Type

Frozen fruit and vegetables represents a small segment of Hong Kong's produce market. Consumers traditionally prefer fresh produce when available. Because of this, frozen produce sales at the retail level are low. It is estimated that at least 50% of frozen fruit and vegetables sold in Hong Kong is distributed through foodservice enterprises. Growth in Hong Kong's foodservice sector is the primary reason for the increases in demand for frozen fruit and vegetables. Sales of french fries in particular, can be attributed to an increase in the number of fast food shops in the territory.

4.3 The Retail Trade

Half of all frozen vegetables and fruit are sold through large supermarket chains and department stores. Frozen food still represents a small proportion of sales in supermarkets, but as it becomes more popular these stores are expanding their selection to meet the increasing demand.

There are three major supermarket chains in Hong Kong. They are Park'n Shop with approximately 170 stores, Wellcome with over 200 stores and Dah Chong Hong with around 70 outlets. Japanese owned department stores also sell frozen fruit and vegetables. The largest of these are Yaohan Department Store with seven stores and Jusco Stores with two. Seibu and Sogo are also popular Japanese department stores, each with one store in the territory and extensive grocery departments.

A new addition to the retail food trade is



Grandmart. Grandmart is a warehouse style store which is challenging the existing duopoly which characterizes the supermarket business in Hong Kong. Grandmart is expanding its frozen food sections to include vegetables and fruit. Since the opening of first store in January 1993 Grandmart's operation has rapidly expanded to eight outlets. This expansion is set to continue and a dozen or more stores are planned to open in the near future.

4.4 The Foodservice Trade

Half of the frozen vegetables and fruit imported into Hong Kong is distributed through the foodservice sector. Hotels and restaurants use large amounts of frozen fruit and vegetables, the convenience offered is particularly beneficial to catering operations.

As of 1992 there were more than 1,500 registered hotels and boarding houses in Hong Kong. The last year or so has brought a decline in numbers, which is expected to continue until 1997 when an upturn is forecast.

There are about 10,000 restaurants in Hong Kong. As local eating habits become more Westernized, opportunity for US frozen products to benefit increases. US origin produce has a good reputation in Hong Kong, the perception is that these products are of high quality and consistent supply. Many top hotels and restaurants prefer US products for these reasons.

Fast food shops have enjoyed major growth over the last ten years, there are now over 1,300 outlets in Hong Kong. However, a saturated fast food marketplace has caused sales growth in the industry to slow markedly over the past year.

A rate of 13% growth was recorded in 1993 from more than 30% in 1991/92. Fairwood, the third largest fast food chain in Hong Kong, has recently been forced to make substantial cutbacks, closing several branches and laying off hundreds of workers. Fast food operators maintaining positive sales results include the locally owned chain Cafe de Coral, which leads the market with a 25% share, followed by McDonalds with 20%.



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Hong Kong's consumer base is experiencing changing tastes and a growing preference for American style food, particularly among young consumers. This trend will continue to benefit American fast food chains in the future because these companies generally favor US products. The popularity of American fast food restaurants, including McDonald's and KFC, is sure to benefit US frozen foods imports, as these enterprises are reliant upon large quantities of frozen products.

## 5. Marketing and Promotions

### 5.1 US Government Sponsored Marketing

The United States Agricultural Trade Office in Hong Kong disseminates product information to food and beverage marketers. It also provides facilities at no charge for seminars, press conferences, sampling and meetings. The ATO coordinates with the representative offices of cooperators and Market Promotion Program participants in Hong Kong. There is no specific frozen fruit and vegetable representative office in Hong Kong, though several fruit boards, commissions and councils are present, as well as the US Potato Board.

### 5.2 Corporate Marketing and Promotions

There is as yet no advertising of frozen vegetables or fruit in Hong Kong. This may change in the future if demand continues to increase and with it competition.

## 6. Legislation and Regulations

### 6.1 Import Regulations

Hong Kong is a free trade area; there are no import duties on fruit or vegetables. Phytosanitary requirements are stipulated however. Guidelines pertaining to phytosanitary requirements are as follows:

- Health certification for all imported food should be made to be made by the competent authority of the country of origin.

Specific statements required:



- The ________________ (name of imported food product) is processed and packed under hygienic conditions.

- The ________________(name of imported food product) does not contain any substance or substances in such amount as to be poisonous, harmful or injurious to health.

- The ________________ (name of imported food product) is fit for human consumption and is permitted to be sold as food for human consumption in ______________ (name of the country of origin).

For fruits and vegetables:

- The fruits/vegetables are of _____________ (name of country/place of production) origin.

- The fruits/vegetables are free from insect infestation.

- The fruits/vegetables do not contain any substance or substances including pesticides, trace metals, etc. in such an amount as to be poisonous, harmful or injurious to health.

- The fruits/vegetables are fit for human consumption and are permitted to be sold as food for human consumption in ____________ (name of the country of origin).

### 6.2 Other Regulations

No other regulations are currently in effect. It is unknown whether China will impose stricter import regulations after taking possession of Hong Kong in 1997, but the possibility exists and should be borne in mind.

## 7. Opportunities and Threats

7.1 Opportunities for US Products

American products are generally well thought of in Hong Kong. US origin fresh produce has a reputation of being high in quality. Frozen fruit and vegetables can potentially capitalize on this reputation by stressing that products are made in




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the US, through labeling and/or promotions.

The Western style component of the fast food market is gaining market share, causing demand for frozen potato products to grow. Demand for french fries, hash browns and other American style potato products should open up the market to new entrants.

Because of the changing characteristics of the average shopper, buying fresh fruit and vegetables on a daily basis is becoming less realistic. Grocery shoppers in Hong Kong are increasingly looking for convenience items such as frozen microwaveable products.

An immature entry route into Hong Kong's retail food sector has emerged. Grandmart sources most of its products directly from US suppliers and encourages easy entry for these companies. Grandmart works very closely with the US ATO.

7.2 Threats for US Products

As a supplier of frozen vegetable imports, the only major competition to the US comes from China. However the outlook for the US supply is good. China's market share for this category has decreased over the last two years, whereas US market share has remained stable and import value has risen.

Another possible barrier to penetration of the frozen fruit and vegetables market is a shortage of home storage. Traditionally, kitchens in Hong Kong households are very small and have minimal freezer space, making long term storage impractical.

Although Hong Kong's standard of living has improved in recent years, spending is relatively low by international standards. This is due to rising housing costs, persistent inflation and an increase in consumer saving. The spending slowdown is linked to the issue of an uncertain future for the territory.

Many questions surrounding the future hand-over to China in 1997 make it difficult for individuals and businesses to plan for the future. It is possible that China may impose

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strict import controls or change the current liberal duty structure adversely affecting demand.

8. Market Entry

8.1 Possible Entry Routes

Nearly all frozen vegetables and fruit imported into Hong Kong are handled by import/distribution companies. A company typically sells the products directly to retail and foodservice outlets without the use of a wholesaler. Suppliers can also sell directly to a supermarket chain such as Park'n Shop or Wellcome, or to one of Hong Kong's Japanese department stores.

A third option is to sell produce directly to a retail warehouse chain such as Grandmart or Value Club. Grandmart offers a good opportunity for US exporters to gain entry into the Hong Kong food market because it sources 85% of its produce directly from the US. Unlike other retail outlets, Grandmart charges no slotting fees, facilitating market entry for US exporters.

8.2 Potential Barriers to Market Entry

In order to reach a large section of Hong Kong's population, it is very helpful to gain access to one or more of the major supermarket chains. A new supplier may encounter some difficulty overcoming the current network of retail supermarkets. Park'n Shop and Wellcome control the supermarket business and they are difficult to penetrate.

A major disadvantage of working with the two major local supermarket chains is the stringent conditions required by both for placing new products on the supermarket shelves.

A one time promotional fee, a six month price discount allowance and cash allowances for promotions are normal. The cost involved may well be too high for small to medium US exporters.

The political situation is sure to be tenuous after the Chinese take control of the territory in 1997, and uncertainty regarding the impending



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hand-over is inhibiting consumer spending.

In addition, it is impossible to predict just what types of tariffs and/or restrictions may be imposed after 1997.

8.3 Recommended Method of Entry

A recommended method of entry is to use a distributor or an importer for product distribution. When approaching companies, it is beneficial to both parties if the product complements others offered by the distributor. If the distribution company handles other types of frozen foods or complementary products it may be able to promote more successfully through established channels.

Distributors which are established suppliers to major grocery chains may be very helpful in securing market entry, Park'n Shop, Wellcome, Dah Chong Hong, 7-Eleven and Circle-K serve a large percentage of the population.

A further recommended entry route for small to medium size US exporters is to export directly to a warehouse store, bypassing local agents. Grandmart already has a reputation for selling high quality US produce at reasonable prices. The disadvantage here is that distribution is yet not widespread.

Approaching the food service sector is best done through a distributor which is familiar with the diverse network of hotels and restaurants. There are many foodservice outlets, and purchasing agents speak a variety of languages. Some fast food and restaurant chains have centralised purchasing offices which are better accessed directly.

## 9. Operational Directory

### 9.1 Official Organisations

Agriculture and Fisheries Department
Tel: +852 2733 2235

Census and Statistics Department
Wan Chai Tower One



12 Harbour Road
Wan Chai
Tel: +852 2582 4736/7

Customs and Excise Department
Tel: +852 2852 3324

Department of Health
18/F Wu Chung House
213 Queen's Road East
Wan Chai
Hong Kong
Tel: +852 2961 8807

Federation of Hong Kong Industries
4/F Hankow Centre
5-15 Hankow Road
Tsim Sha Tsui
Kowloon
Tel: +852 2732 3188
Fax: +852 2721 3494

Government Publications Centre
Queensway Government Offices
Low Block, Ground Floor
66 Queensway
Tel: +852 2537 1910
Fax: +852 2537 1914

Hong Kong Trade Development Council
38th Floor Office Tower
Convention Plaza
1 Harbour Road
Wan Chai

9.2 Semi-Official Organisations

Hong Kong and Kowloon Provision and Grocery
Commercial Chamber
3/F, Flat B, Lee Shing Building
43 Jordan Road
Kowloon
Tel: +852 2385 1685

Hong Kong Food Trades Association
Tel: +852 2520 2683 or 2542 8600

Hong Kong Foods Council
1/F CMA Building
64-66 Connaught Road
Central



Tel: +852 2542 8600
Fax: +852 2541 4541

Hong Kong General Chamber of Commerce
Tel: +852 2529 9229
Fax: +852 2866 2035

9.2 Corporate

Ocean Pine Ltd (importer)
2005A Nam Fung Centre
264-298 Castle Peak Road
Tsuen Wan
New Territories
Tel: +852 2493 0106
Fax: +852 2412 0573

The Hong Kong Refrigerating Co (importer)
47-51 Kwai Fung Crescent
Kwai Chung
New Territories
Tel: +852 2481 5111
Fax: +852 2489 8861

Dah Chong Hong Ltd (retailer)
4/F Hang Seng Bank Building
77 Des Voeux Rd. Central
Hong Kong
Tel: +852 2846 8111
Fax: +852 2845 9092 or 2845 0222

Mingson Industries Ltd (importer)
3/F Units F-J, Block 1

Kwai Tak Industrial Centre
Kwai Chung
New Territories
Tel: +852 2420 0308
Fax: +852 2480 4466

Sims Trading Co (HK) Ltd (importer)
5/F Tern Centre, Tower 1
237-251 Queen's Rd. Central
Hong Kong
Tel: +852 2699 6213
Fax: +852 2691 7199

Kanematsu Gosho (HK) Ltd (importer)
55/F Hopewell Centre
183 Queens' Rd. East
Wan Chai



Hong Kong
Tel: +852 2821 6200
Fax: +852 2865 6649

Park'n Shop Ltd (retailer)
PO Box 250
Sha Tin Post Office
New Territories
Tel: +852 2606 8833
Fax: +852 2695 3664

Wellcome Company Ltd (retailer)
7016-7025 East, Roof Floor
ATL Centre
Berth 3, Container Terminal
Kwai Chung
New Territories
Tel: +852 2489 5888
Fax: +852 2489 9627

Jusco Stores (HK) Ltd
3/F Stanhope House
736 King's Road
Quarry Bay
Hong Kong
Tel: +852 2565 3600
Fax: +852 2563 8654

Yaohan Department Store (HK) Ltd
8/F Ever Gain Centre
28 On Muk Street
Sha Tin
New Territories
Tel: +852 2636 5338
Fax: +852 2636 5770

Hong Kong Daimaru Department Store Co Ltd
Peterson Street
Causeway Bay
Hong Kong
Tel: +852 2576 7321
Fax: +852 2895 5406

Uny (HK) Co Ltd (retailer)
Taikoo Shing Road
City Plaza 2

Quarry Bay
Hong Kong
Tel: +852 2885 0331
Fax: +852 2885 8081

Hong Kong Seibu Enterprise Co Ltd (retailer)



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Rm 1901 Two Pacific Place
Queensway
Hong Kong
Tel: +852 2877 3627
Fax: +852 2845 6533

Seiyu (Shatin) Co. Ltd (retailer)
New Town Plaza, Phase 3
Sha Tin Centre Street
Sha Tin
New Territories
Tel: +852 2694 1111
Fax: +852 2696 3566

Oliver's (sandwich bars)
Tai Sang Commercial Building
Hennessy Road
Hong Kong
Tel: +852 2866 3628
Fax: +852 2528 9903

The Asia Provisions Co Ltd (retailer)
King Wah Road
North Point
Hong Kong
Tel: +852 2570 2321
Fax: +852 2887 8014

Fairwood Holding Ltd (fast food)
TRP Commercial Centre
Tanner Road
North Point
Hong Kong
Tel: +852 2856 7111
Fax: +852 2856 1966

Hong Kong Convenience Stores Ltd (7- Eleven)
Block A, Seaview Estate
Watson Road
North Point
Hong Kong
Tel: +852 2802 6868
Fax: +852 2806 2731

Circle-K Convenience Stores (HK) Ltd
UG/F, Block 1, Ho Fai Commercial Centre
Sai Lau Kok Road
Tsuen Wan
New Territories
Tel: +852 2959 0863
Fax: +852 2415 5722



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        Grandmart Warehouse Club (retailer)
        Unit E , 7/F, Agincourt Ind. Bldg.
        Cha Kwo Ling Road
        Yau Tong
        Kowloon
        Tel: +852 2772 4499
        Fax: +852 2717 1999

        Value Club (retailer)
        Wal-Mart/ER Chor HK Ltd
        Room 1801-6, 8 Commercial Tower
        Sun Yip Street
        Chai Wan
        Hong Kong
        Tel: +852 2595 2188
        Fax: +852 2515 2908


A. Appendix

A1.  Abbreviations
AAG  annual average growth rate
ATO  Agricultural Trade Office
cif  at cost, insurance and freight prices
CSD  Hong Kong Census and Statistics Department
fob  at free on board prices
MPP  Market Promotion Program
n/a  not available
ssp  at suppliers' (ie. manufacturers or importers) sales
      prices
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