

FOOD TRADING AND DISTRIBUTION

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Heidi Nam
General Manager
Impossible Foods Hong Kong

The World Stage for Food

As a renowned culinary capital of Asia, Hong Kong is also home to a thriving food services industry that captivates locals and visitors alike. The city had 11 of Asia’s 50 Best Restaurants and 69 Michelin starred restaurants in 2021 and continues to excel.

From food and grocery delivery, innovative business models to digital partnerships, Hong Kong’s food industry is showing its agility and resilience as the industry continues to innovate and enrich the digital ecosystem. Not only is there an abundance of pioneering opportunities within the city primed for new entrants to capitalise upon, Hong Kong is also a strategic foothold for businesses looking to expand into the thriving Guangdong-Hong Kong-Macao Greater

Bay Area market. With so many opportunities for growth and expansion, it is an exciting time to be part of the food business in Hong Kong where you will enjoy:

- A great variety of restaurants and cuisines
- Simple and low tax regime
- Asia’s leading tourist destination
- Excellent logistics and transportation infrastructure for efficient and low-cost food supplies
- A highly trained and multilingual workforce

Industry Snapshot

Sales Value of Food Items (HK\$ million)	2019	2020	Growth	2021 (forecast)
Packaged Food (all categories)	\$52,282	\$38,061	-27.2%	\$40,855
Packaged Dairy	\$6,472	\$6,677	3.17%	\$6,976
Packaged Baked Goods	\$5,620	\$5,416	3.62%	\$6,198
Packaged Baby Food	\$18,905	\$3,079	-83.72%	\$5,516
Pet Food	\$4,204	\$4,710	12.03%	\$4,958
Packaged, Processed Meat and Seafood	\$2,014	\$2,352	16.80%	\$2,040
Packaged Ready Meals	\$1,392	\$1,434	3.00%	\$1,524
Chocolate Confectionery	\$1,992	\$1,145	-45.52%	\$1,480
Organic Packaged Food	\$1,501	\$1,094	-27.13%	\$1,333

Source: Euromonitor International June 2021



InvestHK

The Government of the Hong Kong
Special Administrative Region

Registration of Food Importers and Distributors

The Food Safety Ordinance (Chapter 612) introduces a food tracing mechanism to help the Hong Kong SAR Government trace the source of food more effectively and take prompt action when dealing with food incidents. It includes a registration scheme for food importers and distributors and a record-keeping requirement relating to the movement of food. For details and online registration, please visit cfs.gov.hk/foodsafetyord

Imported Food Control

According to the Public Health and Municipal Services Ordinance (Chapter 132), there are specific legal requirements or administrative arrangements for the import of the following selected food items due to their perishable or high-risk nature:

- (1) game, meat, poultry and eggs;
- (2) milk and milk beverages;
- (3) frozen confections; and
- (4) marine products.

Also, the food items below require specific licenses from relevant departments:

- (1) rice (tid.gov.hk)
- (2) liquor (customs.gov.hk)
- (3) tobacco (customs.gov.hk)

Food importers, through close liaison with exporting countries, are responsible for ensuring that food items they procure comply with the local legislation. To help ensure hygienic standards of food, importers are encouraged to obtain health certificates issued by health authorities of countries of origin to accompany their imports certifying that the food products concerned are fit for human consumption.

For details, please visit: cfs.gov.hk/english/import/import_ifc.html

Online Sale of Restricted Food

All restricted foods for sale or offered for sale on website or online platform account shall be pre-prepared, pre-packaged and supplied by approved suppliers. No storage, handling or preparation of restricted foods shall be conducted at the place where the online sale business is conducted. Otherwise, a relevant restricted food permit or an appropriate food business licence may be required under Food Business Regulation.

For details, please visit fehd.gov.hk/english/licensing/Guide_on_Types_of_Licences_Required.html

Examples of Foreign Food Trading and Distribution Companies Operating in Hong Kong

- Anliss (South Africa)
- Arla Foods (Denmark)
- China Resources Enterprise (Mainland China)
- Classic Fine Foods (Germany)
- CPF Worldwide (Thailand)
- Export Packers (Canada)
- Ferrarini (Italy)
- General Mills (US)
- Huangju Food (Taiwan)
- Kubota Rice Industry (H.K.) Co Ltd (Japan)
- Lindt & Sprungli (Switzerland)
- Nestlé (Switzerland)
- Nihon Shokken (Japan)
- Nishihara Shokai (Japan)
- Shinmei Asia (Japan)
- Sysco (US)
- The Produce Company (New Zealand)
- Unilever (UK)

Food Labelling

The following information should be marked in either English or Chinese language or in both languages on the label of prepackaged food, unless otherwise exempted:

- (1) Name of the Food
- (2) List of Ingredients
- (3) Indication of “Use by 此日期或之前食用” or “Best before 此日期前最佳” Date
- (4) Statement of Special Conditions for Storage or Instructions for Use
- (5) Name and Address of Manufacturer or Packer
- (6) Count, Weight or Volume Food

Nutrition Labelling

All general prepackaged foods must contain a nutrition label that includes the information on energy and seven nutrients specified for labelling (1+7), namely, protein, carbohydrates, total fat, saturated fatty acids, trans fatty acids, sodium and sugars. Furthermore, the nutrition label must list the amount of any claimed nutrients.

For details about registration, licensing, and labelling requirements, please contact:

Food and Environmental Hygiene Department
44/F, Queensway Government Offices,
66 Queensway, Hong Kong

Tel: (852) 2868 0000
Fax: (852) 2869 0169
Email: enquiries@fehd.gov.hk
fehd.gov.hk

Impossible Foods Expedites Asia Expansion

With Asia as its priority market, the US plant-based food company steps up its efforts in Hong Kong to drive international retail footprint.

There is an increasing trend of people switching to plant-based diet for health, environmental or ethical reasons, but many find it difficult to compromise the satisfaction of meaty taste. Impossible Foods is one of the pioneers to develop plant-based food that doesn't compromise on the look, taste, nutrition and texture of animal meat with a mission to restore sustainability and biodiversity of the global food system.

"Our mission is to eliminate the need for animals as a food production technology and make the global food system sustainable by 2035," explained Heidi Nam, General Manager of Impossible Foods Hong Kong. "We make delicious, nutritious, affordable and sustainable meat, fish and dairy from plants, using a small fraction of natural resources. It is essential to the survival of our species that we turn back the clock on climate change, and a plant-based diet is the most powerful tool an individual has to do so."

Surging demand in Asia

Following its debut of Impossible™ Burger in the US in 2016, the company set its eyes on the vibrant Asia market, and looked no further than Hong Kong to expedite its expansion. "Demand for meat is growing faster in Asia than anywhere else on the planet," said Nam, "Hong Kong specifically is not only one of the world's highest meat consuming cities per capita, but it is also home to some of the world's most discerning gourmands and trend-setting chefs."

"We made our first overseas debut in Hong Kong in 2018 and launched our products at some of the city's most



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beloved restaurants. We further rolled out to other markets in Asia, including Macao and Singapore a year later. Since then, we are thrilled to see huge growth in our footprint globally," Nam recalled.

Impossible Foods' products are now available in over 30,000 restaurants around the world, after making its grocery store debut in September 2019 in the US, its international retail footprint further expanded in October 2020 with Asia as the first stop. With increase in economies of scale, it also managed to lower the wholesale prices by 15 percent in March 2020, followed by another two rounds of price cuts in 2021, including the latest retail price drop in Hong Kong which exceeds 20 percent, leading towards its mission to make affordable and sustainable meat from plants.

International food city with diverse culinary scene

Nam shares the secret ingredient for Impossible Foods' success: "It's all about closely assessing the market to ensure we tailor our approach and are introduced in a way that will resonate. In Hong Kong, we started with renowned chefs famous for their meaty dishes, and worked to get Impossible products on the menus of every restaurant and represent the culinary diversity of the markets to gain credibility. We can see that Hong Kong people are open and interested in becoming more sustainably-minded through their food choices."



Hong Kong is more than just a launch pad for Impossible Foods, as Nam remarked, "there is a much greater variety of cuisine here in Hong Kong that are much more Asian-focused, this helps us gain a better understanding about consumers' needs in the nearby markets." The recent relocation to Hong Kong of Nick Halla, Impossible Foods' Senior Vice President of International, also reinforces the city's crucial role in the company's Asia expansion.

Impossible Foods

- Headquartered in California, Impossible Foods was founded in 2011 by Dr. Patrick O. Brown, a Stanford biochemistry professor emeritus and former pediatrician
- Currently has around five employees in Hong Kong supporting local marketing, sales and business development functions, as well as distributor and retailer relations

impossiblefoods.com/hk

Approximate Monthly Office Rental Costs (HK\$)

Districts (central business districts)	Rental (net effective)
Central/Admiralty	\$104/sq. ft.
Wan Chai/Causeway Bay	\$62/sq. ft.
Island East	\$52/sq. ft.
Tsim Sha Tsui	\$46/sq. ft.
Kowloon East	\$31/sq. ft.

Source: Colliers International, Q1 2021

Average Monthly Salaries for Trading Staff (HK\$)

Title	Average Salary
Sales Manager	\$33,000 - 55,000
Sales Executive	\$19,000 - 24,000
Logistic Manager	\$32,000 - 37,000
Shipping Clerk	\$14,000 - 19,000
Purchasing Officer	\$22,000

Source: June 2021, JobsDB

Relevant Organisations in Hong Kong

Food and Environmental Hygiene Department

44/F, Queensway Government Offices,
66 Queensway, Hong Kong
Tel: (852) 2868 0000
Fax: (852) 2869 0169
Email: enquiries@fehd.gov.hk
fehd.gov.hk

The Hong Kong Imported Food & Beverage Association

Suite C, 9/F, Grand Progress Building,
58-62 D'Aguilar Street,
Central, Hong Kong
Tel: (852) 2180 2374
Fax: (852) 3168 9968
Email: zoe@ifba.hk
www.ifba.hk

GS1 Hong Kong

22/F, OTB Building,
160 Gloucester Road,
Wanchai, Hong Kong
Tel: (852) 2863 9710
Email: info@gs1hk.org
gs1hk.org

Major F&B Events in Hong Kong

Event	Website
Asia Fruit Logistica	asiafruitlogistica.com
HOFEX	hofex.com
Hong Kong Food Expo	event.hktdc.com/fair/hkfoodexpo-en/HKTDC-Food-Expo/
Hong Kong Food Festival	food-expo.com.hk/hong-kong-food-festival.html
Hong Kong International Tea Fair	event.hktdc.com/fair/hkteafair-en/Hong-Kong-International-Tea-Fair/
Hong Kong Wine and Dine Festival	masterclasses.discoverhongkong.com/eng/
LOHAS Expo	lohasexpohk.com
Natural & Organic Asia	naturalandorganicasia.com
Restaurant & Bar Hong Kong	rbhk-ga.com
Vegetarian Food Asia	vegfoodasia.com

For more information, please contact:

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