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Report Highlights:

Bite size local news, Post reports and activity summaries wrapped by ATO Hong Kong. In this issue: Improved Sentiment Among Hong Kong Small and Medium-Sized Enterprises; Hong Kong Tourism Sector Expects Travel To Rebound 70 Percent; All Curbs on Travels Between Hong Kong, Macau And China Lifted; Visitors To Hong Kong Tripled In January; Macau Targets 40 Million Visitors In 2023; Macau's GDP To Grow 44 Percent In 2023; Macau Expected To Host 700 - 1,000 Conferences And Exhibitions In 2023; Hong Kong Restaurant Receipts Dropped 6.4 Percent In 2022; Hong Kong Food Retail Sales Remained Stable at \$12 Billion in 2022; Man Arrested For Possession Of CBD Products Following Enforcement Of New Law; 100 Pigs Culled in Hong Kong After Swine Fever Alert.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY Bite Size Local News, Post Report and Activity Summaries

THE HONG KONG WONTON

wrapped by ATO Hong Kong

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First Food Trade Show Takes Place Following Easing of Local Travel and Dinning Restrictions LOHAS Expo took place on February 3-5, 2023, with more than 1,000 participating brands. Inaugurated in 2012, the show focuses on promoting Lifestyles of Health and Sustainability (LOHAS) and responds to increased demand for products that are sustainable, healthy, and environment-friendly, including natural and organic food products, health food and supplements, natural personal care, eco leisure and eco/green living products. The three-day show opened to both trade and local consumers in Hong Kong. It is Hong Kong's first food trade show after the government announced the lifting of all its travel and dining restrictions, including food sampling at exhibitor booths. Exhibitors and buyers were optimistic on the city's outlook for food sales in 2023.

> 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:

- Corn
- U.S. snacks (including potato chips) and Fast-Moving Consumer Goods (FMCG) foods
- Miniature pumpkins (size 1.2 -1.5kg/pc) and winter squash

If you are interested in supplying these products, please contact <u>ATOHongKong@usda.gov</u> provide your company information, contact person, and email address. We will connect you with interested buyers.

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Improved Sentiment Among Hong Kong Small and Medium-Sized Enterprises [<u>Hong Kong</u> <u>Census and Statistics Department</u>, February 9, 2023]

On February 9, the Hong Kong Census and Statistics Department released the results of the Monthly Survey on Business Situation of Small and Medium-sized Enterprises (SMEs) for January 2023. The current diffusion index (DI) on business receipts amongst SMEs increased from 46.1 in December 2022 to 48.2 in January 2023, whereas outlook DI for February 2023 on business receipts was 51.2. Analyzed by sector, the current DIs on business receipts for many surveyed sectors rose by varying degrees in January as compared to the previous month, particularly for business services (from 46.3 to 50.0) and retail trade (from 44.5 to 47.7). The current DI on new orders for the import and export trades increased from 46.2 in December 2022 to 48.8 in January 2023, whereas the outlook DI on new orders for next month was 50.9. ATO Notes: While tightened financial conditions and slower global economic growth still pose uncertainties for businesses, the overall sentiment among SMEs continued to improve in January as most social distancing measures have been lifted and quarantine-free travel between Hong Kong and the mainland gradually resumes. It is expected the sentiment among SMEs, particularly those in the tourism and food service sectors, will continue to improve with the return of tourists and business activities. U.S. agricultural exporters considering travel to Hong Kong should make sure to 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 Tourism Sector Expects Travel To Rebound 70 Percent [<u>The Standard</u>, February 3, 2023]

Hong Kong's tourism trade expects the number of travelers visiting the city to recover as much as 70 percent of pre-pandemic levels, as the city lures tourists back by launching a "Hello Hong Kong" global promotion. Speaking on a radio program on February 3, Simon Wong, chairman of the Quality Tourism Services Association, said the promotional offers is a much-needed boost to the pandemic-hit industry and could let the world know that Hong Kong is back in play. He said the tourism industry has been halted for three years and now is the time to welcome tourists back. Wong, also a chairman of restaurant group LH Group, noted that businesses have recovered to about 90 percent of pre-pandemic levels after the Hong Kong government canceled the city's vaccine pass arrangement. On February 2, Chief Executive John Lee unveiled plans to lure tourists to the city, including handing out 500,000 air tickets and a million spending vouchers, he also stressed the need to ensure the industry can cope with the renewed demand. Meanwhile, tourism sector lawmaker Perry Yiu said more must be done to boost consumption and encourage tourists to stay for longer periods after the launch of the promotional campaign. Yiu called on the government to roll out a recovery fund, saying businesses at airlines, hotels, restaurants, and retail sector that hinder the recovery of the Hong Kong economy. It will take several

months for the tourism and hospitality sectors to recruit enough staff to serve the return of visitors and meet the demand of services due to the increase in business activities.

Free Flights For Tourists To Hong Kong [The Standard, February 3, 2023]

About 500,000 free air tickets are in store for overseas tourists through lucky draws and buy-one, getone-free promotions starting March 1 as Hong Kong tries to lure in an extra 1.5 million visitors in six months. The giveaways came on the same day Chief Executive John Lee launched the \$256 million "Hello Hong Kong" promotion campaign on February 2, during which he declared the 500,000 free tickets to tourists is "probably the world's biggest welcome ever." Another 80,000 tickets will be given out to Hongkongers in the summer outbound peak period, and 80,000 more to tourists from the Greater Bay Area. In a launch of the "World of Winners" tickets giveaway campaign - a publicity drive to tell the world that Hong Kong is back as the pandemic enters its fourth year - Airport Authority chief executive Fred Lam said that part of the 500,000 free plane tickets will be given to tourists from Asian countries as they have traditionally counted for 75 percent of visitors. Meanwhile, more than one million "Hong Kong Goodies" visitor consumption vouchers worth over \$13 each were given out to tourists from 5pm on February 2. The vouchers will cover welcome drinks at some bars, restaurants, and hotels, as well as cash vouchers for tourists to redeem in transportation, culinary, retail and tourist attractions. **ATO Notes:** As Hong Kong has lifted its travel restrictions, the incentive programs aim to attract the gradual return of multi-million tourists to Hong Kong in 2023.

All Curbs on Travels Between Hong Kong, Macau And China Lifted On February 6 [<u>The</u> <u>Standard</u>, February 5, 2023]

Starting from February 6, travelers between the mainland and Hong Kong can enjoy quarantine-free, quota-free, and test-free cross-border travel, as all checkpoints reopened. The current quota limit for Hong Kong-mainland travelers will be eliminated, and passengers will no longer need to make reservations before crossing the border. Group tours between China, Hong Kong and Macau will resume, while the number of customs checkpoints open will return to pre-pandemic levels. Hong Kong will end test requirements for all mainland visitors on the same day. The city will also drop the rapid antigen test for travelers from Macau, as well as the COVID-19 vaccination requirement for overseas and Taiwan-inbound passengers. Travelers from Hong Kong and Macau to the mainland will no longer need to provide proof of a negative test if they haven't been to Taiwan or overseas over the past seven days. Business leaders and representatives of other sectors hailed it as a significant boost to the revival of Hong Kong's economy. From January 8, Hong Kong resumed the initial stage of quarantine-free travel with the mainland and capped the daily quota of cross-border passengers at 75,000. Data from Ctrip, an online travel platform, showed that searches for Hong Kong and Macau as destinations increased more than threefold immediately after the full resumption arrangement was announced. ATO Notes: More than 243,000 travelers crossed the Hong Kong-China border at all control points on February 6, the first day of the full opening after Hong Kong lifted all curbs for travels to China and Macau. The increase in cross-border travels between Hong Kong, Macau and China is expected to boost business in the region particularly in the tourism and food service sectors.

Hong Kong Carrier Cathay Pacific Flew Over 1 Million Passengers In January [<u>The Standard</u>, February 16, 2023]

Hong Kong based flight carrier Cathay Pacific flew 1.03 million passengers in January, 40 times more than January 2022 and the first time the number passes the one million mark since COVID-19, the flagship carrier announced. Chief customer and commercial officer Lavinia Lau said that leisure travel demand over the Lunar New Year holiday was strong, particularly from Hong Kong to popular destinations such as Japan, Bangkok, and Singapore. "We are on track to operate more than 100 return flights per week to 14 cities in the Chinese mainland by the end of this month (February)," Lau said. Cathay, Lau added, is working to increase its passenger flights, especially in the run-up to the Easter holiday. Its cargo business grew 28.1 percent year on year to 95,139 tons in January. **ATO Notes:** Cathay Pacific's passing of the one million passenger mark symbolizes the gradual return of tourists to Hong Kong as the city has lifted its travel restrictions. However, similar to hotels and restaurants which were hard-hit under the pandemic, airlines will take several months to recruit enough staff to operate their flights to meet the growing traveler and cargo demand.

Visitors To Hong Kong Tripled In January [The Standard, February 16, 2023]

Hong Kong played host to about 500,000 visitors in January, tripling the number logged visitors in December 2022, according to data announced by the Hong Kong Tourism Board (HKTB) on February 15. The data also revealed a recovery of about 10 percent compared to the average daily arrival of 2019, HKTB said. Apart from visitors with essential travel needs such as overnight stopovers, family visits or business trips, the share of leisure visitors also increased. Among non-mainland travelers welcomed in January, about 85,000 were short-haul travelers and about 54,000 were long-haul travelers. Separately, with the "Hello Hong Kong" campaign launched, the HKTB is giving out at least 1 million "Hong Kong Goodies" visitor consumption vouchers worth at least \$13 each jointly with merchants across the city to travelers visiting the city. Apart from welcome drinks at selected bars, restaurants and hotels, visitors can also redeem the vouchers directly at over 1,500 shops at various attractions, retail and dining outlets from February 15 for a special offer with no minimum spending requirements. ATO Notes: ATO has witnessed the gradual increase in tourist arrivals as more visitors began to show up in queues at restaurants, high-end retail shops, and tourist attractions since early January. Large in-person events such as Ruby Seven, Clockenflap (music festival), the Hong Kong Marathon, conferences, trade shows are returning close to the pre-pandemic scale. The "Hello Hong Kong" campaign is set to accelerate the return of multimillion visitors to the city for leisure and business.

Macau Targets 40 Million Visitors In 2023 [The Macao News, February 6, 2023]

Macau Tourism officials are aiming for 40 million annual visitors, as tour groups from mainland China head back into Macau for first time in three years. As mainland Chinese tour groups head back into Macau on February 6, tourism officials are planning to redouble efforts to encourage more tourists, including offering subsidies of up to \$50 for selected overnight visitors. The Macau Government Tourism Office (MGTO) announced Macau's preparations for tour groups from mainland China, and various measures aiming to boost the city's tourism sector. Secretary for Economy and Finance Lei Wai Nong said that the central government's resumption of tour groups to Macau would "surely" boost the recovery of its tourism and economy "a great deal." Lei said that the government has been preparing for the full recovery of Macau's tourism sector, with the expectation that the city will welcome around 40 million visitor arrivals per year again, the level recorded in the pre-pandemic year of 2019. Macau

recorded 39.4 million visitor arrivals in 2019, the year before the COVID-19 pandemic began to affect Macau in early 2020. **ATO Notes:** On January 24, Macau recorded the highest daily visitor arrivals of 90,391, but still lower than the average daily arrivals of around 100,000 in 2019. As Macau launches promotions to attract tourists to visit Macau, it is expected the number of visitors to Macau will recover gradually in 2023.

University Predicts Macau's GDP To Grow 44 Percent In 2023 [The Standard, February 8, 2023] Macau appears to be in line for substantial economic growth this year driven by the mainland's reopening from COVID 19. Gross domestic product could grow 44.1 percent to \$32 billion in 2023

reopening from COVID-19. Gross domestic product could grow 44.1 percent to \$32 billion in 2023, albeit from a low base, according to the University of Macau forecast. The baseline GDP growth is 20.5 percent, nearly half of 2019's level. Growth in exports of services exports will soar 82.8 percent year-on-year based on the most optimistic readings. The university sees Macau's economy recovering gradually during the second half of this year, with visitor numbers expected to increase to more than 21 million. Pressured by COVID-19 and pandemic control measures, Macau's economy suffered a downward trend in 2022. Second-quarter GDP dove 39 percent due to the large-scale community infection cases in June. **ATO Notes:** Macau has a small population of around 650,000 but received over 39 million tourists before the pandemic in 2019. The city's economy is sensitive to the external environment, and it is expected that Macau's GDP will have double-digit growth in 2023.

Macau Expected To Host 700 - 1,000 Conferences And Exhibitions In 2023 [<u>The Macao News</u>, February 13, 2023]

Macau can expect to host between 700 and 1,000 conferences and exhibitions this year, according to the Trade and Investment Promotion Institute (IPIM), which said that the industry is expected to grow steadily. "There are about 15 Meetings, Incentives, Conferences, and Exhibitions (MICE) events scheduled for the first quarter, including four in February," said IPIM Acting President, U U Sang. "We are expecting about 6,000 visitors from various parts of mainland China to join. More events are scheduled for the second quarter, including one conference, expected to draw some 10,000 visitors." U U Sang added that the third and fourth quarters were the traditional high season for MICE and the industry was expected to do well. **ATO Notes:** As Macau has lifted its stringent travel and dining restrictions, in-person leisure travels as well as business activities like conventions and exhibitions are expected to gradually return.

Macau Earmarks \$75 Million to Attract Tourists [The Macau Post Daily, February 16, 2023]

In response to last month's implementation of COVID-19 test-free traveling rules, the Macau Government Tourism Office (MGTO) Director Maria Helena de Senna Fernandes told reporters that this year, MGTO has launched promotion campaigns in countries and regions with direct flights to Macau. These campaigns include special offers and roadshows and are supported with a budget of about \$75 million. Senna Fernandes indicated that aiming to attract more international visitors to Macau, MGTO will also gradually introduce tourism products with discounts and strengthen the publicity of Macau's tourism image, to promote its tourism products and attractions through multiple advertising methods. According to Senna Fernandes, in the hope of attracting more tourists to come to Macau in pairs and in groups, the government has launched a plan to give away 120,000 air tickets, mainly in the form of "buy-one-get-one-free", covering both domestic and foreign passengers. **ATO Notes:** On February 14, ATO staff traveled to Macau for the first time in three years, during the visit ATO witnessed the return of

tourists to Macau with a lot of activity seen at border checkpoints, ferry, bus terminals, restaurants, highend retail shops, and tourist attractions. Food traders and hotels commented that business during Lunar New Year holidays went extremely well with many visitors and full hotel occupancy. However, contacts in the hospitality sector also mentioned staff shortages as an issue in the city with about 70 percent of restaurants in casinos still closed. They observed that it will take some time to recover all that lost labor.

HOTELS, RESTAURANTS, AND INSTITUTIONS



Hong Kong Restaurant Receipts Dropped 6.4 Percent In 2022 [<u>Hong Kong Census and Statistics</u> <u>Department</u>, February 7, 2023]

According to the Hong Kong Census and Statistics Department, in the fourth quarter of 2022, the value of total receipts in the restaurant sector, provisionally estimated at \$3.3 billion, increased by 1.6 percent compared to the previous year. Over the same period, the provisional estimate of the value of total restaurant purchases increased 1.7 percent to \$1.1 billion. After netting out the effect of price changes over the same period, the provisional estimate of the volume of total restaurant receipts decreased 1.9 percent in the fourth quarter of 2022 compared to the same period in 2021. For 2022 as a whole, the value of total receipts in the restaurant sector was provisionally estimated at \$11.1 billion, a decrease of 6.4 percent in value compared with 2021. Over the same period, the provisional estimate of the value of total restaurant purchases decreased 4.2 percent to \$3.7 billion. **ATO Notes:** The overall drop in restaurant receipts was mainly due to the severe impact of the fifth and deadliest wave of the local epidemic in the first quarter of 2022. Restaurant activity improved in the second to fourth quarter of 2022, thanks to the further relaxation of social distancing measures, improved labor market conditions and disbursement of consumption vouchers. It is expected that the return of economic activities and rebound in inbound tourism will further boost restaurant business in 2023.

Macau Casinos Expected To Resume Making Profits In 2023 [The Standard, February 10, 2023]

On February 9, Macau casinos Wynn and MGM China's shares jumped by 7.2 and 9.2 percent respectively though they both reported losses in the fourth quarter of last year. However, analysts believe investors' focus has turned away from Macau casino operators' financial results last year to prospects for this year, believing they are already seeing strong indicators. Craig Billings, chief executive of Wynn Resorts, the parent of Wynn Macau, said the firm "was pleased to experience a meaningful return of visitation and demand" during the Lunar New Year holiday period. "We believe we are well-positioned for success in Macau's next phase of growth," he said. Other Macau gaming stocks also rose in Hong Kong, with Sands China soaring 5.4 percent and Galaxy Entertainment gaining 3.2 percent. Last month, Macau posted an 82.5 percent rise in gambling revenue to \$1.4 billion, which beat expectations. **ATO Notes:** As Macau's border has reopened, more visitors especially from China and Hong Kong are set to gradually return to the city to boost its tourism and gaming industries. It is expected

that business activity at restaurants, hotels and casinos in Macau will continue to improve. The Macau government also continues to encourage operators to diversify their activities beyond gaming.

The Number Of Newlyweds Doubles And Business Blossoms On Valentine's Day [<u>The Standard</u>, February 14, 2023]

A total of 248 Hong Kong couples registered for marriage on Valentine's Day, double the figure in 2022 and marking the highest record after the pandemic outbreak. Love birds queued outside the City Hall Marriage Registry in Central Valentine's Day morning, including couples from the mainland. According to the figure published by the Hong Kong Immigration Department, 248 couples registered for marriage on February 14, increasing from 124 last year while lower than the record of 333 marked in 2019. Florists have already seen 30 percent more Valentine's Day orders while restaurants are expecting \$4.5 million in business as couples are set to spend their first lover's day after most COVID-19 restrictions have been lifted. "The business income is expected to rise by 40 to 50 percent on Valentine's Day. We are well-prepared," said a florist in the city's flower market street. The chairman of the Hong Kong Wholesale Florist Association, Sunny Lai, said business has rebounded to 80 to 90 percent of prepandemic levels. **ATO Notes:** Number of newlyweds and sales of flowers, restaurant businesses on Valentine's Day are proxies for consumers spending sentiment in Hong Kong. As Hong Kong has lifted its pandemic restrictions, it is expected that its economy will gradually improve in 2023 and consumers are willing to spend more. For couples, restaurants promoted specialized Valentine's tasting menus on social media, other restaurants promoting "Galentine's Day" tasting menus targeting single female professionals.





Hong Kong Food Retail Sales Remained Stable at \$12 Billion in 2022 [<u>Hong Kong Census and</u> <u>Statistics Department</u>, February 3, 2023]

According to the Hong Kong Census and Statistics Department, value of total retail sales in December 2022, provisionally estimated at \$4.3 billion, increased 1.1 percent compared with the same month in 2021. For 2022 as a whole, the value of total retail sales was provisionally estimated at \$45 billion, a decrease of 0.9 percent in value and 3.4 percent in volume compared with 2021. The value of online retail sales was provisionally estimated at \$4.4 billion, an increase of 20.8 percent over 2021. A government spokesman said that the value of total retail sales reverted to a year-on-year increase of 1.1 percent in December 2022 alongside improved economic sentiment and the further relaxation of social distancing measures. Looking ahead, the spokesman highlighted that the return of economic activities and the expected increase in inbound visitors should bode well for retail sales performance. Improved labor market conditions will provide further support. **ATO Notes:** Hong Kong food retail sales were \$12.1 billion in 2022, a modest increase of 0.5 percent over 2021. Hong Kong food retail sales have been

stable even under the pandemic as most food shoppers are local residents. It is expected that the return of tourists to Hong Kong would modestly enhance businesses in the food retail sector.

TRADE



CBD Products Abandoned on Hong Kong Train [The Standard, February 3, 2023]

On February 3, Hong Kong police officers were called to a railway (MTR) station after station staff found a bag of CBD products abandoned inside the first-class compartment of a train. MTR staff were said to have found a tote bag under a passenger seat inside the first-class compartment, which seemed to hold various products containing CBD, including gummies, crystals, vape cartridges, and other unidentifiable liquids. Officers arrived on the scene to pick up the items after receiving the report and classified the case as 'discovery of dangerous drugs', and no arrests have been made. Before the law took effect, the government set up 10 Cannabidiol (CBD) product disposal boxes in different government premises to allow citizens to willingly dispose of their CBD products. As of January 29, the government collected about 77,400 CBD-containing products, which were mainly cosmetics, oral oil solutions, and health supplements. **ATO Notes:** For more information on the new CBD regulation please see our <u>GAIN report</u>.

Man Arrested For Possession Of CBD Products Following Enforcement Of New Law [The

Standard, February 9, 2023] A 30-year-old man was arrested on February 8 by Hong Kong Customs after they found a small amount of CBD product in an airmail parcel addressed to him, marking the first such case after the legislation was enforced this month to criminalize the possession of the chemical. Customs announced that an airmail parcel declared as a skin oil and shipped from Denmark to Hong Kong was seized at Hong Kong International Airport on February 6. Upon inspection, Customs officers found two bottles of suspected cannabidiol (CBD) oil inside the package. The total amount of the drugs was about 60 milliliters. After a later inspection launched by Customs, officers on February 8 targeted a man suspected to be the receiver of the parcel, arresting him and further finding two bottles of CBD oil and four grams of suspected cannabis buds upon search of his workplace. A grinder containing traces of cannabis buds was also found in the man's residence. The CBD oil and the cannabis buds seized were estimated at about \$750, said Customs. ATO Notes: Starting from February 1, Cannabidiol (CBD) has been incorporated into the 'Dangerous Drug Ordinance', which makes importing, illegally manufacturing, possessing, and consuming CBD illegal. The highest possible sentence for people who violate the ordinance is seven years imprisonment and a \$129,000 fine. People who illegally traffic or manufacture restricted substances will face the highest possible sentence of life imprisonment sentence and a fine of \$643,000. For more information, please see related GAIN report.

100 Pigs Culled in Hong Kong After Swine Fever Alert [The Standard, February 14, 2023]

Pork supplies and prices should remain stable although authorities had to cull about 100 pigs at a Hong Kong slaughterhouse after 32 of them were diagnosed with swine fever from a pig farm, an industry representative says. However, the discovery of swine fever is expected to worry butchers as abattoirs hit by the infection must cull all pigs and undergo full disinfection to eliminate the pathogen, which may take up to two years. The Hong Kong Agriculture, Fisheries and Conservation Department (AFCD) announced on February 11 that it found the 32 pigs on a licensed farm, which tested positive for African Swine fever (ASF). Lam Wing-yuen, vice-chairman of the Hong Kong Livestock Industry Association, said on February 13 the industry was shocked by the news. "It should not pose great threats to people in terms of food safety, but it would hinder operations of pig farms," he said. "Despite the pig farm being a minor farm, all pigs on the farm will have to be culled, and it could take more than two years for the farm to resume normal operations." However, Lam found the department's decision to stop five pig farms within three kilometers of the involved farm from selling pork for 10 days to be appropriate, adding that the incubation period for swine fever virus lasts for a week. Lam said there was only a slim chance that pork contaminated with the swine fever virus would get into the market, as local farms have enhanced disinfection since the outbreak of the COVID-19. Pigs in Hong Kong are slaughtered within 24 hours of being sent to an abattoir, since the city saw pigs infected with African swine fever in May 2019. Pig farmers must also adopt proper biosecurity measures, including vehicle and personnel control in and out of farms. ATO Notes: The culling of the 100 pigs does not affect pork supplies to Hong Kong. Hong Kong consumers generally prefer fresh meat to frozen or chilled meat as they regard fresh meat tastier and more nutritious compared with frozen or chilled meat. Discovery of ASF in pork in local farm would prompt consumers to pay more attention to the quality of meat and some may temporarily switch to frozen or chilled pork products.

Hong Kong Consumer Watchdog Found Contaminants in Prepackaged Edible Fungi [<u>The</u> <u>Standard</u>, February 15, 2023]

Hong Kong's consumer watchdog said after testing 28 samples of prepackaged edible fungi sold on the market, 12 samples were found to contain at least one type of pesticide, while all contained metallic contaminants these are unlikely to cause any significant health risk. From August to September 2022, the Consumer Council sourced 10 samples of black fungus, 9 of white back black fungus, and 9 snow fungus from major retail outlets, with prices ranging from \$1.5 to \$13 per pack, equivalent to a unit price of \$1 to \$17 per 100g. The council said that although pesticides and metallic contaminants were found in the samples, the amount detected was small, and as consumers tend to consume a limited serving size of edible fungi each time, in which the overall risk is not significant. The test found 2 black fungus samples and 2 white back black fungus samples, each contained 1 pesticide residue, but by using a conversion factor to extrapolate residues in their fresh state, estimates were below the limits for fresh edible fungi under the Hong Kong Pesticide Residues in Food Regulation (Pesticide Regulation). Meanwhile, among the snow fungus samples, 1 to 5 types of pesticide residues were detected in 8 samples. One sample labeled "organic" was found with residues of 4 types of pesticides, of which the level of Abamectin B1a would reach the maximum residue limit of the Pesticide Regulation. The council urges the industry to conduct regular product tests to ensure pesticide residues in their products comply with the relevant regulations. ATO Notes: Hong Kong consumers are very much like U.S. consumers who are health-conscious, quality-conscious, and safety-conscious. The Consumer Council takes food samples regularly to check out the quality and safety of food products sold in Hong Kong.

Hungry for more information about the Hong Kong and Macau markets? Contact our office: <u>ATOHongKong@usda.gov</u> or visit our website <u>https://www.atohongkong.com.hk</u> To subscribe or unsubscribe email <u>ATOHongKong@usda.gov</u>, subject title: subscribe/unsubscribe The Hong Kong Wonton

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Attachments:

No Attachments.