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Report Highlights:

Bite size local news, Post reports and activity summaries wrapped by ATO Hong Kong. In this issue: Hong Kong Drops Mask Mandate; Hong Kong Economic Growth Predicted to Grow Between 3.5 And 5.5 Percent In 2023; Manpower Problems Delay Hong Kong Tourism Recovery; Hong Kong Jobless Rate Drops in Most Sectors; Hong Kong Inflation Hits Three-Year High; Macau Ditches Outdoor Masks; Visitor Arrivals in Macau Hit 1.39 Million in January; Hong Kong Forbes Awards Boost Macau Hotels; Macau Hotel Occupancy Shows Steep Rise in January; Shops Registrations in Hong Kong Surged by 29 Percent; Hong Kong Customs Seized Over 1.2 Tons of Dried Shark Fins; Macau Suspends Imports of Live Oysters from the United States.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

wrapped by ATO Hong Kong

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VEGETARIAN FOOD ASIA ATTRACTS RECORD NUMBER OF VISITORS

Vegetarian Food Asia (VFA) trade show took place on March 17 - 19, this annual show is Hong Kong's most comprehensive vegetarian and green lifestyle exhibition. This event ran on a bigger scale with 600 brands covering vegetarian, vegan, green living, natural, and organic products. This year, the number of visitors reached a record high of 50,000 people (consumers and business contacts). ATO noted that show exhibitors and visitors were happily adapting to the pre-pandemic food sampling format where visitors can stay and enjoy samples at the booth and interact with exhibitors. Young Hong Kong consumers are keenly interested in vegetarian and vegan offerings. In 2022, Hong Kong's global imports of fresh fruits and vegetables slowed 15 percent to \$4.5 billion but still well above the five-year average. The United States is one of Hong Kong's top five fresh fruit and vegetable suppliers to the city.

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 high sugar levels) 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.

ECONOMY



Hong Kong Drops Mask Mandate Starting March 1 [The Standard, February 28]

In an effort to entice the return of tourists and business, on February 28, Hong Kong Chief Executive John Lee announced that Hong Kong will drop the COVID-19 mask mandate effective March 1. Administrators of high-risk places such as hospitals and residential care homes, have discretion to require staff and visitors to wear masks. The zero-COVID-19 policy has been in place in Hong Kong and Macau for the past three years. Hong Kong began easing its strict COVID-19 rules in late 2022, but mask-wearing remained constant. The government of Hong Kong scrapped the masks after launching a promotional campaign called "Hello Hong Kong" in February to bring back tourists and businesses that have avoided the city since 2020 because of its stringent travel and dining restrictions. **ATO Notes:** The mask requirement is the last of the stringent government restrictions imposed in response to COVID-19. After three years of mandated mask wearing, local news report that more than 50 percent of residents were still choosing to wear their mask days after the drop of the mandate. However, the lifting of this final restriction aims to send a global signal that the city is open for tourism and business. There are clear indications that the city is waking up from its slumber with increased traffic on the road, restaurants booking far in advance, and local partners reaching out to ATO to reconnect after three years. Hong Kong residents and international travelers are now able to enjoy businesses, leisure, gatherings, and fine dining as they did pre-pandemic. 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 Economic Growth Predicted Between 3.5 and 5.5 Percent In 2023 [The Standard, February 22]

Hong Kong is seeing the medium-range forecast of a real economic growth rate between 3.5 and 5.5 percent for 2023, said Financial Secretary Paul Chan in his blueprint of the annual budget on February 22, adding a 3.7 percent rate per year forecast for 2024-25 to 2027-28. Chan said that the government's total revenue is predicted to be \$82.3 billion, with a deficit of \$7 billion and \$98 billion in fiscal reserves under forecast. "Taking into account the above new sources of revenue, the government's earnings and profits tax for 2023-2024 are estimated to be \$34 billion, increasing by 6.4 percent over the revised estimate for 2022-23," he added. Total government expenditure for 2023-24 will decrease by 6 percent to \$98 billion, with its ratio to nominal GDP projected to drop to 25 percent. "However, fiscal reserves will decrease to \$98 billion, equivalent to 12 months of government expenditures," Chan said, "with the deficit estimated to be \$7 billion." In addition, Chan emphasized that the government will not adjust profits tax and salaries tax under the pandemic and prevailing economic situation, "the momentum of Hong Kong's economic recovery still requires consolidation." **ATO Notes:** Hong Kong lifted its travel and dining restrictions in January and business activities are gradually resuming. It is expected that Hong Kong's economy will continue to grow in the second quarter and beyond.

Campaign to Keep Hongkongers Happy and Smiling [The Standard, February 23]

Another "Happy Hong Kong" campaign will be launched to keep locals happy and smiling. Large-scale food fairs, gourmet marketplaces and a sea-land summer carnival are but a few events designed to bring more joy to the community, Hong Kong Financial Secretary Paul Chan said. The Gourmet Marketplace and international food fairs will be held in various places in the next few months. The Hong Kong Tourism Board (HKTB) will organize a sea-land carnival next to the Victoria Harbor in the summer. Dance, music, and street performances from all over the world will be on offer at the carnival, with a brand-new light show replacing the nightly light and laser show. The West Kowloon Cultural District Authority, Ocean Park, Hong Kong Disneyland, Cyberport and the Science and Technology Parks will hold themed fairs, carnivals, and other activities this year. The government will allocate additional funding of about \$26 million to the HKTB to "attract high value-added visitors" through international events, conventions, and exhibitions. Chan also announced a \$346 million loan to support eligible passenger transport operators and licensed travel agents. The Travel Agents Incentive Scheme - due to expire in March - will be extended for three months. Authorities aim to inject \$4 million to enhance the travel sector through the use of technology. ATO Notes: The "Happy Hong Kong" campaign will be open to local residents and tourists. The campaign is set to accelerate Hong Kong's economic recovery and boost local residents' psychological recovery after the hardships under the pandemic.

Manpower Problems Delay Hong Kong Tourism Recovery [The Standard, February 17]

Tour-guide shortages and cash-strapped coach operators have been blamed for a slow rebound in Hong Kong tourism. Hong Kong Tourism Association executive director Timothy Chui said it would need a few more months for the tourism sector to restore full capacity to cope with demand. Chui made the revelation on the radio on February 16 as a 3,000-member corporate tour group from the mainland had to cut short its plan for an annual general meeting in Hong Kong from an overnight stay to a single-day trip due to a failure to find enough tour guides, coaches and drivers. According to Chui, many coaches have been left unused for three years and need maintenance that may cost up to \$26,000. The situation is further complicated by a shortage of tour guides, according to Hong Kong Tourism Industry Employees General Union chairwoman Sara Leung. She commented that 90 percent of the guides have changed to a different field during the pandemic. Leung added that there is also a shortage in drivers and as a result, it is expensive - costing around \$1,000 a day - to rent a coach. **ATO Notes:** Hong Kong tourism and hospitality sectors are expected to take several months before they can recruit enough staff to support the return of tourists. It is expected that Hong Kong would be in a better position to receive tourists by the second quarter of the year.

Hong Kong Jobless Rate Drops in Most Sectors [The Standard, February 17]

Hong Kong's jobless rate dropped for the ninth month in a row by 0.1 percentage points to 3.4 percent in the three months through January as economic activities picked up. According to the Hong Kong Census and Statistics Department, the number of unemployed workers lowered by 7,600 to 118,400 over the same period. Almost all the major sectors saw the unemployment rate drop, with more distinct decreases observed in the construction and retail sectors. The combined jobless rate of the consumption and tourism-related sectors fell by 0.2 percentage points from the preceding three-month period to 4.5 percent from November to January. The unemployment rate in the retail sector declined by 0.4 percentage points to 4.2 percent and edged down by 0.1 percentage points to 4.9 percent in the food &

beverage service sector. **ATO Notes:** Hong Kong's jobless rate is expected to drop further in the second quarter as economic activities are gradually resuming, coupled with the lifting of travel and dining restrictions and a steady recovery in inbound tourism.

Hong Kong Budget's Measures to Boost Economic Growth [<u>The Standard/Bloomberg</u>, February 22]

Hong Kong's residents and first-time homebuyers are set to benefit from the city's annual budget, as the government dishes out a fresh round of consumption vouchers and cuts stamp duties on some house purchases. Vouchers worth \$641 for every eligible resident came as the biggest surprise from Financial Secretary Paul Chan, though the amount is just half of last year's as the government scales back fiscal stimulus to rein in its deficit. Taxpayers will also cheer a slew of tax rebates for the year — albeit less than before —starting April 1. Meanwhile, market watchers say they are disappointed with the lack of measures to attract overseas talent needed to revive the city's status as a finance hub. The city's Jockey Club, a major sports betting agent, and tobacco firms face hefty tax increases. **ATO Notes:** Hong Kong residents and taxpayers are direct beneficiaries of the latest round of fiscal stimulus aimed at lifting the economy out of its pandemic slump. Local retailers are also beneficiaries as the new round of consumption vouchers is expected to boost spending. The Hong Kong government will reduce or waive airport charges and provide incentives for carriers to resume suspended flight services or launch new routes.

Hong Kong Inflation Hits Three-Year High [The Standard, February 24]

Hong Kong's underlying inflation rose to a three-year high at 2.4 percent in January, mainly due to the increases in the prices of food as well as electricity charges, according to the Hong Kong Census and Statistics Department. The overall consumer prices, which included the effects of the government's oneoff relief measures, also grew at the same pace to 2.4 percent in January- the highest in 13 months. Among the components of the Consumer Price Index, the fees of electricity, gas and water jumped 20.6 percent from the previous year, followed by a 6 percent rise in basic food costs while the prices of durable goods dropped by 2.2 percent. A government spokesman said that the rise of underlying inflation was partly due to the early arrival of the Lunar New Year, and it would thus be more meaningful to examine the figures for January and February combined to assess the situation. Going forward, domestic cost pressures may increase alongside economic recovery, the spokesman said, but added that external price pressures will likely remain notable, although moderated. Overall inflation would face some upward pressure but should remain moderate in the near term, he said. ATO Notes: As Hong Kong lifted its travel and dining restrictions in early January, there has been a sudden surge in demand for airlines, hotels, transportations, restaurants, and manpower, hence boosting inflation. It is expected that Hong Kong's inflation will continue in the second and the third quarter as business activities are gradually resuming.

Macau Ditches Outdoor Masks from February 27 [The Standard, February 27]

Macau residents and tourists can go mask-free in outdoor areas from February 27 with masks only required when taking public transportation and in medical institutions and care homes. Macau's COVID-19 coordination center said that the change is made with reference to anti-epidemic adjustments worldwide, after outbreaks in the casino hub have been under control for the past two months. For private venues and transportation, organizers can decide - according to their own needs - whether to require masks. Toddlers below three will be exempted from masks in all premises and students will no

longer be required to wear masks in class. "Ditching masks will help with students' physical and psychological growth," Macau's Education and Youth Affairs Bureau said. "Especially for early childhood and language education." From Wednesday, parents and toddlers attending admission interviews for the next school year - starting September - can also ditch masks. However, the COVID-19 coordination center warned that the mask mandate may return if COVID-19 outbreaks reoccur and advised the public to keep a sufficient supply. **ATO Notes:** The mask requirement is the last of the stringent restrictions that have been put in place under the pandemic. Macau residents and tourists will be able to enjoy leisure, gatherings, and fine dining as they did in pre-pandemic times. Similar to Hong Kong, local food service and hospitality contacts in Macau observe that it will take a few months to recruit sufficient staff to satisfy the anticipated rise in tourism.

Visitor Arrivals in Macau Hit 1.39 million In January [The Macao News, February 21]

Macau's tourism industry is well and truly back in business, with more than a million visitors pouring into Macau last month according to the latest figures – a rise of 259 percent month-on-month. The Macau Statistics and Census Service attributed the huge increase to the government's easing of COVID-19 entry curbs and the Chinese New Year holiday. Year-on-year, last month's visitor arrivals rose 101.3 percent. Overnight visitors (816,199) soared 234.5 percent year-on-year and same-day visitors (581,549) grew 29.1 percent year-on-year. Overnight visitors' average length of stay dipped to 2.6 days. Mainland Chinese visitor arrivals increased 54.5 percent year-on-year to 991,641, accounting for 70.9 percent of the total number of visitor arrivals in January. Visitors from Hong Kong accounted for 25.5 percent of all visitor arrivals, totaling 356,958 – a leap of 704.3 percent year-on-year. Visitors from the nine Greater Bay Area (GBA) cities grew 47.6 percent year-on-year to 608,338, or 43.5 percent of the total number of arrivals. Visitor arrivals by sea and by air rose 1,052.8 percent and 87.9 percent year-on-year respectively, thanks to the resumption of ferry services between Hong Kong and Macau, and a rebound in passenger traffic at the local airport. ATO Notes: Although tourists are gradually returning to Macau, monthly tourist arrivals at 1.39 million would lead to a total 17 million annual arrivals, far below the record level of 39 million tourists before the pandemic (in 2019). Macau is set to attract more tourists during the rest of the year as capabilities in the hotel, hospitality and transport industries continue to improve.

Macau's Inflation Saw Biggest Jump in A Year [The Macao News, February 27]

Macau's consumer prices rose by their biggest increment in a year, according to Macau Statistics and Census Service (DSEC). The 0.24 percent hike was driven by a jump in the cost of food, spurred in turn by demand over the Lunar New Year holiday, according to Portuguese news agency Lusa. The price of vegetables increased by over 5 percent. The cost of vehicular fuel rose by 20.8 percent over the past year, following international spikes in the price of energy. Year-on-year, the inflation rate stood at 0.77 percent, mainly due to increases of more than 3 percent in the price of electricity and nearly 12 percent in the salaries of domestic workers. While rents in Macau fell 12.8 percent, realtor Jones Lang LaSalle expects them to rise by up to 10 percent in 2023. **ATO Notes:** As Macau lifted its travel and dining restrictions in early January, there has been a sudden surge in demand for airlines, hotels, transportations, restaurants, and manpower, hence boosting inflation. It is expected that Macau's inflation will continue in the second and the third quarter as business activities are gradually resuming.

HOTELS, RESTAURANTS, AND INSTITUTIONS



Kaohsiung Cruise Terminal Reopened to Hong Kong Ships [The Standard, February 20]

The Kaohsiung City government announced that ships from Hong Kong will be allowed to dock at the southern port city's cruise terminal in April. Kao Min-lin, the head of Kaohsiung's tourism bureau, revealed on February 19 that the city has planned to work with local businesses to launch the so-called "double home port" route between Kaohsiung and Hong Kong in a bid to increase cruise ship tourism. As Hong Kong is a major connecting port, Kao said that the city government anticipates an influx of visitors from Southeast Asia aside from Hong Kong and Macau to Kaohsiung. Cruise ship passengers disembarking in Kaohsiung will be able to explore using the city's public transport network, Kao added. The city's tourism bureau added that the relaunch will mark three years since the city's ports have opened to taking in tourists from Macau and Hong Kong via cruises. The bureau said due to geographic proximity, travelers from Macau and Hong Kong accounted for two-thirds of visitors to Kaohsiung prior to the COVID-19 pandemic. **ATO Notes:** Kaohsiung is located in southern Taiwan, and it is one of the key stopover ports for cruise lines in the region. The reopening of Kaohsiung's cruise terminal to Hong Kong ships is another mark of the end of the pandemic to the beleaguered cruise businesses. It is expected that more cruise routes in the region will resume in the next few months.

Hong Kong Food Poisoning Scare Affecting 100,000 Students [The Standard, February 22]

Some of the 200 Hong Kong schools that order lunchboxes from major supplier "Luncheon Star" are looking for alternative suppliers after at least four students fell sick after having lunches last week. Luncheon Star, a subsidiary of fast-food restaurant giant "Cafe de Coral," suspended delivering lunchboxes to 100,000 students at 200 schools on February 20 and 21 to disinfect the facilities. On February 21, some schools continued to host cooking classes whereas others allowed students to "picnic" or eat out on the second day. Some schools are considering inviting tenders from other suppliers upon expiry of their contracts with Luncheon Star. Luncheon Star said in a February 20 statement that it would end the contract with several secondary schools due to manpower and capacity concerns. Luncheon Star resumed its lunchbox service for schools on February 22 as the Hong Kong Department of Health announced that the provider has passed the inspection on its factories. **ATO Notes:** There are 1,042 kindergartens, 591 junior schools and 508 high schools in Hong Kong. Most schools have contracts with caterers to provide lunchboxes to students. The food poisoning scare has prompted the government, schools and caterers to pay even more attention to food quality and safety.

Forbes Awards Boost Macau's Hotels [The Macao News, February 17]

One of Macau's top hospitality personalities has expressed pride in the latest accolades bestowed in the city's luxury hospitality sector but says local hoteliers must strive to offer quality in all segments of the market. On February 15, the *Forbes Travel Guide 2023* assigned the maximum five stars to 22 hotels in

Macau – more than London, which has topped the list for the past four years. While acknowledging that "we are all proud," Luis Heredia, President of the Macau Hotel Association, told Macao News that "Everybody likes deluxe service, but there are also people who like to come for a simple relaxing time." The Forbes Guide bestowed awards on 71 establishments in Macao, including 27 hotels, 26 restaurants and 18 spas. Tourism in Macau has been reviving since the lifting of pandemic-related travel restrictions in January. According to figures cited by Portugal's Lusa News Agency, the city registered 451,000 visitors during the Lunar New Year week, almost triple the number recorded for the whole of 2022. The average hotel occupancy rate was 85.7 percent, with a peak on the third day of the Lunar New Year (January 24) at 92 percent. Heredia says the latest Forbes accolades are adding to Macau's "very good kickoff." **ATO Notes:** Macau lifted its travel and dining restrictions in early January and enjoyed a healthy boost of inbound tourism during Lunar New Year holidays. However, staff shortages continue to hamper the speed of recovery and the provision of quality services to visitors to the city. It is expected that Macau will be better positioned to receive tourists by the second half of the year.

Macau Conferences Lured Thousands of Chinese Business Travelers [<u>The Macao News</u>, February 20]

More than 6,000 business visitors have arrived in Macau from mainland China so far this month, according to official figures. A Macau government handout credited a number of conventions organized by the Macau Trade and Investment Promotion Institute (IPIM) for the arrivals. It said "many convention organizers' arranged itineraries lasting three or more days and that delegates had offered positive feedback on "Macau's rich historical and cultural heritage, the mixture of Chinese and Portuguese cultures, the concentration of world cuisine" and other attractions. The Special Administrative Region is making strenuous efforts to revive the city's tourism industry, which was dealt a severe blow by the COVID-19 pandemic over the past three years. Around \$81 million have been set aside for promotional campaigns this year. **ATO Notes:** While leisure travelers are gradually returning to Macau, the casino city is also engaging in programs to attract business travelers. More conventions, trade shows, and business events are set to return to Macau in the second quarter of the year and beyond.

Macau Hotel Occupancy Shows Steep Rise in January [The Macao News, February 27]

In January, Macau hotels posted a 74 percent hotel occupancy rate across the three-, four- and five-star categories – a 25.4 percent gain year-on-year from 2022. Three-star hotels registered the highest rate, at 79 percent, but hotels in the five-star category saw the biggest increase, rising 27.8 percent year-on-year to reach 73.9 percent occupancy. Four-star hotels saw a relatively modest rise of 11.7 percent to reach an occupancy rate of 70.1 percent. However, the category posted the biggest rise in the average room rate, jumping 81.2 percent year-on-year to reach around \$100. Average room rates for five- and three-star hotels were \$171 and \$109, respectively. The strong showing comes as the city experienced a huge surge in visitor arrivals in January, with the lifting of pandemic travel restrictions. Total visitors rose by more than 101 percent to 1,397,748, the great majority coming from mainland China and Hong Kong. This year, the Macau government is launching ambitious promotional campaigns in a bid to restore the tourism industry after the three-year COVID-19 pandemic. **ATO Notes:** The rise in hotel occupancy marks the gradual recovery of Macau's inbound tourism. It is expected Macau's hotel occupancy will further grow in the second quarter and beyond.

RETAIL



Doubling of Levy Reduced Plastic Bags in Hong Kong [The Standard, February 17]

Hong Kong supermarkets are giving out only 34 plastic bags an hour on average after the levy on plastic bags doubled, a green group has found. A survey by Greeners Action found that the number of distributed "flat-top" bags - those transparent handle-less ones that customers rip from a spool - dropped almost 90 percent across 54 supermarkets from January to this month, compared to a previous study in June last year. The study found that 26 large plastic bags and eight flat-top plastic bags were distributed at each supermarket an hour. That translates to about 93 million plastic bags and 28.5 million flat-top bags expected to be distributed this year. "At a levy of 13 cents, that amounts to around \$12 million," Beatrice Siu, senior public affairs officer at Greeners Action said. The distribution of large bags fell 45 percent and flat top bags 89 percent compared to last June's survey, far exceeding the government's expected reduction of 25 percent, the group said. The doubling of the plastic bag levy took effect from December 31. The measure also tightened levy exemptions for frozen food and unwrapped food such as fruit. Retailers may pay a fixed penalty of \$256 if they fail to charge the customer for bags and repeated or systemic contraventions may carry a maximum fine of \$12,850 on conviction for first offenders and \$25,650 on each subsequent offense. **ATO Notes:** Hong Kong consumers are environmentally conscious. More and more consumers bring their own bags when shopping at supermarkets or grocery stores, and these are normally the same consumers seeking natural and healthy living styles. As the local economy gradually recovers, sales of natural and organic foods are expected to resume steady growth.

Shop Registrations in Hong Kong Surged by 29 Percent [The Standard, February 20]

In January 2023, the total number of new shop registrations in Hong Kong jumped 29.2 percent to 84, according to estate agency Midland Realty's industrial and commercial store data research department. The registered capital amounted to \$159 million, a month-on-month increase of 22.4 percent. Midland believes there is still room for the shop market to rebound as the city's retail and tourism industry is expected to expand further now that the border has fully reopened with the mainland. The local economy is expected to recover faster if the government could distribute consumption vouchers again, it said. As for the transaction price, 39 deals were posted in January for shops valued at \$0.64 million or below, up 30 percent from a month earlier. The number of registrations for shops valued between \$0.64 - \$1.28 million also increased 33 percent. The number of registrations for shops valued between \$2.56 - \$6.4 million rose 50 percent. **ATO Notes:** Many retailers scaled down or even ceased their operations under the pandemic. The rise in shop registrations marks the gradual recovery of Hong Kong's retail sector as investors and retailers are casting their votes of confidence. It is expected that more new shops will be registered and re-opened towards the second quarter of the year.

TRADE



Hong Kong Customs Seized Over 1.2 Tons Dried Shark Fins [The Standard, February 18]

Hong Kong Customs said they seized over 1.2 tons of dried shark fins of endangered species valued at \$5.1 million at the airport on February 17. Customs officers inspected an air consignment that arrived from Mexico after a risk assessment and discovered a batch of suspected shark fins inside. The case was later handed over to the Agriculture, Fisheries, and Conservation Department for follow-up investigation. Under the Protection of Endangered Species of Animals and Plants Ordinance, any person found guilty of importing or exporting an endangered species without a license is liable to a maximum fine of \$1.3 million and imprisonment for 10 years. **ATO Notes:** Shark fins used to be popular in Hong Kong banquets, weddings and business dinners, but more and more consumers relinquish the delicacies as they realize shark fins consumption has endangered the survival of sharks. As consumers continue to look for more sustainable food products, the appeal of shark fin soup in Hong Kong is declining.

Macau Suspends Imports of Live Oysters from The United States [The Macau Post Daily, February 28]

Macau Municipal Affairs Bureau (IAM) said in a statement on February 27 that it has suspended imports of problematic live rock oysters after detecting norovirus genes in a shipment from a U.S. source exported to Macau via Hong Kong. According to the statement, the live rock oysters found to contain the norovirus gene were exported by Peale Passage WA-0295-SP, an oyster farming area in the United States. Peale Passage is a channel in the southern part of Puget Sound in the U.S. state of Washington. The statement said the bureau has immediately suspended the import of live rock oysters from the same source, adding that it would notify the relevant departments in Hong Kong of the case. The bureau also called on the local food industry to immediately stop supplying or selling the product in question. The statement pointed out that oysters feed on plankton and algae found in seawater. If the water in which the oysters are grown or harvested contains pathogens, these substances can accumulate in the oysters, which could cause a risk of illness. Raw or undercooked oysters are a high-risk food and should be avoided by pregnant women, young children, the elderly and people with weakened immune systems, the statement said. According to Macau regulations, all fresh food and products of animal origin must be declared at the time of importation and are subject to mandatory inspection by the IAM. The statement said that the bureau has also stepped up monitoring the local food market and continues to take food samples for testing at retail and supply outlets to ensure food safety. ATO Notes: ATO is already working with U.S. regulatory agencies on this and other related inquiries regarding Washington States raw oyster exports to Hong Kong and Macau. In 2022, U.S. exports of raw oysters to Hong Kong dropped to its lowest level since 2017 to \$2 million, trade figures on direct exports to Macau are negligible as these are typically transshipped through Hong Kong.

Macau Will Hold Seminars Promoting Food Safety Standards [<u>The Macau Post Daily</u>, February 23]

The Macau Municipal Affairs Bureau (IAM) will hold four seminars in early March about the use of food additives in the local food production sector and discuss the optimization of food safety standards, the bureau said in a statement on February 22. The statement noted that the bureau has started formulation work for the "Standards of use of food additives in food." The statement added that the bureau is planning to incorporate and update the Administrative Regulation No. 30/2017 "Standards for Use of Food Colorings in Food," Administrative Regulation No. 12/2018 "Standards for Use of Sweeteners in Food" and Administrative Regulation No. 7/2019 "Standards for Use of Preservatives and Antioxidants in Food," which are currently in use. Moreover, to regulate the use of food additives by businesses involved in food production and operation, the bureau also studied the use of other food additives commonly used in local food such as emulsifiers and leavening agents, to better safeguard public health, the statement said. As a result, the statement pointed out that the bureau is inviting local producers of noodles, beverages, and baked goods, among others, to the seminars. During the seminar, IAM officials will talk about topics such as the current situation of the standards of use of food additives and their plans to update them and discuss the use of food additives in the different food production sectors with the attendees and gather their opinions, according to the statement. ATO Notes: Although the seminars will focus on locally produced food products, Macau's standards of use of food additives may affect U.S. food exports to the city. ATO will keep U.S. food exporters continuously updated on this development.

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

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No Attachments.