Agriculture and Agri-Food Canada | Agriculture et Agroalimentaire Canada

Canada

MARKET ACCESS SECRETARIAT
Global Analysis Report

Inside Hong Kong

The Fish and Seafood Trade

March 2015

TRADE SUMMARY

Hong Kong, home to over 7 million people, enjoys a growing and competitive seafood market. Increasing seafood imports are largely due to high levels of seafood consumption, a declining domestic fishing industry and because Hong Kong also serves as an important gateway for the distribution of some seafood products into China and the surrounding region.

Hong Kong is a semi-autonomous special administrative region of China. It is a mature and sophisticated market with a growing demand for gourmet foods. Most Hong Kong shoppers are price-conscious, and are looking for "value-for-money" in their products.

Tourism and foreign investment capital contribute to the economic growth in Hong Kong. Consequently, the fast-growing economy and consumer affluence create demand for food imports. Hong Kong imports of consumer-oriented agricultural and seafood products grew by 18.5% in 2013.

Hong Kong was one of the top markets for Canadian agrifood and seafood products in 2013, and continues to be a major buying centre as well as transshipment point for China and Southeast Asia. Canadian agrifood and seafood exports to Hong Kong reached a record level of C$932.6 million in 2013, making Hong Kong Canada's 5th-largest export market (Global Trade Atlas, 2014).

Additionally, Hong Kong imports 4.2% of its total fish and seafood products from Canada, ranking Canada 6th as a supplier (based on Hong Kong import data). Canada sells a considerable amount of fish and seafood to Hong Kong, with exports totalling more than C$136.9 million in 2013. Such exports have increased by 6.3% from the 2012 level of C$128.7 million (Global Trade Atlas, 2014).

CONTENTS

Visit our online library of public reports for more information on this and other markets.

Growing Forward 2

Canada

CANADIAN PERFORMANCE

Canada fish and seafood exports to Hong Kong were valued at nearly C$136.8 million in 2013. The volume of Canada fishery products sold into the market increased by close to 22.2% over the previous year and the value of Canadian seafood exports sold into the market increased by 6.3% (Global Trade Atlas, 2014).

Hong Kong Fish and Seafood Imports from Canada 2011-2013, in C$ Millions

Commodity	Description	C$ Millions			% Share			% Change
		2011	2012	2013	2011	2012	2013	2013/12
Fish and Seafood		135.08	128.76	136.90	100	100	100	6.32
030791	Fresh molluscs	37.70	38.25	34.10	27.91	29.71	24.91	-10.84
030622	Live lobsters	4.39	6.70	16.65	3.25	5.2	12.16	148.46
030729	Frozen scallops	9.53	19.32	14.32	7.05	15.0	10.46	-25.88
030819	Sea cucumbers	-	16.25	11.35	0	12.62	8.29	-30.2
030621	Live rock lobster and sea crawfish	7.03	6.51	9.99	5.21	5.05	7.30	53.62
030799	Frozen molluscs	34.23	1.30	6.85	25.34	1.01	5.01	428.5
030711	Fresh oysters	-	1.02	5.10	0	0.79	3.72	400.25
030617	Frozen shrimp and prawns	-	2.95	3.88	0	2.29	2.84	31.79
160530	Prepared lobster	2.29	4.01	3.79	1.70	3.12	2.77	-5.47
030331	Frozen halibut and Greenland turbot	4.63	7.11	3.70	3.43	5.52	2.70	-48.02
160510	Prepared crab	1.72	2.16	3.45	1.27	1.68	2.52	59.66

***Source:** Global Trade Atlas, 2014.*

BY THE NUMBERS

According to Global Trade Atlas data, Hong Kong seafood imports in 2013 were valued at more than C$3.9 billion. Canada was the 6th major supplier to the market behind China, Japan, the United States, Australia, and Norway. Canada's market share for fish and seafood imports saw a slight decrease from 3.49% in 2012 to 3.46% in 2013.

In 2013, frozen shrimp and prawns (at C$365.2 million, up 26.3% in value over 2012) was the leading seafood product imported into Hong Kong from the world. This was followed by sea cucumbers (at C$361.5 million, up 3.7%), live fish (at nearly C$239.1 million, up 12.7%); frozen scallops (at C$236.6 million, up 16.5%); and smoked fish heads, tails and maws (at C$211.0 million, up 36.9%).

Given the geographical proximity, China is the largest supplier of seafood to Hong Kong. China supplies mainly shrimp and prawns, cuttlefish and squid, preserved crab, live fish and live carp. China competes with the Philippines and Indonesia in the supplies of expensive live fish, which are mostly served in Chinese restaurants. According to Euromonitor, the seafood consumed in Hong Kong is imported and much of this is consumed in Hong Kong's vast foodservice industry. China's distinct advantage is its ability to maintain the freshness of seafood exports due to it's close location, which is one of the key factors of consumption preference. Hovever, Hong Kong consumers perceive Canadian seafood as safe and wholesome, which provides Canada with a competitive edge within the market.

Hong Kong Fish and Seafood Imports from the World 2011-2013, in C$ Millions

Commodity	Description	C$ Millions			% Share			% Change 2013/12
		2011	2012	2013	2011	2012	2013	
Fish and Seafood		3,532.1	3,690.7	3,954.8	100	100	100	7.16
030617	Frozen shrimp and prawns	-	289.1	365.2	-	7.8	9.2	26.31
030819	Sea cucumber	-	348.5	361.5	-	9.4	9.1	3.72
030199	Live fish	179.2	212.2	239.1	5.1	5.8	6.1	12.69
030729	Frozen scallops	173.4	203.1	236.6	4.9	5.5	6.0	16.51
030572	Smoked fish heads, tails and maws	-	154.2	211.0	-	4.2	5.3	36.89
030749	Frozen cuttlefish and squid	97.2	156.9	206.7	2.8	4.3	5.2	31.8
160510	Prepared crab	127.4	150.3	165.4	3.6	4.1	4.2	9.98
030789	Abalone	-	113.9	141.3	-	3.1	3.6	24.04
160420	Prepared fish	112.8	137.9	136.8	3.2	3.7	3.5	-0.76
160557	Prepared abalone	-	99.7	110.7	-	2.7	2.8	11.02
030791	Fresh molluscs	132.5	99.7	110.2	3.8	2.7	2.8	10.52

Source: *Global Trade Atlas, 2014.*

Top Ten Suppliers of Fish and Seafood to Hong Kong and Top Imported Products in 2013 (Based on Hong Kong Import Data)

Rank	Country	Total Import Value (C$ Millions)	Top Import Supplied	Total Import Value (C$ Millions)
World		3,954.8	Frozen shrimp and prawns	365.2
1	China	1,294.6	Frozen shrimp and prawns	212.7
2	Japan	530.6	Sea cucumber	187.4
3	United States	219.8	Live molluscs	51.8
4	Australia	168.8	Live Rock lobster and sea crawfish	35.8
5	Norway	167.1	Fresh Atlantic and Danuble salmon	79.4
6	Canada	136.9	Live molluscs	34.1
7	Vietnam	123.4	Fresh shrimp and prawns	53.1
8	Indonesia	111.9	Live fish	28.4
9	Thailand	103.7	Prepared fish	15.8
10	India	94.1	Smoked fish heads, tails and maws	55.1

Source: *Global Trade Atlas, 2014.*

Hong Kong maintains a trade hub status, serving as a re-export center for a variety of agrifood and seafood products. About 30% of Hong Kong's imported seafood products were re-exported in 2013. The largest re-export market is Vietnam followed by China, Macau and Taiwan (Global Trade Atlas, 2014).

Top Ten Hong Kong Re-Export Markets for Imported Fish and Seafood in 2013
(Based on Hong Kong Import Data)

Partner Country	Canadian Dollars			% Share			% Change 13/12
	2011	2012	2013	2011	2012	2013	
World	558,574,262	795,024,133	1,148,226,868	100	100	100	44.43
Vietnam	179,201,838	374,431,965	649,325,800	32.08	47.1	56.55	73.42
China	139,375,167	130,381,350	148,634,002	24.95	16.4	12.94	14
Macau	70,128,264	82,128,873	100,265,280	12.55	10.33	8.73	22.08
Taiwan	26,481,383	55,044,472	77,010,218	4.74	6.92	6.71	39.91
United States	40,728,727	46,016,254	39,965,317	7.29	5.79	3.48	-13.15
Singapore	29,487,834	30,463,177	29,152,251	5.28	3.83	2.54	-4.3
South Korea	9,049,759	9,415,481	27,559,288	1.62	1.18	2.4	192.7
Japan	17,102,572	17,501,031	26,766,984	3.06	2.2	2.33	52.95
Canada	18,840,072	19,182,222	14,595,664	3.37	2.41	1.27	-23.91
Malaysia	11,786,932	12,377,187	11,660,868	2.11	1.56	1.02	-5.79
Thailand	4,921,690	4,480,235	4,376,072	0.88	0.56	0.38	-2.32

Source: *Global Trade Atlas, 2014.*

TOP TEN FISH AND SEAFOOD SUPPLIERS TO HONG KONG IN 2013

The figures listed below are in millions of Canadian dollars.

1. Imports from China		**2. Imports from Japan**	
Frozen shrimps and prawns	$212.7M	Sea cucumber	$187.4M
Frozen cuttlefish and squid	$171.2M	Frozen scallops	$159.2M
Prepared crab	$151.6M	Abalone	$33.9M
Live fish	$109.9M	Prepared fish	$17.5M
Live carp	$83.4M	Fresh fish	$13.8M
3. Imports from the United States		**4. Imports from Australia**	
Fresh molluscs	$51.8M	Live Rock lobster and sea crawfish	$35.8M
Live lobsters	$37.0M	Prepared Abalone	$32.8M
Sea cucumber	$26.3M	Abalone	$18.9M
Live Rock lobster and sea crawfish	$16.4M	Live Abalone	$14.6M
Frozen molluscs	$9.4M	Live fish	$12.9M
5. Imports from Norway		**6. Imports from Canada**	
Fresh Atlantic and Danube salmon	$79.4M	Fresh molluscs	$34.1M
Fresh Pacific salmon	$50.8M	Live lobster	$16.7M
Frozen Atlantic and Danube salmon	$15.1M	Frozen scallops	$14.3M
Smoked Atlantic and Danube salmon	$6.4M	Sea cucumber	$11.3M
Frozen trout	$3.6M	Live Rock lobster and sea crawfish	$10.0M
7. Imports from Vietnam		**8. Imports from Indonesia**	
Frozen shrimp and prawns	$53.1M	Live fish	$28.4M
Frozen fish fillets, nesoi	$24.7M	Frozen shrimp and prawns	$15.3M
Frozen catfish fillets	$10.5M	Sea cucumber	$10.4M
Frozen cuttlefish and squid	$5.5M	Smoked shark fins	$8.3M
Dried fish	$5.0M	Smoked fish heads, tails and maws	$7.1M
9. Imports from Thailand		**10. Imports from India**	
Prepared fish	$15.8M	Smoked fish heads, tails and maws	$55.1M
Frozen shrimp and prawns	$14.9M	Dried fish	$11.9M
Fresh shrimp and prawns	$12.7M	Frozen shrimp and prawns	$6.6M
Live fish	$12.6M	Smoked shark fins	$4.2M
Prepared tunas/skipjack/bonito	$7.2M	Fresh fish	$2.9M

Source: *Global Trade Atlas, 2014.*

MARKET SIZES

The growing economy and consumer affluence generate an important demand for consumer-oriented agricultural and seafood products in Hong Kong, which grew by 18.5% in 2013. Hong Kong is a mature and sophisticated market with a growing demand for gourmet foods. At the same time, most Hong Kong shoppers are price-conscious and look for “value-for-money” products. The constant inflow of tourists also plays a major role to the economic growth in Hong Kong. As a result, the demand for food imports continued to grow in 2013.

Historic Fish and Seafood Retail Volume Sales in Hong Kong in ‘000 Tonnes, 2008-2013

000' tonnes	2008	2009	2010	2011	2012	2013
Fish and Seafood	254.3	262.9	271.8	281.2	289.9	300.5

Source: *Euromonitor International, 2014.*

Forecast Fish and Seafood Retail Volume Sales in Hong Kong in ‘000 Tonnes, 2014-2018

000' tonnes	2014	2015	2016	2017	2018
Fish and Seafood	310.6	320.7	330.3	339.5	348.2

Source: *Euromonitor International, 2014.*

Hong Kong’s population of young, sophisticated, and affluent consumers seek to purchase imported seafood products, in part for their status, but also because imported seafood is believed to be of higher quality and coming from a cleaner environment. Consequently, sales of a wide range of packaged imported seafood products, such as lobster, scallops, conch, surf clams, and sea cucumber, saw double-digit growth in the last couple of years, according to Euromonitor. Annual seafood consumption in Hong Kong increased rapidly from 36.6kg per person in 2008 to 41.6kg in 2013, and Euromonitor predicts it to increase to 46.2kg per person in 2018.

Historic Fish and Seafood Per Capita Consumption and Expenditure in Hong Kong in Kg and US$ 2008-2013, Fixed 2013 Exchange Rate

	2008	2009	2010	2011	2012	2013
Per Capita Consumption (kg)	36.6	37.7	38.7	39.8	40.5	41.6
Per Capita Expenditure (US$)	494.2	522.5	561	634.9	671.4	710.7

Source: *Euromonitor International, 2014.*
Note: *The table above represents the aggregation of fish, crustaceans, molluscs and cephalopods. They only include fresh uncooked and unprocessed fish and seafood (packaged and unpackaged) and unpackaged processed fish and seafood, eg. smoked salmon sold from fish/seafood counters in retail outlets.*

Forecast Fish and Seafood Per Capita Consumption and Expenditure in Hong Kong in Kg and US$ 2014-2018, Fixed 2013 Exchange Rate

	2014	2015	2016	2017	2018
Per Capita Consumption (kg)	42.6	43.6	44.6	45.4	46.2
Per Capita Expenditure (US$)	713.0	731.4	749.3	768.2	786.1

Source: *Euromonitor International, 2014.*
Note: *The table above represents the aggregation of fish, crustaceans, molluscs and cephalopods. They only include fresh uncooked and unprocessed fish and seafood (packaged and unpackaged) and unpackaged processed fish and seafood, eg. smoked salmon sold from fish/seafood counters in retail outlets.*

Convenient ready meals are forecasted to keep the strongest constant value performance for the years ahead, according to Euromonitor the “Country Pulse” report, with processed fish and seafood products continuing to attract young consumers. This is because young consumers are likely to focus on building up their careers, thus demanding convenient meal solutions. Moreover, manufacturers are expected to continue innovating in terms of recipes, which will attract consumers’ interest.

Historic Processed Fish and Seafood Retail Volume Sales in Hong Kong in Tonnes, 2008-2013

Tonnes	2008	2009	2010	2011	2012	2013
Canned/preserved fish/seafood	8,738.3	9,087.9	9,405.9	9,688.1	9,959.4	10,258.1
Frozen processed fish/seafood	5,606.8	5,803.0	5,977.1	6,126.6	6,249.1	6,361.6
Chilled fish/seafood	1,711.2	1,754.0	1,815.4	1,851.7	1,879.5	1,913.3

Source: *Euromonitor International, 2014.*

Forecast Processed Fish and Seafood Retail Volume Sales in Hong Kong in Tonnes, 2014-2018

Tonnes	2014	2015	2016	2017	2018
Canned/preserved fish/seafood	10,555.6	10,830.1	11,100.8	11,389.5	11,674.2
Frozen processed fish/seafood	6,457.0	6,521.6	6,573.8	6,665.8	6,759.1
Chilled fish/seafood	1,940.1	1,961.4	1,981.1	2,002.9	2,022.9

Source: *Euromonitor International, 2014.*

Processed products, including processed fish and shellfish, are increasingly available in supermarkets. Rising incomes, increased ownership of fridges and freezers, more exposure to Western and international cuisine and a greater array of retail goods are combining to increase sales of frozen, chilled and canned fish and seafood in Hong Kong.

The presence of a large number of seafood importers, distributors, supporting logistics, and storage infrastructure, make Hong Kong a prime destination for high-value seafood, as a large part of the seafood imported into Hong Kong is distributed through the hotel and restaurants sector. Hong Kong’s foodservice industry is vast, consisting of over 850 hotels and 13,500 restaurants in a very small territory, as dining out is a popular activity. Euromonitor reports that individuals and families prefer dining out for at least one meal a day and more often for two of their main meals and this due to a very busy lifestyles. Finding time for food preparation is often difficult wich explain the great performance of Hong Kong restaurant industry which generated over US$12.6 billion in 2013. As a result, demand for high-quality seafood products is strong.

DISTRIBUTION CHANNELS

Hong Kong has a highly centralized supermarket retail network, with two supermarket chains accounting for about 80% of the supermarket turnover, and the total number of retail establishments approaching 14,000. Retail shops in Hong Kong are generally very small in size, about 96% of which hire less than 10 employees (Hong Kong Census and Statistics Department).

Hong Kong consumers shop for food daily because of a preference for fresh food. The shopping is mainly done in traditional markets (wet markets) and small corner stores. While both wet market and supermarket sales are increasing, supermarkets are taking a greater share of total sales, as supermarkets are better equipped to handle and display processed, chilled and frozen, value-added and canned food products.

Although there will not be significant growth in the number of supermarkets in Hong Kong according to Planet retail, the retail sales share of supermarkets is expected to continue expanding. Many supermarkets in Hong Kong can offer fresh foods at very competitive prices and provide a comfortable shopping environment.

Top 5 Grocery Retailers in Hong Kong - Number of Outlets Banner Sales (US$ Millions) and Grocery Market Share (%) 2011-2013

Retailer	2011			2012			2013		
	Number Of Outlets	Total Grocery Banner Sales US$ Million	Total Grocery Market Share %	Number Of Outlets	Total Grocery Banner Sales US$ Million	Total Grocery Market Share %	Number Of Outlets	Total Grocery Banner Sales US$ Million	Total Grocery Market Share %
Dairy Farm	1,557	2,571.6	15.45	1,576	2,958.9	16.76	1,590	3,355.6	18.40
AS Watson	496	2,042.3	12.24	505	2,189.9	12.38	537	2,323.0	12.71
Sa Sa	82	281.0	1.69	81	362.1	2.05	103	464.0	2.54
China Resources Enterprise	368	546.8	3.29	408	603.2	3.42	384	512.9	2.81
Convenience Retail Asia	414	403.2	2.42	421	426.5	2.42	424	447.0	2.45

Source: *Planet Retail, 2014.*

FOR MORE INFORMATION

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in Hong Kong**
  www.tradecommissioner.gc.ca/hk

- **Find a Trade Commissioner**
  www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp

For additional intelligence on this and other markets, the complete library of Global Analysis reports can be found under *Statistics and Market Information* at the following link, arranged by sector and region of interest:

- ats-sea.agr.gc.ca

For details on the China Fish and Seafood Expo please contact:

- **Ben Berry**
  Deputy Director
  Trade Show Strategy and Delivery
  Agriculture and Agri-Food Canada
  Ben.Berry@agr.gc.ca

RESOURCES

- Euromonitor International, 2014. Hong Kong Canned Packaged Food
- Euromonitor International, 2014. Hong Kong Chilled Packaged Food
- Euromonitor International, 2014. Hong Kong Consumer Expenditure
- Euromonitor International, 2014. Hong Kong Consumer Trends and Lifestyles
- Euromonitor International, 2014. Hong Kong Consumers in 2020
- Euromonitor International, 2014. Hong Kong Country and Consumers Overview
- Euromonitor International, 2014. Hong Kong Foodservice
- Euromonitor International, 2014. Hong Kong Frozen Packaged Food
- Euromonitor International, 2014. Hong Kong Packaged Food
- Food and Agriculture Organization of United Nations [http://www.fao.org/fishery/statistics/en]
- Hong Kong Census and Statistics Department [http://www.censtatd.gov.hk/home/]
- Hong Kong Special Administrative Region Government [http://www.gov.hk/en/business/market/economic/]
- Planet Retail: Hong Kong Retail Overview
- Global Trade Atlas, 2014. Hong Kong Fish and Seafood Import Data

Inside Hong Kong: The Fish and Seafood Trade
Global Analysis Report

Prepared by: Karim Zarrouki, Market Analyst

Photo Credits

For additional copies, to request an alternate format, and for all other inquiries regarding this publication, please contact:
Agriculture and Agri-Food Canada, Global Analysis
1341 Baseline Road, Tower 5, 4th floor
Ottawa, ON
Canada, K1A 0C5
E-mail: infoservice@agr.gc.ca

The Government of Canada has prepared this report based on primary and secondary sources of information. Although every effort has been made to ensure that the information is accurate, Agriculture and Agri-Food Canada (AAFC) assumes no liability for any actions taken based on the information contained herein.

Agriculture and Agri-Food Canada provides this document and other report services to agriculture and food industry clients free of charge.