

## **Business in Hong Kong**

Hong Kong is an import-dependent market with 95% of food and beverage products imported from around the world with zero tariff charged on most imports. The Australian market penetration into Hong Kong is low with the whole Australian strawberry industry providing 4% of the Hong Kong fresh strawberry market which in total is approximately 7,689 tonnes.

Hong Kong has a relaxed regulatory environment for imported food and beverage products with transparent and efficient customs clearance procedures. The Hong Kong market for Queensland strawberries has open market access and is a free trade port which means there are currently no duties or tariffs imposed.

In Hong Kong, the wet markets are strong in fresh foods, while supermarkets are strong in processed, chilled, frozen, high-added value and canned food products. The competition between the wet markets and supermarkets has intensified in recent years. While both the wet market and supermarket sales are increasing, supermarkets particularly those from the Dairy Farm Group and AS Watson Group account for 75% of the supermarket turnover with greater than 580 stores between the two groups.

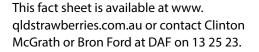




## **Transport Recommendations**

Direct transport for fresh strawberries is always the best option because the more movements, the higher the risk of a change of temperature and therefore a potential reduction in fruit quality. Other strategies include:

- Pre-cool produce to desired temperature: 0-2°
  Celsius
- Use refrigerated transport to the airport
- Pack boxes of produce as densely as possible
- Protect produce from direct sun or other heat sources
- Use insulated aircraft pallets wherever possible or cover pallets with flexible insulating material
- Utilise data-loggers so that temperature maintenance can be viewed in real time.
- Use dry ice (solid CO2 that at atmospheric pressure has a temperature of approx. -79° C. The evaporisation is residue free, and it is also non toxic, non flammable, inert, tasteless and odourless).











## Queensland strawberries to Hong Kong





From 1 March 2019, all fresh produce (including strawberries) being exported from Australia will undergo compulsory security screening via x-ray or metal detector. Exporters from Australia have two options:

- Use an Australian Government approved and accredited air cargo agent who can examine their air cargo at piece-level
- 2. Be approved as a Known Consignor, so they can secure air cargo originating from their business. A Known Consignor is a business that:
- Originates international air cargo
- Meets approved security measures designed to prevent the introduction of an unauthorised explosive into cargo
- Is approved by the government
- Is responsible for securing air cargo that originates from their business until that air cargo is provided to another regulated business.



## Consumer trends

Opportunities for Queensland fresh strawberries fall into the following categories:

- Daily consumption of the fruit increasing demand for foods that are time saving, yet healthy (driving forces are demographic changes, busy lifestyles and food safety incidents)
- 2. Fruit that is marketed as having additional health benefits increasing trend towards the consumption of healthy, quality, functional and organic foods. The ageing population and a rise in health consciousness is creating a commercial environment for products that aid the maintenance of health and means consumers will pay 10-30% more for these products including those that are marketed as "organic".
- 3. Premium fruit as a popular gift. Gift giving is all year round, however there are specific international events that are also highly celebrated in Hong Kong particularly between October and April including Christmas, Western New Year, Chinese New year, thanksgiving and Easter. To the Chinese, "red" is a happy and prosperous colour.
- 4. Food service: this includes for use in salad bars, decorative cakes (Maxim's Catering), and hotel and catering industries both in Hong Kong and Macau.

The demand for various kinds of convenient food items is increasing and consumers are becoming more conscious about nutritional values, traceability and food safety. The result is an increasing trend towards naturally healthy, functional, quality and sustainable food choices.

There is a strong preference for strawberries in a single layer-flat punnet which protect the fruit and avoids bruising and also allows for the whole punnet of fruit to be easily viewed for imperfections.

The supply of strawberries is very competitive. As such, there is no brand or business loyalty from the wholesale or retail customer unless the supplier provides product consistency in terms of branding, fruit quality and size and supply.

There is enormous opportunity for Queensland strawberries to be provided in the Korean counter season from May through to November.

This fact sheet is available at www. qldstrawberries.com.au or contact Clinton McGrath or Bron Ford at DAF on 13 25 23.







