

Hong Kong:

- The Food & Wine Trading Centre in Asia**
- The Logistics Hub in Asia**

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Hong Kong as a Food Trading Hub of Asia

- Overtaken the U.S. as the **largest food exporting region for Japan** in 2007
- Accounts for over 20% of total food export from Japan
- Received over **41 million tourists** in 2011, over **60% from China**

HK as a Food Hub – Gateway to China

- **99% food import-dependant**
- **Over 90% of Hong Kong's total exports of food are re-exported**
- **1/3 of total food exported from Hong Kong goes to** 
- **More food items included in CEPA**
Eg. bird's nest, mixed edible oil and pistachios were included in CEPA recently.
- **Health and wellness food are popular, specialised stores/green zones in shops, more expensive green food**
- **Aftermath of Japan's 311**
More safety conscious
More diversifying shopping habits

China Market

- Food Scandals have caused major concerns.
- Consumers become more health & quality conscious.
- Increasing food safety sense.
- Consumers willing to spend more on quality food products.
- Chinese government launched a food safety campaign to combat unlicensed food suppliers in China since 2007. Subsequent to that, Chinese consumers tend to buy more reliable food products from overseas countries.

Food trade marketing platform -



 **HKTDC**
Food Expo

Food Expo Overview

- Launched in 1990 with Public Hall (B2C)
- Trade Hall (B2B) launched in 2004 with Asian focus

Year	2009	2010	2011
No. of Exhibitors	610	741	888
- Public Hall	330	366	401
- Trade Hall	280	383	455
- Gourmet Zone (new)	-	-	46
Exhibition Area (gross sqm)	25,820	31,784	36,547
No. of Trade Visitors	11,513	12,117	12,854
No. of Public Visitors	344,000	371,000	382,500

Food Expo 2011 Trade Hall – Reverse Exhibition

130 VIP Buyers from famous food trading companies (e.g. Dah Cheong Hong) were provided with booths

359 Business Matching Meetings with overseas exhibitors were arranged onsite



Food Expo 2012

Date: 16-18 Aug 2012

Venue: HK Convention & Exhibition Centre

Thematic Promotions in Trade Hall

- Coffee
- Olive Oil

Thematic Promotions in Gourmet Zone

- Sweet Delight
- World Cuisine
- Fine Dining
- Simple Living
- Gourmet Academy

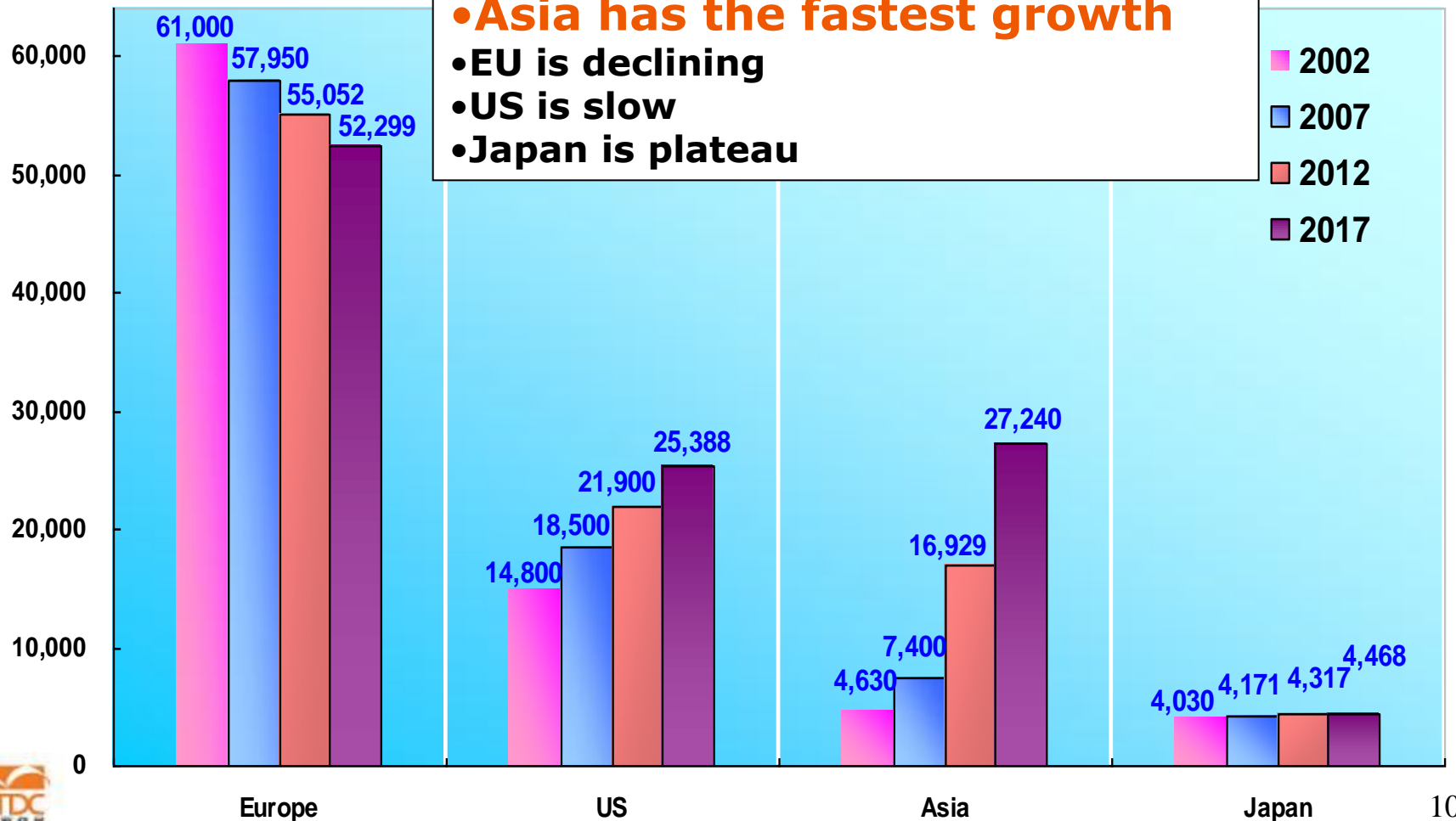
Hong Kong Wine Trading & Distribution Hub in Asia

Why Asia?

World-wide Wine Consumption

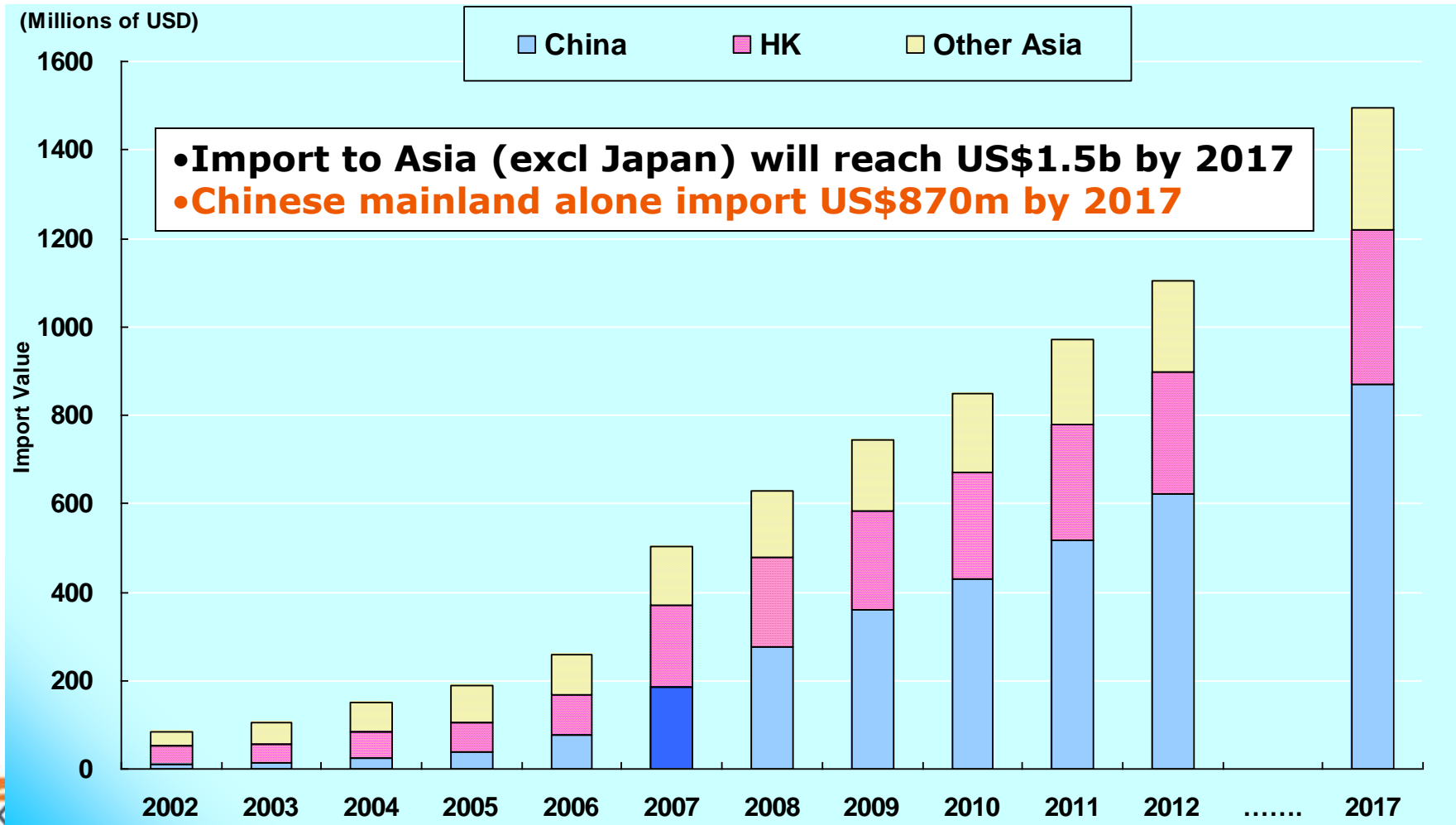
- Asia has the fastest growth
- EU is declining
- US is slow
- Japan is plateau

Millions of USD



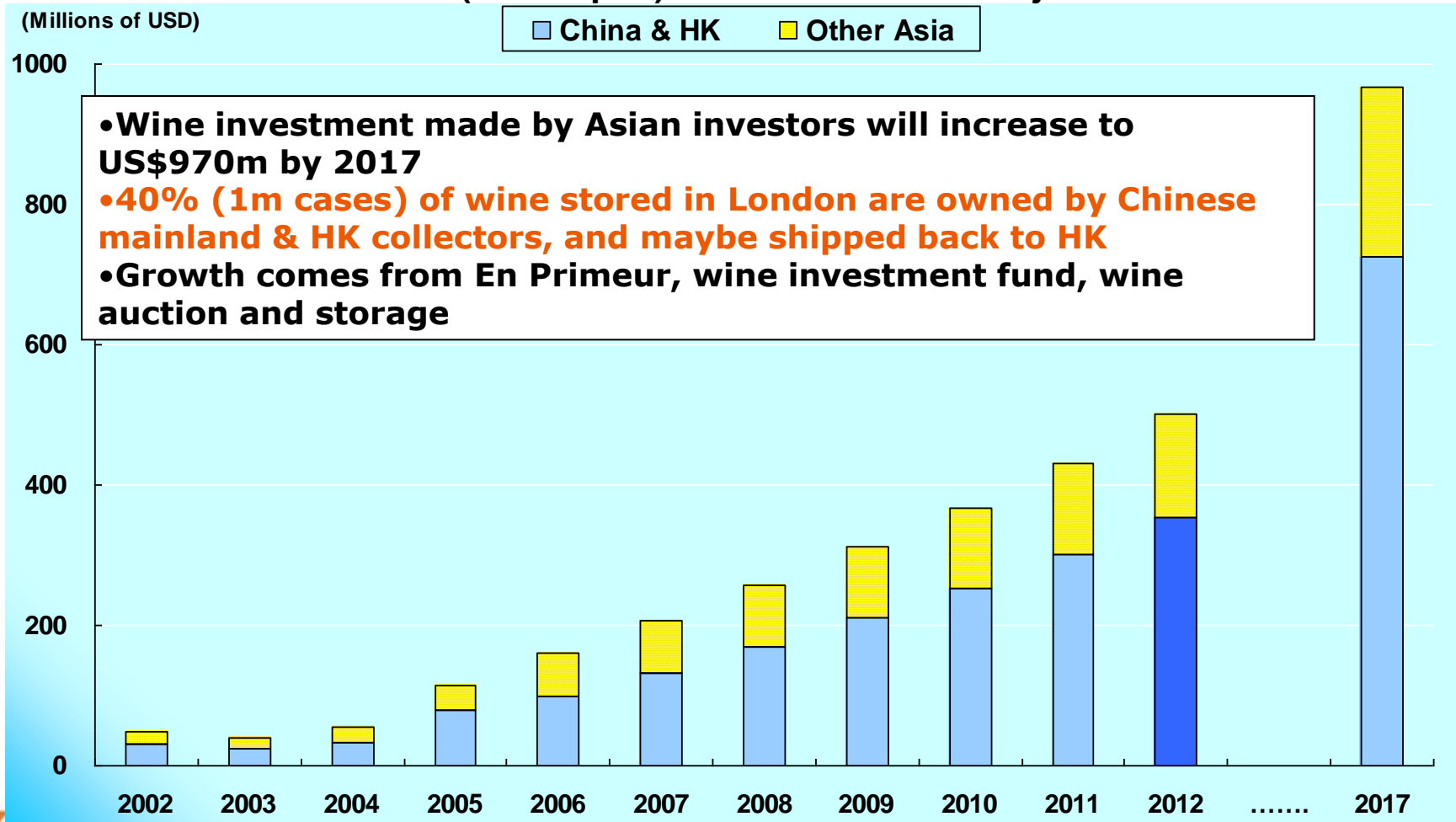
China will be the largest wine importing country in Asia

Asia (exc. Jap) Wine Import Projection (by import value)



China has many fine wine collectors

Asia (excl Japan) Wine Investment Projection



China has growing demand on imported wine

Growing demand for imported wine – average of **60% p.a.** (2006 to 2009)

10 millions cases of wine imported in 2009

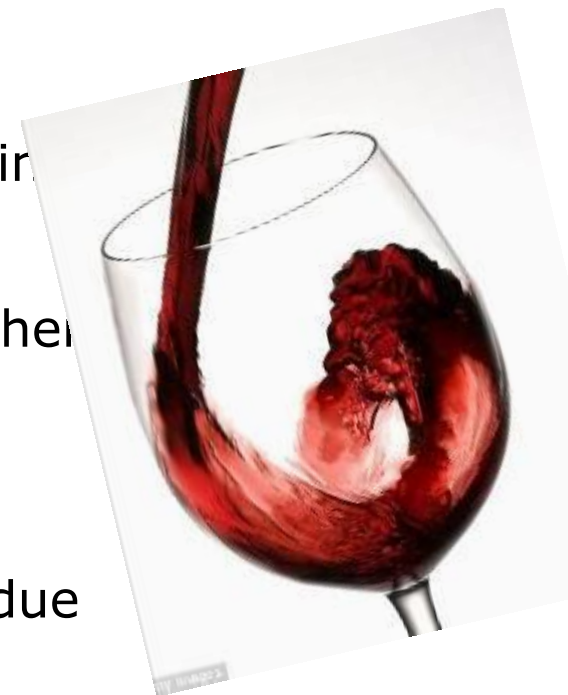
Low per capita consumption of 1.3 litre in 2011 with **large growth potential**

Wine consumption reached 1.5 billion bottles in 2011, in which 90% were red wines

Order of more expensive wines (US\$10 or higher) will increase to 7.7 million bottles in 2013

Local wine production in China is premature

China consumers prefer imported wines due to food safety and counterfeit reasons



Imported wine market in China is diversifying

Old World Wines

- With longest history in China
- 40% largest market share
- China has consumed 5.58 tones of French wines in 2010
- China will import 17 million cases of French wines in 2013, 16% of total wine imports

New World Wines

- On rising demand in China
- Sales to China rose more than 80% per year from 2004-2009
- Sold US\$127 million of wine in China in 2009
- Expect China as their biggest market in 5 years
- China is ranked the #1 international growing market since 2008

Hong Kong has rapid growing wine trading

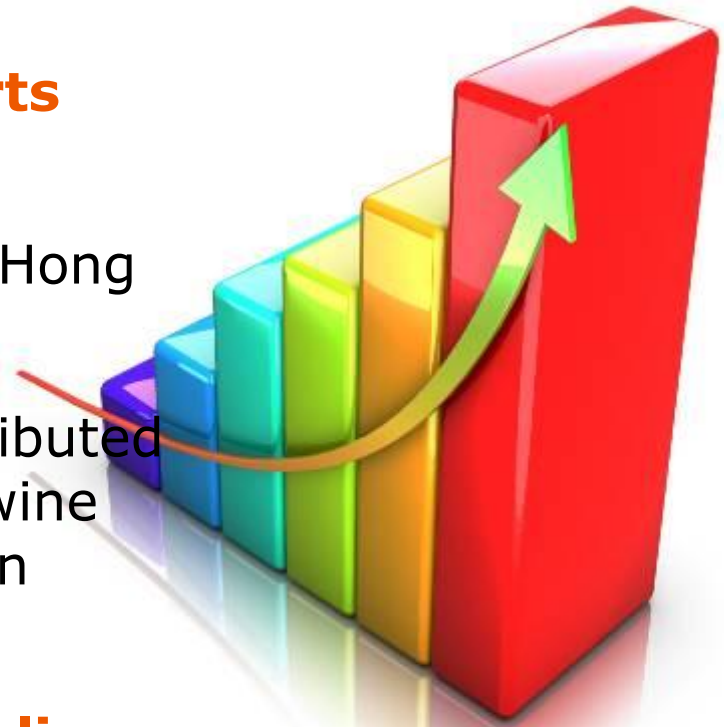
Wine imports 2011 rose by 40% to US\$1.255 billions

40% of Hong Kong's wine imports were re-exported in 2010

French wines accounted for 40% of Hong Kong's wine import in 2011

Growth of New World Wines attributed to their competitive prices and the wine appreciation culture of Hong Kong on value for money wines

New World Wines from **U.S., Australia, and Chile in total accounted for 17%** of Hong Kong's wine imports in 2011



Hong Kong Wine Market

Hong Kong is the world's largest Wine Auction Centre, with sales of US\$170 million in 2011

Wine consumption was 5 Litre per capita in 2011, **highest in Asia**

Wine drinking is believed as healthy to life in Hong Kong

Wine consumption reach 39 million bottles, expected to increase by 40% in 2015

18% of world's fine wines are owned by Hong Kong collectors





Hong Kong International Wine & Spirits Fair

香港国际美酒展

8-10 November 2012



HKIWSF 2011: Statistics

ASIA's Biggest Wine Event

EXHIBITORS

- 934 from 37 countries & regions, (+37% in no. of exhibitors)
- Over 320 business matching meetings arranged

TRADE VISITORS

- 19,403 from 71 countries & regions (+37.4%)

PUBLIC VISITORS

- 19,690 serious wine lovers visited (+37.6%)

HKIWSF 2011: Highlights

- “Friends of Wine” to showcase fine food/ gourmet that goes well with wine
- Hong Kong International Wine & Spirit Competition
 - Organizer is HKIWSC from London with 40 years’ experience
 - Judging panels are Asian based
 - 1,700 entries, 33 trophy categories
- Wine & Dine Festival
 - Inaugural in 2009 by Hong Kong Tourism Board, 211 wine booths and 76 food booths in 2011
 - Attracted 160,000 public across 4 days in 2010

Latest of HKIWSF 2012

Date	8-10 Nov 2012 (Thur – Sat)
Admission	8-9 Nov for trade 10 Nov trade and public (<i>with an admission fee</i>)
Venue	HK Convention & Exhibition Centre

- **Truly International** exhibitors from 37 countries promoting Old World Wines and Old World Wines
- **Complete Showcase of Supply Chain** the fair for fine wines, mass wines, wine logistics and storage, wine equipments and accessories, wine education, wine investment
- **Wine Investment, Fine Wine Tasting** and **Spirits Theatre** were highlighted events
- **Value Added Promotions** Hong Kong International Wine & Spirits Competition, Business Matching Service, Wine Tastings



The Hong Kong Logistics Industry

Quick Facts on HK Logistics Industry

➤ **Asia's premier logistics hub**

- Contributes about 4.8% of HK GDP in 2010
- Creating 194,800 jobs (6% of HK workforce, in 2010)
- International Ranking on Logistics Performance
World Bank Logistics Performance Indicator 2010:
HK: 3.88 (3rd in Asia – after Singapore (4.09) and Japan (3.97))



Quick Facts on HK Logistics Industry

➤ Aviation

- ◆ World's largest air freight centre
 - 4 hours of flight time - most Asian urban centre ;
 - 5 hours of flight time - half of the world's population
 - Over 95 airlines operating over 6,000 flights each week, to 160 destinations (including 45 mainland cities)

- ◆ Air cargo
 - 3.9 million tonnes in 2011, the busiest in the world
 - 4.1 million tonnes in 2010, beating Memphis, Tennessee (3.9 million tonnes)

- ◆ Air passenger traffic
 - 50.9 million passengers in 2010 (10.3% increase over 2009)
 - the third busiest in Asia (behind Beijing and Tokyo)

Quick Facts on HK Logistics Industry

➤ **Cross boundary traffic**

- Land transport accounted for 38% and 34% of HK's total exports and imports in 2010 in value terms
- 4 land crossings between HK and the Chinese mainland, 7 land crossing control points
- Hong Kong - Zhuhai - Macao Bridge: expected to open in 2016
- Guangzhou- Shenzhen- Hong Kong Express Rail Link: expected to open in 2015



Quick Facts on HK Logistics Industry

➤ **China's 12th Five-Year Plan**

- Confirms Hong Kong's role as China's international centre of logistics and maritime services
- Underscores Hong Kong's promise as a high-value goods distribution centre for China
- Encourages domestic consumption and urbanization, thus increasing demand for logistics services

➤ **High potential for logistics services**

- Mainland's import of consumer goods
 - Increased 64% in 2010, about 53% year-on-year in 2011
- Higher cost of logistics in China
 - China: 18% of GDP **VS** US: 9-10% of GDP
 - Damage-in-transit rate:
 - China - vegetables: 20-30%; meat: 12%; seafood: 15%
VS Developed countries - 5%

Asian Logistics & Maritime Conference, 8th November 2012

➤ Organisers



香港特別行政區政府
The Government of the Hong Kong
Special Administrative Region



➤ In association with



Review on 2011 Conference



- 29 internationally renowned speakers
- 649 attendees from 14 countries and regions
- Over 30% of attendees were users of logistics services
- 83% of attendees rated the conference "Excellent" or "Good"

Review on 2011 Conference

➤ Distinguished Speakers



Zuyuan Xu (徐祖遠),
Vice Minister of Transport,
China



Eva Cheng,
Secretary for Transport and Housing,
HKSAR Government



Tung Chee Chen (董建成),
Chairman and Chief Executive
Officer, Orient Overseas
(International) Ltd



The Hon Miriam Lau (劉健儀),
Legislative councillor of HKSAR



Atsushi Kato
Director & President, Toshiba
Int'l Procurement HK Limited



Tim Smith
Chief Executive, North Asia
Region, Maersk Line




Dr Arpita Mukherjee
Professor, Indian Council for
Research on Int'l Economic
Relations



Dr Ruth Banomyong,
Director, Centre for
Logistics Research,
Thammasat Business School,
Thammasat University

Proposed Programme

7 Nov (Wed)	8 Nov (Thur)	9 Nov (Fri)					
<p>Side Visits -HK & Shenzhen</p>	<p>Morning Plenary Sessions</p> <p>Global Trends – Gearing towards a New SCM Paradigm</p> <p>Glimmers of Hope – Emerging Markets</p>						
<p>Guangdong-HK Roundtable</p>	<p>Networking Luncheon</p>	<p>GS1 HK SCM Excellence Summit</p>					
	<p>Afternoon Concurrent Breakout Sessions</p>						
	<table border="1"> <tr> <td>China</td> <td>Maritime</td> <td>Aviation</td> <td>Tech</td> <td>Food & Wine Logistics</td> </tr> </table>		China	Maritime	Aviation	Tech	Food & Wine Logistics
	China		Maritime	Aviation	Tech	Food & Wine Logistics	
<p>Networking Reception</p>							
	<p>Exhibition Booth & Business Matching</p>						

Concurrent Events


Hong Kong Optical Fair
 香港眼鏡展
 7-9 November 2012


Hong Kong International Wine & Spirits Fair
 香港國際美酒展
 8-10 November 2012

Food & Wine Logistics Mission from HK / China, 24th – 26th September in Auckland

Objectives:

- To source food and/or wine from New Zealand
- To understand the latest supply chain development and facilities in New Zealand, particularly on cold chain logistics and wine storage
- To explore partnership with local logistics companies
- Hong Kong as a regional distribution centre, to help New Zealand food & wine companies to sell to Hong Kong and China (through Hong Kong) – services that Hong Kong logistics services providers can offer

Opportunities for other services

- Financial Services
 - Asian Financial Forum, 14th & 15th January 2013
- Film
 - Filmart, March 2013
- ICT
 - ICT Expo, April 2013

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