Hong Kongâ??s local wine traders urge to tap growing mainland market

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The HKTDC Export Index, published by the Hong Kong Trade Development Council (HKTDC), increased further in the fourth quarter of 2020. The index has now risen for three consecutive quarters - rebounding from a record low of 16.0 to 36.2 - revealing a gradual improvement in the sentiment among local exporters. Taking all these factors into consideration, the HKTDC forecasts Hong Kongâ??s exports in 2021 will grow 5% by value year-on-year.

Hong Kong exports expected to grow 5% in 2021

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"Hong Kong exports have more room to grow with the new opportunities arising from Mainland Chinaâ??s â??dual circulationâ?? policy and the development of the Guangdong-Hong Kong-Macao Greater Bay Area, coupled with the implementation of a free trade agreement between Hong Kong and the Association of Southeast Asian Nations (ASEAN) bloc, and the Regional Comprehensive Economic Partnership (RCEP) which promotes inter-regional trade," Mr HKTDC Director of Research Nicholas Kwan added.

The HKTDC has also made an upward revision to its estimates for this yearâ??s total exports, from -10% to -3%. A separate HKTDC survey found that the emergence of a cocktail culture in the mainland has promoted the consumption of spirits, with mainland consumers spending an average of Rmb 3,059 in the past year on buying or drinking spirits, including cocktails (35%), vodka (34%), whisky (33%), brandy (27%), rum (14%) and liqueur (13%). It is expected that the demand for imported liquor such as sake and fruit wine will be on the rise in the coming year.

The average annual spending on imported wine consumed by the survey respondents at home was Rmb 1,407, while that spent for business events and as gifts was Rmb 3,284. France (39%), Spain (12%) and Italy (10%) were the most popular traditional wine regions among those surveyed, while for wines from new producers, they preferred those from the Mainland China (32%), Australia (19%) and Chile (10%).

HKTDC Economist Poon Cheuk-hong said: "Mainland consumers now have a better understanding of wine. Hong Kong wine dealers looking to tap into the mainland market should consider importing less famous yet high-quality wines from different countries. To match with mainland consumersâ?? habit of purchasing wine through multiple channels, Hong Kong traders should adopt an online-to-offline sales and marketing model."

The survey was conducted in May 2020 with about 1,500 middle-class mainland consumers from Guangzhou, Shanghai, Beijing, Chengdu, Harbin, Changsha, Nanjing and Xian polled through an online questionnaire.