

## Hong Kong – A wine trading and distribution hub in Asia

According to the industry, Hong Kong has become a regional wine trading and distribution hub in Asia. Since the elimination of wine duties in February 2008, merchants have seized the opportunity to increase shipments and establish a greater presence in Hong Kong. Companies from various sectors of the wine industry are seeking to uncork the huge potential market in Asia and particularly in Mainland China – a region tipped by the industry to be the driver of global wine sales in the next decade and beyond.



## Why Hong Kong?

### Zero wine duty

Hong Kong has removed all wine duties since February 2008. With no VAT or GST, Hong Kong is the first free wine port among major economies.

### No duty-related administrative work

We have removed all duty-related customs/administrative controls for wine since June 2008, which means duty-free wine importation and exportation with minimal hassle.

### Proximity to the Mainland market

Strong economic performance, increased prosperity and changes in lifestyle have led to a significant rise in the demand for wine in Mainland China. As an international gateway to the Mainland, Hong Kong is in the prime position to capitalise on this trend.

Out of the 48.6 million visitors to Hong Kong in 2012, 34.9 million were from the Mainland. They can directly try and buy in Hong Kong wines from different parts of the world.

### Experience in wine trading

With over 40 years of experience in wine trading, Hong Kong has in-depth knowledge of the industry and the necessary network with vineyards/wine-producing areas.



### Understanding of Asian cuisines and wine pairing

Hong Kong people understand the wining and dining preferences of Asians. We also provide a good platform for pairing wines with Asian cuisine.

### Bilingual environment

We have a bilingual business environment with a wealth of seasoned professionals proficient in Chinese and English. Information is made available in both languages as a matter of course.



### Fundamental strengths

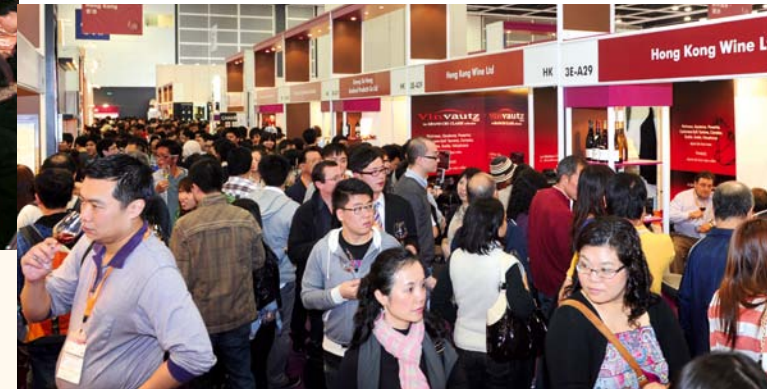
Hong Kong's global connectivity, strong foundations as an international business and financial centre, free economy, low and simple tax system, as well as clean and efficient government combine to provide a strong base for the development of wine-related businesses.



## Supportive Measures

### Facilitating the movement of wine into the Mainland

We have rolled out with the Mainland Customs since June 2010 facilitation measures for wines imported from Hong Kong. The measures include pre-valuation of wine and compressing the clearance time at Mainland ports. The measures are being implemented in Shenzhen and Guangzhou.



### Zero tariff for wines manufactured in Hong Kong into the Mainland

From January 2011, wines manufactured in Hong Kong can enjoy zero import tariff on their importation into the Mainland under the Closer Economic Partnership Arrangement (CEPA).

### Promotion

The Government has been synchronising the strategies of various agencies in promoting wine trading and distribution, including the Hong Kong Trade Development Council, Invest Hong Kong and the Hong Kong Tourism Board.

Key promotional events in Hong Kong include international wine fairs/roadshows such as Vinexpo, our "homegrown" Hong Kong International Wine & Spirits Fair as well as the Wine and Dine Festival.





### Reliable wine storage and identifiable sources

Wine traders may choose to store their wine in reliable storage facilities to ensure that the quality of the wine as an investment stock is preserved. With the assistance of the Government, the industry and the Hong Kong Quality Assurance Agency (HKQAA) launched in December 2009 the "Wine Storage Management Systems Certification Scheme" for accrediting storage facilities which meet certain required standards. The scheme has been extended to the retail/consumption and transportation sectors.

The HKQAA would also launch a pilot "Hong Kong Wine Registration Scheme" in the forth quarter of 2013 to recognise traders who could identify the source and record of wines they handle for enhanced consumers' confidence.



### Manpower training and wine education

Local public and private training institutions have been strengthening co-operation with overseas counterparts and developing enhanced training programmes for personnel engaged in wine-related business. More training materials are being translated into Chinese.

### Enforcement action against counterfeit wine

Hong Kong Customs is constantly vigilant against possible counterfeiting activities. To help prevent the entry of counterfeit wine into Hong Kong, Customs officers carry out continuous risk assessments and, as necessary, inspections of wine imports at control points.

Hong Kong Customs has also formed an alliance with the industry and strengthened liaison with overseas enforcement agents to facilitate swift exchange of intelligence on counterfeit wine and prevent the import, export and sale of counterfeit wine.



### Co-operation with trading partners

Hong Kong has signed co-operation agreements with major wine-producing countries/regions, including France (and its Bordeaux and Burgundy regions), Spain, Australia, Italy, Hungary, New Zealand, the USA (and its Washington and Oregon states), Portugal, Chile and Germany to strengthen promotional activities in areas including wine-related trade, tourism and investment, wine appreciation and education, as well as the fight against counterfeit wine.

## Market Response to Zero Wine Duties

Wine imports – The import value has increased from US\$367 million in 2008 to US\$1.03 billion in 2012, representing a growth of 183% over the past four years.

New companies – Hundreds of wine-related companies have set up or expanded their business in Hong Kong, including wine traders, distributors, retailers, auction houses, storage businesses and wineries.

Wine auctions – International auction houses have held multiple wine auctions in Hong Kong. Hong Kong has firmly established its position as one of the largest wine auction centres in the world. Total sales in 2012 amounted to US\$155 million. According to the industry, Hong Kong continued to take up the top position in 2012.

## Contact Us

### Commerce and Economic Development Bureau

<http://www.wine.gov.hk>

Tel: (852) 3655 5170

E-mail: [citbenq@cedb.gov.hk](mailto:citbenq@cedb.gov.hk)

### Invest Hong Kong

<http://www.investhk.gov.hk>

Tel: (852) 3107 1000

E-mail: [enq@InvestHK.gov.hk](mailto:enq@InvestHK.gov.hk)

### Hong Kong Trade Development Council

<http://www.hktdc.com>

Tel: (852) 1830 668

E-mail: [hktdc@hktdc.org](mailto:hktdc@hktdc.org)

### Hong Kong Tourism Board

<http://www.discoverhongkong.com>

Tel: (852) 2807 6543

E-mail: [info@hktb.com](mailto:info@hktb.com)

### Hong Kong Quality Assurance Agency

<http://www.hkqaa.org>

Tel: (852) 2202 9111

E-mail: [hkqaa@hkqaa.org](mailto:hkqaa@hkqaa.org)

### Hong Kong Special Administrative Region Government Offices Outside Hong Kong

<http://www.gov.hk/en/about/govdirectory/oohk.htm>

# HONG KONG - A WINE TRADING AND DISTRIBUTION HUB IN ASIA

