

#### The World Stage for Food

As a renowned culinary capital of Asia, Hong Kong is also home to a thriving food services industry that captivates locals and visitors alike. The city had 11 of Asia's 50 Best Restaurants and 69 Michelin starred restaurants in 2021 and continues to excel.

From food and grocery delivery, innovative business models to digital partnerships, Hong Kong's food industry is showing its agility and resilience as the industry continues to innovate and enrich the digital ecosystem. Not only is there an abundance of pioneering opportunities within the city primed for new entrants to capitalise upon, Hong Kong is also a strategic foothold for businesses looking to expand into the thriving Guangdong-Hong Kong-Macao Greater

Bay Area market. With so many opportunities for growth and expansion, it is an exciting time to be part of the food business in Hong Kong where you will enjoy:

- A great variety of restaurants and cuisines
- Simple and low tax regime
- Asia's leading tourist destination
- Excellent logistics and transportation infrastructure for efficient and low-cost food supplies
- A highly trained and multilingual workforce

## **Industry Snapshot**

Restaurants	No. of Establishments 2020	Employment 2020
Total F&B services	16,499	202,680
Chinese restaurants	4,323	77,846
Non-Chinese restaurants	2,366	28,478
Fast food shops	1,428	40,762

Source: Quarterly Report of Employment and Vacancies Statistics, March 2021, Census and Statistics Department

Year	Restaurant Receipts (HK\$ million)	Y.O.Y. Growth
2020	79,358	-29.4%
2019	112,469	-5.9%
2018	119,542	6.0%
2017	112,719	5.0%

Source: Report on Quarterly Survey of Restaurant Receipts and Purchases, February 2021, Census and Statistics Department



#### Licensing

Food related licences are issued by the Food and Environmental Hygiene Department and usually take approximately six to eight weeks to process.

- General Restaurant Licence permits the licensee to prepare and sell any kind of food for consumption on the premises.
- Light Refreshment Restaurant Licence restricts the licensee to prepare and sell for consumption on the premises any one group of the food items approved by the Food and Environmental Hygiene Department. The requirements for this type of restaurants in the context of the minimum area for food (i.e. kitchen, food preparation and scullery) are less stringent than those for general restaurants.
- Food Factory Licence is required for preparation and/or manufacture of food for sale off premises.
- Liquor Licence is required for restaurants to sell alcoholic beverages for consumption on the premise. This licence usually takes approximately two to three months to process.

For details, please contact: Food and Environmental Hygiene Department 44/F Queensway Government Offices, 66 Queensway, Hong Kong

Tel: (852) 2868 0000 Fax: (852) 2869 0169

Email: enquiries@fehd.gov.hk

fehd.gov.hk

#### Examples of Foreign Foodservice Companies Operating in Hong Kong

- A-1 Bakery (Japan)
- Breadtalk (Singapore)
- Chateraise (Japan)
- Coucou Hotpot · Tea Break (Mainland China)
- Emack & Bolio's (US)
- Five Guys (US)
- Fortnum & Mason (UK)
- Fuel Espresso (New Zealand)
- Garrett Popcorn (US)
- Hana Musubi (Japan)
- Haidilao (Mainland China)
- Ichiran (Japan)
- · Lady M (US)
- La Maison du Chocolat (France)
- Paul Lafayet (France)
- Pret A Manger (UK)
- Shore (Canada)
- Sushi Express (Taiwan)
- Sushiro (Japan)
- Tian Tian Hainanese Chicken (Singapore)
- UMA NOTA (Brazil)
- Venchi (Italy)
- Watami (Japan)
- Wooloomooloo (Australia)
- Xi He Ya Yuen (Mainland China)

### **Approximate Monthly Rental Costs for Restaurants (HK\$)**

Districts	Shopping Malls (HK\$/sq. ft. or 12-15% of turnover)	Street-side Premises
Central	\$95-\$105/sq. ft.	\$130-\$240/sq. ft.
Causeway Bay	\$80-\$90/sq. ft.	\$150-\$270/sq. ft
Tsim Sha Tsui	\$70-\$80/sq. ft.	\$200-\$300/sq. ft
Mongkok	\$70-\$80/sq. ft.	\$140-\$240/sq. ft
Kowloon Tong	\$65-\$75/sq. ft.	-
Kowloon East	\$60-\$70/sq. ft.	-
Tseung Kwan O	\$55-\$65/sq. ft.	-
Taikoo	\$70-\$80/sq. ft.	-
Hung Hom	\$45-\$55/sq. ft.	-
New Territories	\$55-\$65/sq. ft.	-
Shatin	\$75-\$85/sq. ft.	-

Source: Jones Lang Lasalle, June 2021

## **Average Monthly Salaries for Foodservice Staff (HK\$)**

Title	Experience (No. of years)	Salary Range
Chef	5+	\$15,000 - 40,000
Manager	5+	\$18,000 - 35,000
Cook	0 - 5	\$11,000 - 25,000
Supervisor	3 - 5	\$14,000 - 22,000
Waiter/Server	0 - 3	\$10,000 - 21,000
Dishwasher	0 - 1	\$10,000 - 15,000

Source: CTgoodjobs 2021

# Five Guys Expands in Asia, Following Hong Kong Success

America burger brand Five Guys continues its Hong Kong growth while planning more debuts in APAC.



Hong Kong is the right place for us to put our regional headquarters, supporting the whole Asia Pacific operations.

Danny Lee Vice President Operations APAC Five Guys

Famed for its fresh beef burgers, handcut fries and customisable milkshake, Five Guys debuted in Hong Kong in November 2018. With overwhelming response, the US premium burger brand opened two more stores in Central and Tsim Sha Tsui within a few months, and more locations are in the pipeline in 2020.

Founded in Virginia in 1986, Five Guys currently owns over 1,600 restaurants worldwide with both franchise and direct-own stores, spanning across the US, Europe, Middle East and Asia. Hong Kong was the first Asian city that the company chose to open an outpost, followed by Singapore.

In a place like Hong Kong where international restaurant brands strive to stay ahead of the game, Five Guys' strategy is to stay authentic to its brand and values. "We are very proud of what we are doing so far as we constantly exceed our customers' expectation," said Danny Lee, Vice President Operations APAC. "We want to make sure that every burger we serve is perfectly cooked with juicy beef, and our service is uncompromised."

# Asia expansion with Hong Kong as RHQ

Five Guys chose Wanchai to start its Hong Kong venture where it can serve a blend of commercial and residential community. According to Lee, finding a strategic location is crucial for Five Guys. "It's very important that we find the right place, the right neighbourhood and with the right demographics," he said, "if a good location comes along, we move very fast. That's why within the last quarter in 2019, we opened two more stores in Hong Kong."

"Hong Kong is a transit hub, a very transacting city in Asia. It is therefore a good place for us to start in this part of the world," he added. "This is a showcase to the other markets in Asia region."

As its business becomes mature with an established support structure, the company plans to expand further in Asia Pacific with Hong Kong as its base. "The city is well-placed in its geographical location, it's only a short flight to support our new markets in Singapore, Malaysia, Korea, and Japan. Hong Kong is the right place for us to put our regional headquarters, supporting the whole Asia Pacific operations."

"There is also a big talent pool here while English is widely spoken everywhere, so it serves as a great platform for us to expand outside of Hong Kong," he added. Lee sees InvestHK as an important partner in Five Guys' expansion journey. "I would like to thank InvestHK who has been a really good partner. They provide very useful contact and market updates and we are very grateful for their support," he concluded.

#### **Five Guys**

- Currently runs three outlets in Hong Kong, with plans to open two more stores in 2020
- Expansion in APAC includes new openings in Malaysia,
  Japan and Australia
  - # fiveguys.com.hk

Watch the video:



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#### **Relevant Organisations in Hong Kong**

#### Food and Environmental Hygiene Department

44/F, Queensway Government Offices, 66 Queensway, Hong Kong Tel: (852) 2868 0000 Fax: (852) 2869 0169

Email: enquiries@fehd.gov.hk

fehd.gov.hk

# The Hong Kong Federation of Restaurants and Related Trades Limited

Flat A, 7/F, Draco Industrial Building 46 Lai Yip St, Kwun Tong Tel: (852) 2523 6128 Fax: (852) 2523 2638

Email: hkfort@netvigator.com hkfort.org.hk

# The Associate for Hong Kong Catering Services Management Ltd.

Flat 13-14, 2/F, Po Hong Centre, 2 Wang Tung Street, Kowloon Bay, Hong Kong

Tel: (852) 3464 0319 Fax: (852) 3171 1283 Email: admin@hkcsm.com

hkcsm.com

#### Hong Kong Restaurant Listings and Popular Blogs

Popular Blogs	Website
Asia Tatler Dining	hk.asiatatler.com/dining
DiningCity	diningcity.hk
FeedMe Guru	feedmeguru.com
Foodie	afoodieworld.com
Hong Kong Tourism Board	discoverhongkong.com/ca/explore/dining.html
Lifestyle Asia	lifestyleasia.com/hk/
Openrice	openrice.com/en/hongkong

#### Major F&B Events in Hong Kong

Event	Website
Asia Fruit Logistica	asiafruitlogistica.com
HOFEX	hofex.com
Hong Kong Food Expo	event.hktdc.com/fair/hkfoodexpo-en/HKTDC-Food-Expo/
Hong Kong Food Festival	food-expo.com.hk/hong-kong-food-festival.html
Hong Kong Wine and Dine Festival	masterclasses.discoverhongkong.com/eng/
LOHAS Expo	lohasexpohk.com
Natural & Organic Asia	naturalandorganicasia.com
Restaurant & Bar Hong Kong	rbhk-ga.com
Vegetarian Food Asia	vegfoodasia.com

#### For more information, please contact:

#### **Sindy Wong**

Head of Tourism and Hospitality

Tel: (852) 3107 1067 Fax: (852) 3107 9007

Email: swong@investhk.gov.hk

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