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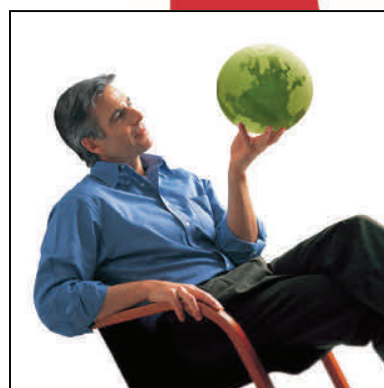
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MARKET INDICATOR REPORT | OCTOBER 2012

Consumer Trends

Cooking Oils in Hong Kong



Consumer Trends

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▶ MARKET SNAPSHOT

- ▶ The Hong Kong Special Administrative Region (Hong Kong) is a political and administrative subdivision of China. Hong Kong has a high degree of autonomy in all of the region's economic, social and political issues except for diplomatic relations and national defense.
- ▶ The total population of Hong Kong exceeds 7.1 million (July 2011, estimate, Central Intelligence Agency [CIA] World Factbook, 2012). The region's population is ethnically diverse, as immigration contributes to the growth of the population. The majority of Hong Kongites are Chinese, but other major ethnic groups include Filipinos and Indonesians (CIA Factbook, 2012).
- ▶ Hong Kong has shown strong economic growth over the last decade. The region's gross domestic product (GDP) registered at US\$224 billion in 2010. Hong Kong's economy is mainly supported by the service industry, which accounted for approximately 93% of the region's total GDP during the last five years (World Bank, 2012).
- ▶ Hong Kong displayed a robust trade performance during the last couple of decades. For example, the region's total trade was 440% of the region's total GDP in 2010. In the same year, the export of goods and services was 223% of the region's total GDP (World Bank, 2012).
- ▶ According to Euromonitor (2011), more than 95% of Hong Kong's total exports were, in fact, re-exports of imported goods whose final destination was mainland China, which is also the region's biggest agri-food and seafood trade partner.
- ▶ In 2011, Hong Kong's total value of agri-food and seafood imports was US\$23 billion, while exports were valued at US\$8 billion.
- ▶ In terms of domestic food consumption, total consumer expenditure on foods saw an upward trend during the 2006-2011 period with a compound annual growth rate (CAGR) of 10.1%, reaching US\$20.5 billion in 2011. Consumer expenditure on oils and fats accounted for 1.5% of total consumer expenditure on foods, at US\$305 million in 2011. Expenditure on oils and fats increased during the 2006-2011 period at a CAGR of 11.2%.
- ▶ Hong Kong's culinary styles include Cantonese and Chinese, which require frying and steaming methods. Therefore, oils and fats are considered essentials for cooking in Hong Kong.
- ▶ According to Euromonitor (2011), there have been changes in the consumption of oils and fats over the last five years due to increasing health consciousness. This contributed to an increase in demand for higher quality cooking oils and fats with less trans-fat or with fortified contents such as docosahexaenoic acid (DHA) and omega 3.

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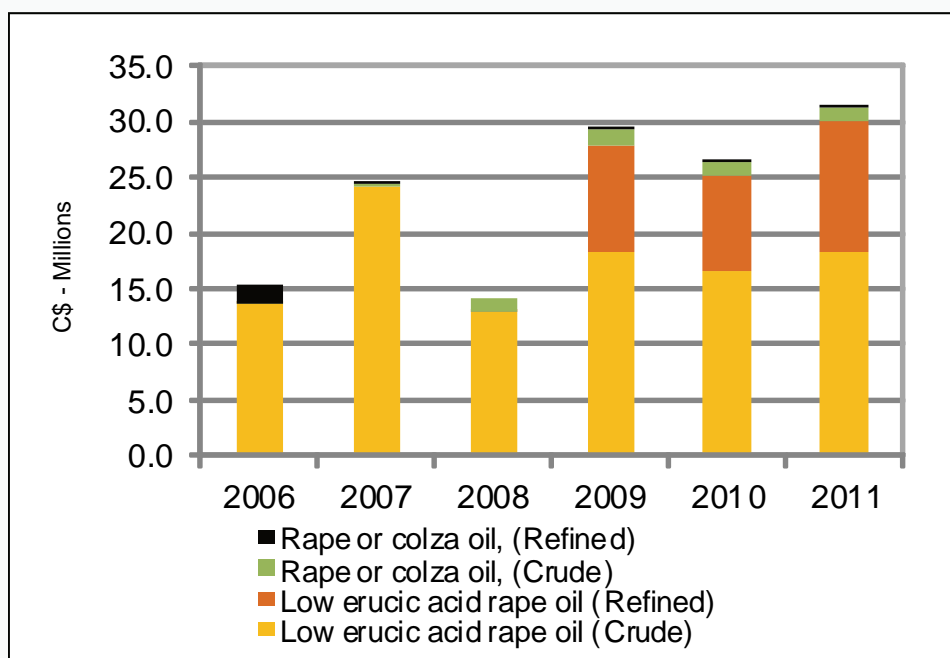




▶ TRADE

- ▶ Hong Kong was a net importer of oils and fats in 2011 (including edible animal fat). Hong Kong imported US\$253 million of oils and fats products from the world and exported just US\$61 million in 2011.
- ▶ In 2011, Hong Kong imported US\$49 million of canola oil products, and exported US\$15 million.
- ▶ Traditionally, China has been Hong Kong's major trade partner for canola oil products. However, over the last five years, Hong Kong's canola oil exports to Macau have increased, reaching US\$11 million, or 69% of the region's total canola oil exports in 2011.
- ▶ The total import value of canola oil products from China was US\$2.7 million in 2011, while canola oil exports to China dropped by 66% in 2011 from the previous year, recording US\$3.6 million.
- ▶ Canada is the major exporter of canola oil products to Hong Kong. Canada exported C\$31.3 million of canola oil products to Hong Kong in 2011, according to Statistics Canada (2012).
- ▶ The total export value of Canada's canola/rapeseed oils to Hong Kong fluctuated during the 2006-2011 period. In 2008, they registered a big drop, but showed a strong recovery in 2009, maintaining the top position.
- ▶ The total export volume of Canada's canola/rapeseed oils also fluctuated during the 2006-2011 period. In 2009, total export volume reached 31 million kilograms, the highest export volume during this period. Canada's total export volume of canola/rapeseed oils has decreased since, recording 26 million kilograms in 2011.

Canada's Exports of Canola Oil Products to Hong Kong



Source: Statistics Canada, 2012



► RETAIL SALES

Retail Sales Overview

- The total oils and fats market in Hong Kong was valued at US\$122 million in 2011, which was up by 3.7% from the previous year. By volume sales, the market expanded by just 2% during the same period.

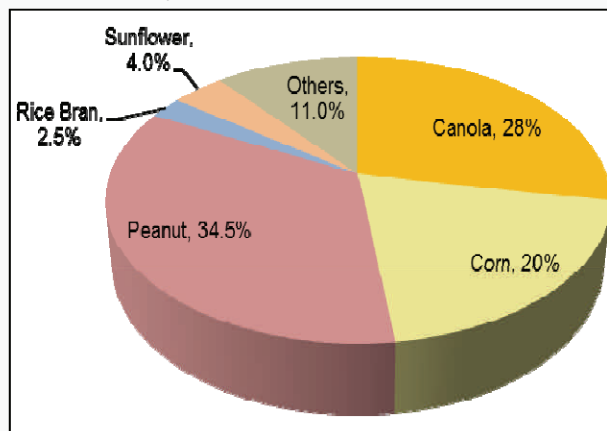
- The vegetable and seed oil sub-category represented the majority of the oils and fats market both by value and by volume terms. During the 2006-2011 period, vegetable and seed oils accounted for approximately 69% of total value sales, and 84% of total volume sales. Within the vegetable and seed oil category, canola oil accounted for approximately 28% of total vegetable and seed oil sales by value throughout the 2006-2008 period.

- The butter sub-category showed fast growth in value sales at a CAGR of 10.6% during the 2006-2011 period. Considering the low volume sales growth at a CAGR of 2.7%, value sales were largely driven by price increases during this period.

- The olive oil sub-category experienced a big drop in value sales following fast growth during the 2006-2008 period. However, considering the high volume growth during the 2008-2011 period at a CAGR of 4.1%, market expansion was led by consumption growth during this period.

- The unit price of vegetable and seed oils saw an upward trend between 2006 and 2008. However, it has declined since the 2008 peak price of US\$4.2 per kilogram, reaching US\$ 2.9 per kilogram in 2011.

Vegetable and Seed Oil by Type* – % Breakdown by Retail Value Sales in 2011



Source: Euromonitor International, Oils and Fats in Hong Kong, 2012

* Note: Vegetable and seed oil does not include olive oil.

Hong Kong's Oils and Fats Market Size by Retail Value Sales (Historic) in US\$ Thousands

Category	2006	2007	2008	2009	2010	2011	2006-11 CAGR
Total oils and fats	109,731.3	127,923.6	153,980.3	128,871.0	118,020.5	122,355.6	2.2%
Butter	1,229.4	1,290.9	1,833.0	1,924.7	1,963.2	2,037.8	10.6%
Olive Oil	7,833.0	8,459.6	9,178.7	7,801.9	7,255.8	7,582.3	-0.6%
Spreadable oils and fats	26,295.2	28,924.8	30,515.6	31,431.1	29,859.5	30,635.9	3.1%
Vegetable and seed oil	74,373.6	89,248.4	112,453.0	87,713.3	78,942.0	82,099.7	2.0%

Hong Kong's Oils and Fats Market Size by Retail Volume Sales (Historic) in Tonnes

Category	2006	2007	2008	2009	2010	2011	2006-11 CAGR
Total oils and fats	29,708.5	30,768.1	31,696.2	32,153.4	33,082.4	33,732.7	2.6%
Butter	132.0	133.3	134.9	140.9	146.6	151.0	2.7%
Olive oil	488.3	507.8	530.6	551.9	576.7	598.6	4.2%
Spreadable oils and fats	4,130.1	4,295.3	4,424.1	4,534.7	4,625.4	4,694.8	2.6%
Vegetable and seed oil	24,958.1	25,831.7	26,606.6	26,925.9	27,733.7	28,288.3	2.5%

Source for both: Euromonitor International, Oils and Fats in Hong Kong, 2012



► RETAIL SALES (continued)

Retail Sales Overview (continued)

- The commodity price hike during the 2008-2009 period contributed to increased prices of oils and oil products in Hong Kong. From 2009, as commodity prices went down, oil and oil product prices went back to pre-2008 levels.

Retail Sales Forecasts

- Hong Kong's total oils and fats market is projected to grow during the 2011-2016 period at a CAGR of 3.8%, reaching US\$147 million by 2016. Total volume sales are expected to grow slowly at a CAGR of 1.1%, a decrease of 1.5 percentage points from the CAGR recorded during the 2006-2011 period. According to Euromonitor (2011), the slow growth rate may be attributable to rising health consciousness and governmental healthy eating campaigns regarding the use of less oils and fats when cooking.
- The vegetable and seed oil sub-category is expected to expand at a CAGR of 3.8% during the 2011-2016 forecast period, to be valued at US\$99 million by 2016. However, by volume, the vegetable and seed oil sub-category is expected to record slower growth than the 2006-2011 period, at a CAGR of just 1.1% over the period.
- Considering the consumption trends, Hong Kong's oils and fats market will continue to show shifting sales trends as consumers choose healthier and high-quality oils. This shift in consumption will likely contribute to price changes of oils and fats products.

Hong Kong's Oils and Fats Market Size by Retail Value Sales (Forecast) in US\$ Thousands

Category	2011	2012	2013	2014	2015	2016	2011-16 CAGR
Total oils and fats	122,355.6	128,117.7	133,139.4	137,983.0	142,648.9	147,135.4	3.8%
Butter	2,037.8	2,140.9	2,231.7	2,319.5	2,403.7	2,483.8	4.0%
Olive oil	7,582.3	7,926.9	8,222.6	8,504.0	8,768.9	9,025.3	3.5%
Spreadable oils and fats	30,635.9	31,965.2	33,124.7	34,258.4	35,395.8	36,539.5	3.6%
Vegetable and seed oil	82,099.7	86,084.8	89,560.4	92,901.0	96,080.6	99,086.8	3.8%

Hong Kong's Oils and Fats Market Size by Retail Volume Sales (Forecast) in Tonnes

Category	2011	2012	2013	2014	2015	2016	2011-16 CAGR
Total oils and fats	33,732.7	34,229.2	34,664.2	35,034.8	35,343.0	35,586.4	1.1%
Butter	151.0	155.2	159.2	162.7	165.7	168.0	2.2%
Olive oil	598.6	619.6	639.4	657.9	674.4	688.5	2.8%
Spreadable oils and fats	4,694.8	4,741.7	4,779.7	4,808.3	4,832.4	4,851.7	0.7%
Vegetable and seed oil	28,288.3	28,712.7	29,085.9	29,405.9	29,670.5	29,878.2	1.1%

Source for both: Euromonitor International, Oils and Fats in Hong Kong, 2012

Distribution

- The supermarket accounts for approximately 54% of the Hong Kong's total food retail shopping. Wet markets, including small grocery shops, are still popular places for everyday shopping. However, for oils and fats products, supermarkets represented 83% of total sales in 2011. This has been a consistent trend that is not likely to change in the near future.



► NEW PRODUCT LAUNCHES

- According to the Mintel Global New Product Database, there were 134* new cooking oil products introduced in Hong Kong between January 2007 and December 2011. The new product launches peaked at 49 in 2009, representing 37% of the total sample for the entire search period. The number of new product launches has dropped significantly since 2009.

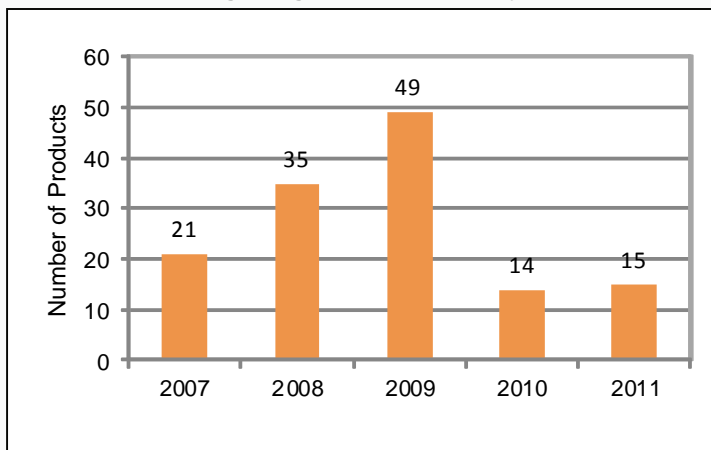
Launch Types

- The majority of the launches were completely new products (83 products, 62%). The other major launch types were new packaging (29 products, 22%) and new variety/range extension (21 products, 16%). There was one product launched as a new formulation.

Major Companies & Brands

- Olitalia and Lam Soon recorded the highest number of new product launches during the 2007-2011 period, with eight products. Six were released under the Olitalia brand and two under the Oleal brand.
- Lam Soon also had eight new products over the 2007-2011 period under the company's brands: Knife (five products), Vecorn (two products), and Red Lantern (one product).

New Cooking Oil Product Launches in Hong Kong from 2007-2011 by Year



Source: Mintel, 2012

New Cooking Oil Product Launches in Hong Kong from 2007-2011 by Top Companies and Brands

Company	Brand	Number of Products
Olitalia	Olitalia	6
	Oleal	2
Lam Soon	Knife	5
	Vecorn	2
	Red Lantern	1
Hop Hing Oils & Fats	Lion & Globe	4
	Camel Brand	2
	King Chef	1
Colavita	Colavita	6
Manfredi Barbera E Figli	Novello Di Macina	1
	Stupor Mundi	1
	Puroliva	1
	Frantoia	1
Other		101
Total		134

Source: Mintel, 2012



Cooking oils in AS Watson, Hong Kong

Source: Planet Retail, 2012

* **Note:** The initial search result was 135 products including one non-cooking oil product. The non-cooking oil product is excluded from all analyses.



► NEW PRODUCT LAUNCHES (continued)

Claims

- The most popular claim for new cooking oil products was low/no/reduced cholesterol with 26 products.
- Other major claims included kosher (17 products), antioxidant (14 products), organic (13 products) and no additives/preservatives (10 products).
- Most other claims were related to health benefits or health consciousness.

Types of Oil and Flavours

- Based on classifications by the main ingredients and product types, there were 41 olive oil products launched in Hong Kong from 2007-2011, representing 31% of all new oil products. Canola/rapeseed oils saw 14 products and sesame seed oils registered 10.
- The most common flavour was unflavoured/plain with 127 products, representing more than 94% of the total new products. Other flavours included truffle (2 products), as well as avocado, garlic, lemon, sesame, shallot and spice/spicy, with one product each.

Packaging

- A glass bottle was the most common packaging type with 87 new products, followed by the plastic bottle with 40 products. There were five products in a metal can, one in a metal bottle and one in a multilayered carton.
- The most common pack sizes amongst the new products were 1 litre, 0.5 litre and 0.9 litre.



Source: Mintel, 2012

New Cooking Oil Product Launches in Hong Kong from 2007-2011 by Major Claim

Claim	Number of Products
Low/no/reduced cholesterol	26
Kosher	17
Antioxidant	14
Organic	13
No additives/preservatives	10
Low/no/reduced saturated fat	6
All natural product	5
Cardiovascular (functional)	4
Economy	4
Low/no/reduced transfat	4

Source: Mintel, 2012

New Cooking Oil Product Launches in Hong Kong from 2007-2011 by Oil Type

Oil Type	Number of Products
Olive oil	41
Canola/rapeseed oil	14
Sesame seed oil	10
Grapeseed oil	8
Corn oil	6
Sunflower seed oil	5
Peanut oil	5
Soybean oil/ fat	4
Walnut oil	3
Linseed oil	2
Rice Bran oil	2
Tea Seed oil	1
Madacamia nut oil	1
Others	32
Total	134

Source: Mintel, 2012



► NEW PRODUCT EXAMPLES

The following are some examples of the new cooking oil products launched in Hong Kong between January 2007 and December 2011, from the Mintel Global New Products Database (2012).



Extra Virgin Camellia Cooking Oil

Company: Golden Flower Tea Oil Production

Brand: Top. Tea Oil Production

Date Published: August 2011

Launch Type: New variety/range extension

Price (US\$): 17.73

Package Type: Bottle

Package Material: Plain glass

Pack Size: 250 ml

Storage: Shelf stable

Private Label: Branded

Ingredients: Oiltea camellia oil (100%)

Product Description: Top. Tea Oil Production Extra Virgin Camellia Cooking Oil is a pale amber-green fixed oil with a sweet, herbal aroma. This product has been certified with HACCP.

Scallion Oil

Company: Area Farmer's Association

Brand: Sunshin

Date Published: August 2011

Launch Type: New product

Price (US\$): 7.39

Package Type: Bottle

Package Material: Plain glass

Pack Size: 270 ml

Storage: Shelf stable

Private Label: Branded

Ingredients: Sunflower seed oil, chive, vitamin E (antioxidants)

Product Description: Sunshin Scallion Oil is said to be natural, healthy and fresh.



Grapeseed Oil

Company: Envero Aceites

Brand: Envero

Date Published: February 2011

Launch Type: New product

Price (US\$): 9.22

Package Type: Bottle

Package Material: Coloured Glass

Pack Size: 750 ml

Storage: Shelf stable

Private Label: Branded

Ingredients: Grapeseed oil

Product Description: Envero Grapeseed Oil is a product from Spain.

Source for all: Mintel, 2012



► NEW PRODUCT EXAMPLES (continued)



Extra Virgin Tea Seeds Cooking Oil

Company: Golden Flower Tea Oil Production

Brand: Top. Tea Oil Production

Date Published: June 2010

Launch Type: New product

Price (US\$): 20.53

Package Type: Bottle

Package Material: Plain glass

Pack Size: 250 ml

Storage: Shelf stable

Private Label: Branded

Ingredients: Oiltea camellia oil (100%)

Product Description: Top. Tea Oil Production Extra Virgin Tea Seeds Cooking Oil is a pale amber-green fixed oil with a sweet, herbal aroma.

Camellia Seed Oil

Company: Edenworld International

Brand: Edenworld

Date Published: February 2010

Launch Type: New product

Price (US\$): 11.97

Package Type: Bottle

Package Material: Plain glass

Pack Size: 500 ml

Storage: Shelf stable

Private Label: Branded

Ingredients: Tea Seed Oil (Seed)

Product Description: Edenworld Camellia Seed Oil is made from seeds of wild camellia trees found on the highlands. This oil is described as a pure, natural and advanced edible organic oil. It is recommended for use in mixed salads, stir-fries, and deep fries. The product is organic certified.



Rice Bran Oil

Company: Olitalia

Brand: Olitalia

Date Published: August 2010

Launch Type: New variety/range extension

Price (US\$): 10.42

Package Type: Bottle

Package Material: Coloured glass

Pack Size: 1 L

Storage: Shelf stable

Private Label: Branded

Ingredients: Rice bran oil (bran)

Product Description: Olitalia Rice Bran Oil is new to the range. It is produced from rice germ in its natural state and contains several constituents of a healthy diet. It is claimed to be known for its very high smoking point of 49°F and its mild flavour, making this oil suitable for high temperature cooking methods such as stir frying and deep frying.

Source for all: Mintel, 2012



► COMPANY SHARES

- During the 2006-2010 period, the top three companies, Lam Soon Group, Hop Hing Holdings Ltd., and Unilever Group, held a strong presence in terms of company shares, representing 72.8% of the total oils and fats market in Hong Kong by retail value sales. However, Lam Soon Group and Hop Hing Holdings Ltd. lost marginal shares since their peak performance in 2008. According to Euromonitor (2011), this decline is due to the decrease in demand and popularity of vegetable and seed oils, as health-conscious consumers change to oil types perceived as healthier, such as olive.
- The Lam Soon Group maintained the lead in Hong Kong's oils and fats market throughout the 2006-2010 period. Lam Soon Group (and subsidiary companies) produces and distributes edible oil products under the company's brands in Hong Kong and China. The company's market share increased by 1 percentage point every year from 2006-2008, but experienced a decline in sales and company share since the peak of US\$52.7 million in 2008. Lam Soon Group recorded total sales of US\$37.4 million in 2012, representing 31.6% of the Hong Kong oils and fats market.
- Hop Hing Holding Ltd. maintained the second position throughout the 2006-2010 period, showing a trend similar to that of Lam Soon Group. The company recorded positive growth in company share during the 2006-2008 period, but experienced a marginal decline since then. Hop Hing Holding Ltd. recorded total sales of US\$32.9 million, representing 27.9% of the Hong Kong oils and fats market in 2010. Hop Hing Holdings mainly engages in the production of oil products by blending, bottling and distributing the products under the company's brands.
- The Da Chong Hong (DCH) Group is a major food trading company in Hong Kong. The company imports and distributes packaged food in both retail and wholesale-level foodservices in Hong Kong, Macau and China. In terms of oil products specifically, DCH is mainly engaged in the repackaging, distribution and marketing of imported oil and fat products through retail outlets, as well as through the company's retail chains in both Hong Kong and China.



Dah Chong Hong Food Retail Shop and Distributor in Hong Kong
Source: Planet Retail, 2012

Hong Kong's Oils and Fats Market – Company Shares by Retail Value Sales (Historic) – % Breakdown

Company (GBO*)	2006	2007	2008	2009	2010
Lam Soon Group	32.2	33.1	34.2	32.3	31.6
Hop Hing Holdings Ltd.	26.7	27.7	28.9	28.1	27.9
Unilever Group	16.6	13.3	10.0	12.4	13.3
Goodman Fielder Ltd.	6.7	6.1	5.4	6.7	7.0
Snow Brand Milk Products Co Ltd.	3.6	3.6	3.1	3.7	3.6
Sweetyet Development Ltd.	-	2.4	2.6	2.7	2.7
SOS Corp Alimentaria SA	-	-	1.8	1.8	1.8
SALOV - Società per Azioni Lucchese Olii e Vini SpA	1.9	1.8	1.6	1.6	1.7
Da Chong Hong (DCH) Group	2.7	2.1	2.2	1.7	1.6
Fonterra Co-operative Group	0.6	0.5	0.6	0.8	0.9
Arla Foods Amba	0.3	0.3	0.3	0.4	0.4
Burns, Philp & Co Ltd.	-	-	-	-	-
Private Label	4.0	4.4	4.8	4.3	4.0
Others	4.7	4.7	4.6	3.5	3.3

Source: Euromonitor International, Oils and Fats in Hong Kong, 2012

* Note: At the point of writing the report, 2010 was the latest available figure.

GBO: Global Brand Owner



► BRAND SHARES

- During the 2006-2010 period, the top three brands, including Knife (Lam Soon Group), Lion & Globe (Hop Hing Holdings Ltd.) and Flora (Unilever Group) accounted for more than 50% of the total brand shares in Hong Kong's oils and fats market. Knife and Lion & Globe recorded the highest brand shares in 2008, but both experienced declines since then. In contrast, Flora and most of the minor brands gained marginal brand shares since a drop in 2008.
- The Knife brand by Lam Soon Group maintained the top position during the last five years with marginal changes. Red Lantern, another Lam Soon Group brand, was one of the top ten. Varieties of premium products, including premium quality rapeseed and canola oils, were launched under the Soon brand for both retail and restaurant use. However, Lam Soon Group's Soon brand represents a small portion of the market.
- Hip Hop Holdings' two edible oil brands, Lion & Globe, and Camel, had a strong presence during the 2006-2010 period. Lion & Globe maintained the second highest brand share in Hong Kong's oils and fats market, despite experiencing a decline in recent years. Hip Hop Holdings launched new oil products to regain the market by appealing to health-conscious consumers. For example, the company launched canola oil fortified with DHA under the Lion & Globe brand in 2010.

Hong Kong's Oils and Fats Market – Brand Shares by Retail Value Sales (Historic) – % Breakdown

Brand	Company (GBO*)	2006	2007	2008	2009	2010
Knife	Lam Soon Group	25.1	26.1	27.3	25.8	25.6
Lion & Globe	Hop Hing Holdings Ltd.	19.2	20.0	20.9	19.9	19.6
Flora	Unilever Group	12.0	11.3	10.0	12.4	13.3
Meadow Lea	Goodman Fielder Ltd.	6.7	6.1	5.4	6.7	7.0
Camel	Hop Hing Holdings Ltd.	6.1	6.3	6.6	6.5	6.6
Red Lantern	Lam Soon Group	7.1	7.0	6.9	6.5	6.1
Neosoft Margarine	Snow Brand Milk Products Co Ltd.	3.6	3.6	3.1	3.7	3.6
Mazola	Sweetyet Development Ltd.	-	2.4	2.6	2.7	2.7
Bertolli	SOS Corp Alimentaria SA	-	-	1.8	1.8	1.8
Filippo Berio	SALOV - Società per Azioni Lucchese Olii e Vini SpA	1.9	1.8	1.6	1.6	1.7
Tripod	DCH Group	2.7	2.1	2.2	1.7	1.6
Anchor	Fonterra Co-operative Group	0.4	0.3	0.4	0.5	0.6
Lurpak	Arla Foods Amba	0.3	0.3	0.3	0.4	0.4
Daisy	Fonterra Co-operative Group	0.2	0.2	0.2	0.3	0.3
Bertolli	Unilever Group	2.2	2.0	-	-	-
Mazola	Unilever Group	2.4	-	-	-	-
Meadow Lea	Burns, Philp & Co Ltd.	-	-	-	-	-
Private label	Private Label	4.0	4.4	4.8	4.3	4.0
Others	Others	6.0	6.1	6.0	5.2	5.0

Source: Euromonitor International, *Oils and Fats in Hong Kong, 2012*

Note: At the time of writing the report, 2010 was the latest data available

***GBO:** Global Brand Owner



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► ANNEX A: NEW CANOLA OIL PRODUCTS

- According to the Mintel Global New Products Database (2012), there were 14 new canola/rapeseed oil products launched in Hong Kong between January 2007 and December 2011. These new products included pure canola/rapeseed oils and oil blends.

Launch Types

- Of the 14 new releases, seven canola/rapeseed oil products were launched with new packaging, five were introduced as new products, one as new formulation, and one as new variety/range extension.

New Canola/Rapeseed Oil Product Launches in Hong Kong from 2007-2011 by Year

2007	2008	2009	2010	2011	Total
0	5	6	0	3	14

Source: Mintel, 2012

Major Companies and Brands

- The companies with the largest shares of the market, including Lam Soon Group and Hop Hing Oils and Fats launched a combined seven new canola products. The major food trading and retail companies in the region, including Dah Chong Hong, Sime Darby Edible Products, launched one new canola product each.
- The presence of Asian regional brands was more significant than the other regional brands or global brands such as Crisco by J. M. Smucker.
- Further company and brand research indicated that the majority of the companies that launched canola/rapeseed oil products were food trading companies with the local capacity for marketing, distribution and sales in diversified points of connection. Some of the major companies also produce and refine various types of cooking oils including varieties of canola/rapeseed oils.

**New Cooking Oil Product Launches in Hong Kong from 2007-2011
by Top Companies and Brands**

Company	Brand	Number of Products
Lam Soon	Knife	3
	Red Lantern	1
Hop Hing Oils & Fats	Camel Brand	1
	King Chef	1
	Lion & Globe	1
Dah Chong Hong	Bontaste	1
Dongwon F&B	Dongwon Noble	1
J.M. Smucker	Crisco	1
Natural Value Products	Natural Value	1
Park 'N Shop	SeLect	1
Sime Darby Edible Products	Sunbeam	1
Southseas Oils & Fats Industrial	Arawana Brand	1

Source: Mintel, 2012



► **ANNEX A: NEW CANOLA OIL PRODUCTS (continued)**

Claims

- The most common product claim amongst the 14 new launches was low/no/reduced cholesterol followed by antioxidant, low/no/reduced saturated fat and no additives/preservatives.
- These common claims stem from the overall oils and fats market, where consumers are demanding healthier cooking oil options.

Types of Oils and Flavour

- Of the 14 new launches, there were total 7 pure canola oil products, 4 oil blends with canola as the main oil ingredient and 3 oil blends with canola oil as an added ingredient to another oil such as sesame oil.
- The flavour for all of the new canola/rapeseed products was unflavoured/plain.

Packaging

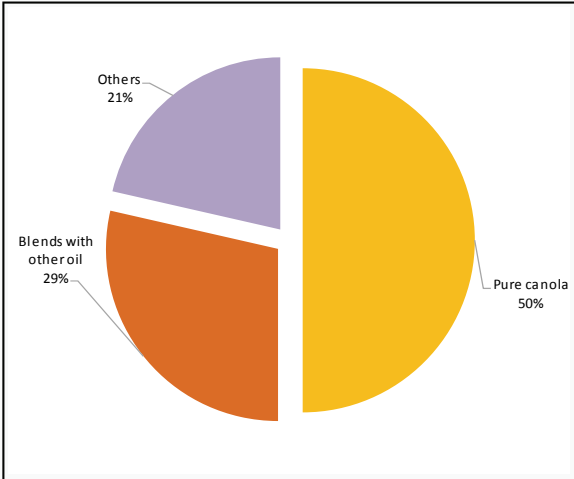
- All of the products were packaged either in a glass bottle or plastic bottle. As a single pack size, 0.9 litre was the most common, accounting for 6 of the 14 new products.

New Canola/Rapeseed Product Launches in Hong Kong from 2007-2011 by Claim

Claim	Number of Products
Low/no/reduced cholesterol	6
Antioxidant	2
Low/no/reduced saturated fat	2
No additives/preservatives	2
Brain & nervous system (functional)	1
Childhood health (functional)	1
Economy	1
GMO-free	1
Halal	1
Immune system (functional)	1
Kosher	1
Low/no/reduced transfat	1
Other (functional)	1

Source: Mintel, 2012

New Canola/Rapeseed Product Launches in Hong Kong from 2007-2011 by Type



Source: Mintel, 2012



Knife Brand's 100% Pure Canola Oil in Hong Kong
Source: Mintel, 2012



► ANNEX A: NEW CANOLA OIL PRODUCTS (continued)

The following are some examples of new canola/rapeseed cooking oil products launched in Hong Kong between January 2007 and December 2011, from the Mintel Global New Products Database (2012).



Canola Oil

Company: Dongwon F&B
Brand: Dongwon Noble
Category: Sauces and seasonings
Sub-Category: Oils
Date Published: July 2011
Launch Type: New product
Price (US\$): 3.70

Package Type: Bottle
Package Material: Plastic PET
Pack Size: 900 ml
Storage: Shelf stable
Private Label: Branded
Ingredients: Low erucic acid rapeseed oil

Product Description: Dongwon Noble Canola Oil is now available in the market.

Omega-3 Flaxseed Canola Oil

Company: Lam Soon
Brand: Knife
Category: Sauces and seasonings
Sub-Category: Oils
Date Published: June 2011
Launch Type: New packaging
Price (US\$): 7.47

Package Type: Bottle
Package Material: Plastic PET
Pack Size: 900 ml
Storage: Shelf stable
Private Label: Branded
Ingredients: Low erucic acid rapeseed oil, linseed oil

Product Description: Knife has repackaged its Omega-3 Flaxseed Canola Oil, which claims to be essential for the growth and health of children. This oil is processed with a unique flaxseed oil formula to support brain development, promote a strong physique, and enhance the learning ability and development potential of children.



Pure Canola Oil

Company: Southseas Oils & Fats Industrial
Brand: Arawana Brand
Category: Sauces and seasonings
Sub-Category: Oils
Date Published: January 2011
Launch Type: New packaging

Price (US\$): 7.72
Package Type: Bottle
Package Material: Plastic, unspecified
Pack Size: 900 ml
Storage: Shelf stable
Private Label: Branded
Ingredients: Low erucic acid rapeseed oil

Product Description: Arawana Brand Pure Canola Oil is now available in a newly designed pack containing three 900 ml bottles. The product is sourced from selected high-quality canola seeds. This rich, nutritious canola oil is processed using a modern technology. It said to be safe and clean, and claims to generate less smoke while cooking and frying.

Source for all: Mintel, 2012



► ANNEX A: NEW CANOLA OIL PRODUCTS (continued)



Expeller Pressed Canola Oil

Company: Lam Soon
Brand: Knife Brand
Category: Sauces and seasonings
Sub-Category: Oils
Date Published: August 2009
Launch Type: New product
Price (US\$): 8.00

Package Type: Bottle
Packaged Material: Plastic PET
Pack Size: 946 ml
Storage: Shelf stable
Private Label: Branded
Ingredients: Low erucic acid rapeseed oil
 (expeller pressed)

Product Description: Natural Value Expeller Pressed Canola Oil is made with plants grown from non-genetically altered seed. This oil contains no added toxic chemicals, solvents or preservatives.

Grapeseed Oil with Canola Oil

Company: Hop Hing Oils & Fats
Brand: Lion & Globe
Category: Sauces and seasonings
Sub-Category: Oils
Date Published: June 2009
Launch Type: New variety/range
 extension
Price (US\$): 7.73

Package Type: Bottle
Packaged Material: Plastic, unspecified
Pack Size: 900 ml
Storage: Shelf stable
Private Label: Branded
Ingredients: Low erucic acid rapeseed
 oil, grapeseed oil

Product Description: Lion & Globe Grapeseed Oil with Canola Oil is described as a blend of selected grapeseed oil and canola oil. The oil is suitable for stir-fried, pan-fried, deep fried and high-temperature cooking methods. It is free from BHA/BHT and is said to be a choice of antioxidant. This product is available in a twin pack with two 900ml bottles.



Corn Oil Blend

Company: Lam Soon
Brand: Knife Brand
Category: Sauces and seasonings
Sub-Category: Oils
Date Published: March 2008
Launch Type: New formulation
Price (US\$): 4.10

Package Type: Bottle
Packaged Material: Plastic PET
Pack Size: 900ml
Storage: Shelf stable
Private Label: Branded
Ingredients: Corn oil, low erucic acid rapeseed oil
 (high oleic)

Product Description: Knife Brand Corn Oil Blend is now available in a new High Oleic Formula for lower cholesterol. It contains 50% more monounsaturated fatty acid than pure corn oil. According to research statistics, oleic acid can help reduce blood cholesterol and maintain high or low density in the lipoprotein levels. This product is free from cholesterol, aflatoxin, artificial flavours, colouring additives and antioxidants, and is retailed in a 900ml bottle.

Source for all: Mintel, 2012



► ANNEX B: NEW FOOD PRODUCTS CONTAINING CANOLA OIL

According to the Mintel Global NewProducts Database (2012), there were 261 food products* launched in Hong Kong between January 2007 and December 2011 containing canola/rapeseed oil as ingredients.

Launch Type

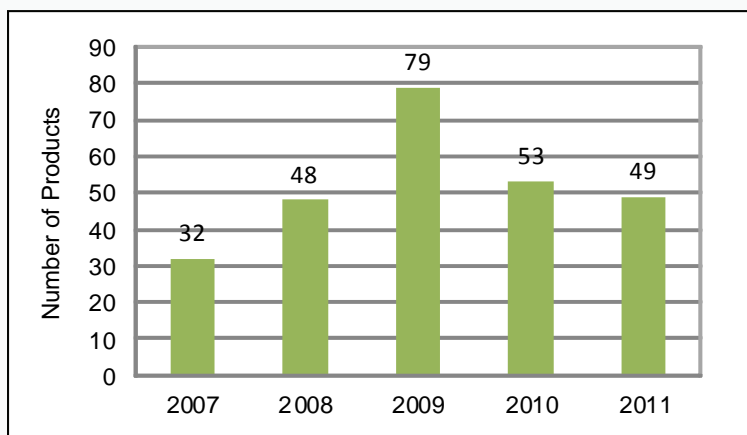
- The majority of the products were launched as completely new products (178 products, 68%). The other major launch types were new variety/range extension (47 products, 18%) and new packaging (26 products, 10%). There were 10 products launched as a new formulation.

Product Categories

- Bakery and snacks were the most common categories for the food products launched with canola/rapeseed oils.
- There were 58 products within bakery, representing 22% of the total new products. The snacks category saw 52 products, accounting for 20% of the total new products. Within the bakery category, sweet biscuits/cookies and cakes, pastries and sweet goods were the top two sub-categories, with 47 products in total.



New Food Products Containing Canola/Rapeseed Oil Launched in Hong Kong from 2007-2011 by Year



Source: Mintel, 2012

New Food Products Containing Canola/Rapeseed Oil Launched in Hong Kong from 2007-2011, by Category

Category	Number of Products
Bakery	58
Snacks	52
Meals and meal centers	40
Processed fish, meat and egg products	30
Sauces and seasonings	30
Breakfast cereals	11
Soup	10
Chocolate confectionery	6
Dairy	6
Savoury spreads	5
Side dishes	5
Sugar and gum confectionery	5
Desserts and ice cream	3
Total Sample	261

Source: Mintel, 2012

*Note: The search results exclude cooking oil products.



► ANNEX B: NEW FOOD PRODUCTS CONTAINING CANOLA OIL (continued)

Major Companies and Brands

- Marks & Spencer had 10 of the new products containing canola/rapeseed oil, including 8 products under the namesakes Marks & Spencer brand, and 2 under the Marks & Spencer Eat Well brand.
- Kraft Foods had 7 food products across a variety of brands. Other major companies also had number of products with canola/rapeseed oil under various brands and product categories, illustrating the diversity of the market.

Claims

- The most common product claim for the new launches was microwavable (40 products) followed by kosher (34 products), no additives/preservatives (34 products) and vegetarian (23 products).

New Food Products Containing Canola/Rapeseed Oil Launched in Hong Kong from 2007-2011 by Top 10 Companies

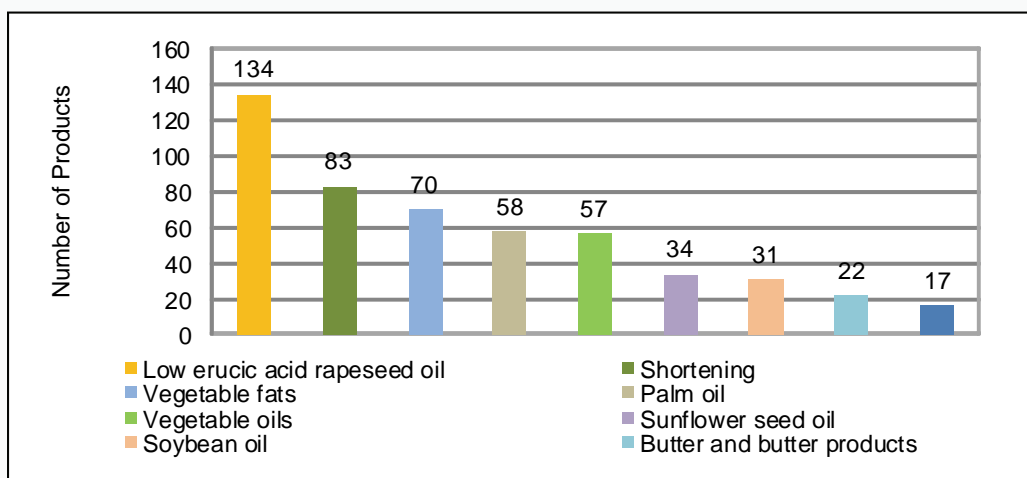
Company	Number of Products
Marks & Spencer	10
Kraft Foods	7
The Goodcarb Food Company	4
Nissin Foods	4
A.S. Watson	4
Morinaga	4
Chewy International Foods	3
The Hain Celestial Group	3
Winner Food Products	3
Kee Wah Bakery	3

Source: Mintel, 2012

Major Oil and Fat Ingredients Used with Canola/Rapeseed Oil

- Within the 261 food products containing canola/rapeseed oil as ingredient, 134 food products were identified as containing low erucic acid rapeseed oil.
- Based on the fat ingredient content analysis, canola/rapeseed oil was often used with other types of oil and fat ingredients. The most common accompanying oil and fat ingredients were shortening (83 products) and vegetable fats (70 products), followed by palm oils (58 products) and vegetable oils (57 products).

Major Fat Ingredients Used with Canola/Rapeseed Oil* in New Product Launches



Source: Mintel, 2012

*Note: The total number of products exceeds 261 products since there are many products that contain more than one type of oils and fats ingredient.



► ANNEX B: NEW FOOD PRODUCTS CONTAINING CANOLA OIL (continued)

The following are some examples of new products containing canola/rapeseed oils as ingredients, launched in Hong Kong between January 2007 and 2011, from the Mintel Global New Products Database (2012).



Dorayaki Chestnut Cake

Company: Edo Trading
Category: Bakery
Date Published: November 2011

Brand: EDO Pack
Sub-Category: Cakes, pastries and sweet goods
Price (US\$): 8.76

Ingredients: White sugar, eggs, wheat flour, kidney bean, syrup, chestnuts, rapeseed oil (vegetable based), red bean paste (paste), maltose syrup (reduced), potato starch, agar (gelling agents), sodium, hydrogens carbonate (raising agents)

Product Description: EDO Pack Dorayaki Chestnut Cake is now available, The product retails in a 770 g pack containing two packets, and each packet contains five individually wrapped pieces

Fried IKA Stick

Company: Maruesu
Category: Snacks
Date Published: February 2009
Brand: Maruesu

Sub-Category: Wheat and other grain-based snacks
Price (US\$): 3.34

Ingredients: Wheat flour, potato starch, low erucic acid rapeseed oil, squid (dry), salt, chili pepper, egg whites, spices, flavour enhancer (monosodium glutamate, disodium 5'-ribonucleotides, E364 (ii), L-glycine, DL-alanine, calcium 5'-ribonucleotides), sucrose esters of fatty acids (emulsifiers), sucralose (sweeteners), acidity regulator (E330m E2660, sodium acetates), paprika oleoresin (food colours)

Product Description: Maruesu Fried IKA Stick is a chilli-flavoured seafood snack made from fresh squid.



Blueberry Morning Cereal



Company: Kraft Foods
Category: Breakfast cereals
Date Published: July 2009

Brand: Post Selects
Sub-Category: Cold cereals
Price (US\$): 6.06

Ingredients: Degerminated yellow corn meal (meal, degerminated), blueberry (dry), high fructose corn syrup (high), glycerol, safflower seed oil, citric acid (acidity regulators, food acids), potassium sorbate (preservatives), natural flavouring substance (natural), white sugar, rice, wheat flour, rolled oats (wholegrain, grain, rolled), brown sugar, wheat (wholegrain, grain), almond, sunflower seed oil, low erucic acid rapeseed oil (vegetable based), rice flour, glucose syrup (malted), maltose syrup, glucose syrup, whey, caramels (food colours), salt, artificial flavouring substance (artificial), natural flavouring substance (natural)

Product Description: Post Selects Blueberry Morning Cereal is now available in a newly designed 382 g carton. This naturally and artificially flavoured cereal contains sweet tangy blueberries, multigrain flakes and clusters, and specially selected almonds. The product has been kosher certified and the pack is made from 100% recycled paperboard with a minimum of 35% post-consumer content.

Source for all: Mintel, 2012



► ANNEX B: NEW FOOD PRODUCTS CONTAINING CANOLA OIL (continued)



Roast Chicken Wing With Black Pepper

Company: Luk Yeung Restaurant

Brand: Chines Kitchen

Category: Processed fish, meat and egg products

Sub-Category: Poultry products

Price (US\$): 2.39

Date Published: November 2011

Ingredients: Chicken drumsticks, chicken wing, cabbage, carrot, waters, monosodium glutamate (flavour enhancers), chili pepper (powdered), salt (salt, potassium ferrocyanide (anti-caking agents), ginger, white sugar (granules), black pepper, chicken powder (powdered), salt, flavour enhancer (monosodium glutamate, disodium 5'-ribonucleotides), white sugar, maltodextrin, corn starch (sulfur dioxide (Processed, Processing Aid)), soy sauce (wheat, soybean), yeast extracts (extract), chicken fat, chicken meat, onion, spices, flavouring substances, colour (caramel IV, tartrazine), low erucic acid rapeseed oil, white pepper (powdered)

Product Description: Chinese Kitchen Roast Chicken Wing with Black Pepper is said to be ready in three minutes in a microwave.

Jalfrezi Sauce

Company: Marks & Spencer

Brand: Marks & Spencer

Category: Sauces and seasonings

Sub-Category: Cooking sauces

Price (US\$): 4.42

Date Published: July 2011

Ingredients: Onion, tomato puree (puree), tomato Juice, tomato (chopped), rapeseed oil, red pepper, green pepper (green), garlic puree (puree), ginger (puree), corn flour, paprika (ground), white sugar, salt, cumin seed (ground), coriander, chili pepper (powdered), lemon juice concentrate (concentrate), coriander seed (seed), fennel seed (seed), fennel (ground), natural colour, paprika oleoresin (extract)

Product Description: Marks & Spencer Jalfrezi Sauce is a medium spicy tomato sauce enriched with plenty of red and green peppers, chilli and coriander. The sauce is inspired by east Indian cuisine, and retails in a 345 g recyclable pack.



Dairy Soft Spread

Company: Murray Goulburn Co-operative

Brand: Devandole

Category: Dairy

Sub-Category: Margarine and other blends

Price (US\$): 5.14

Date Published: February 2009

Ingredients: cream (milk), low erucic acid rapeseed oil, waters, salt, vitamin A, vitamin D, milk fats

Product Description: Devandole Dairy Soft Spread is described as a spreadable dairy blend made with premium quality butter and pure canola oil. This product is said to have a great taste and is available in a 375 g tub.

Source for all: Mintel, 2012

The Government of Canada has prepared this report based on primary and secondary sources of information. Although every effort has been made to ensure that the information is accurate, Agriculture and Agri-Food Canada assumes no liability for any actions taken based on the information contained herein.

Consumer Trends: Cooking Oils in Hong Kong

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ISSN 1920-6593
AAFC No. **11895E**

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