

Hong Kong has provided some niche opportunities for Canadian manufacturers of cosmetics, children's clothing, furniture and giftware. Apart from one cosmetics company, all have involved small orders. Sales of fancy food gift items, such as chocolates and cookies, also present opportunities.

Although the market for finished consumer products may be limited, there are solid prospects to supply the material used in their manufacture. Products such as synthetic fibres and related raw materials, denim fabric, raw hides and fur skins have sizable potential.

Constraints

Distribution remains the major challenge in China, given the country's limited transportation infrastructure. The warehousing of goods is also a problem, as are theft, damage due to rough handling, and poor storage during transportation.

Hong Kong consumers are avidly courted by all the major producers of brand-name products. Brand recognition is an important factor in Hong Kong, and the promotional effort required to be well known in the market can be costly.

Action Plan

Given the limited opportunities for Canadian consumer products in China, trade commissioners will continue to take a largely reactive approach, except in the case of fancy food items. Contacts have been established with a number of retailers, and trade commissioners will continue to facilitate contacts with potential Canadian suppliers. Assistance will be

provided to Canadian firms wishing to participate in relevant trade fairs or to meet local distributors.

Trade commissioners in Hong Kong will expand their contacts with local retailers to cultivate suitable outlets for selected Canadian consumer products. Special effort will be made in the case of products whose uniqueness, quality and design make them particularly suitable for the Hong Kong market; examples include fancy food items, cosmetics and some up-market giftware.