

**Bills Committee on Revenue Bill 2002 and Revenue (No.2) Bill 2002**  
**Survey on retail prices in places outside Hong Kong**

Introduction

At the Bills Committee meeting on 16 May, Members suggested that the Administration should collect as far as practicable information about the retail prices of wine in places outside Hong Kong.

2. The Administration has since conducted a survey with the assistance of the Hong Kong Economic and Trade Offices (ETOs) in London, New York, Sydney, Tokyo and Singapore. This note informs Members of the findings.

Methodology

3. The Administration has found it difficult to compare on a like-for-like basis the retail prices of wine in different places. This is because firstly, the value of a brand of wine varies to a great extent according to year of vintage, grape varietal, etc. It is not easy in the time available to find exact matches in various retail markets. Besides, the pricing strategy varies between different retailers, e.g. hotels, restaurants and supermarkets. Even among the same types of retailer, pricing strategy may differ, for example, hotels of different grades. Furthermore, there are different cost structures. For example, the level of hotel prices may be in general higher in one place compared to hotels in other places. Marketing strategies may also vary for the same retailer from place to place.

4. Against the above background, we have adopted two rules for the survey to help make the findings more meaningful. Firstly, for brands for which a year of vintage is available to the Administration, we have quoted the overseas retail price for the same brand name with the same year of vintage and, as appropriate, the same varietal. Secondly, we have quoted the retail prices from the same type of retailer. For example, for those samples in Hong Kong picked from hotels, we have collected their retail prices also from hotels overseas. However, we wish to caution again that direct comparison between the retail prices in different places cannot be safely made, for the reasons given in paragraph 3 above.

Findings

5. In the time available, our survey has covered the first nine brands in the table prepared by the Hong Kong Wine Industry Coalition which the Clerk to Bills Committee issued to the Administration on 21 May. The Coalition has not advised

the year of vintage of the brands or the type of retailer. For the purpose of the survey therefore, we collected the retail prices from wine shops and supermarkets irrespective of the year of vintage. Not all those wines available in Hong Kong could be found in London, New York and Sydney. Our ETOs managed to find one in London, seven in New York and six in Sydney. The prices range from less than half of Hong Kong prices (for some Australia wines in Australia) to nearly three times (for wines sold in New York). Without further analysis of the years of vintage, it is not possible to draw firm conclusion about price relativity.

6. Our survey also covers the 59 brands that we have sampled from supermarkets, hotels, and restaurants in Soho and Lan Kwai Fong (i.e. those in the surveys presented to the Bills Committee at the meetings on 7 May and 16 May. Our ETOs have found only 11 of the samples in London, nine in New York, five in Sydney, 21 in Singapore and seven in Tokyo, but of which not all are necessarily in the same year of vintage, requiring considerable caution to be exercised in interpreting the results of the survey. The findings are in Annex.

**Finance Bureau**  
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## Survey of retail price of wine

### Western Restaurant (Soho)

Sample	Hong Kong		London	New York	Sydney	Singapore	Tokyo
	Retail price per bottle in early March 2002 before proposed duty increase (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)
1	218.35	238.00					
2	357.80	390.00					
3	458.72	500.00		808.44		678.87	1,122.12 to 1,994.88
4	185.00	185.00					
5	375.00	375.00					
6	750.00	750.00					
7	256.88	280.00					
8	715.60	780.00					
9	550.46	600.00					

### Western Restaurant (Lan Kwai Fong)

Sample	Hong Kong		London	New York	Sydney	Singapore	Tokyo
	Retail price per bottle in early March 2002 before proposed duty increase (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)
1	190.00	190.00					
2	206.48	223.00					
3	206.48	223.00					
4	287.04	310.00					
5	504.63	545.00					
6	736.11	795.00					
7	694.44	750.00		610.82		637.13	
8	347.22	375.00					
9	462.96	500.00					

**Hotel**

Sample	Hong Kong		London	New York	Sydney	Singapore	Tokyo
	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)
<b>5 Star Hotel #1</b>							
1	2,560.00					1,625.78	1,745.52
2	1,560.00					834.86	
3	1,556.00					790.92	2,555.94
4	375.00						
5	330.00						
<b>5 Star Hotel #2</b>							
6	2,288.00					2,812.16	3,740.40
7	1,388.00					2,021.24	
8	1,088.00					966.68	
9	328.00						
10	318.00						
<b>4 Star Hotel</b>							
11	2,150.00					1,669.72	
12	1,200.00						
13	920.00						
14	550.00						
15	300.00						
<b>3 Star Hotel</b>							
16	1,480.00				1,006.02		
17	830.00						1,184.46
18	540.00					483.34	
19	390.00						
20	300.00						

**Supermarket**

Sample	Hong Kong		London	New York	Sydney	Singapore	Tokyo
	Retail price per bottle in end Feb 2002 before proposed duty increase (HK\$)	Retail price per bottle in end-April 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)	Retail price per bottle in mid-May 2002 (HK\$)
1	39.00	49.00	64.29				
2	49.00	58.00	68.77			87.88	
3	49.55	49.55				125.23	
4	50.00	60.00					
5	56.50	48.00					
6	59.00	67.00					
7	59.00	67.00				97.99	
8	59.00	63.50	80.25			93.81	
9	78.50	78.50					
10	85.00	85.00	91.27	101.31		126.99	
11	101.50	117.50					
12	122.67	122.67	114.8	101.39		131.82	
13	128.67	138.00	103.21	109.82	86.43	122.81	
14	129.00	145.00	91.73			109.63	
15	147.00	147.00	109.06	117.95 to 126.77		142.81	
16	152.00	168.00	103.21	126.77	126.80	118.64	
17	189.00	215.00					
18	259.00	259.00					
19	330.00	381.50	183.57	329.78	294.37	350.64	210.71
20	361.33	369.00	263.93	317.04	327.35		216.94
21	650.00	650.00					