



## The Ever-changing Retail Payment Ecosystem

**Presentation at HKRMA Retail Summit 2019**

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17 May 2019

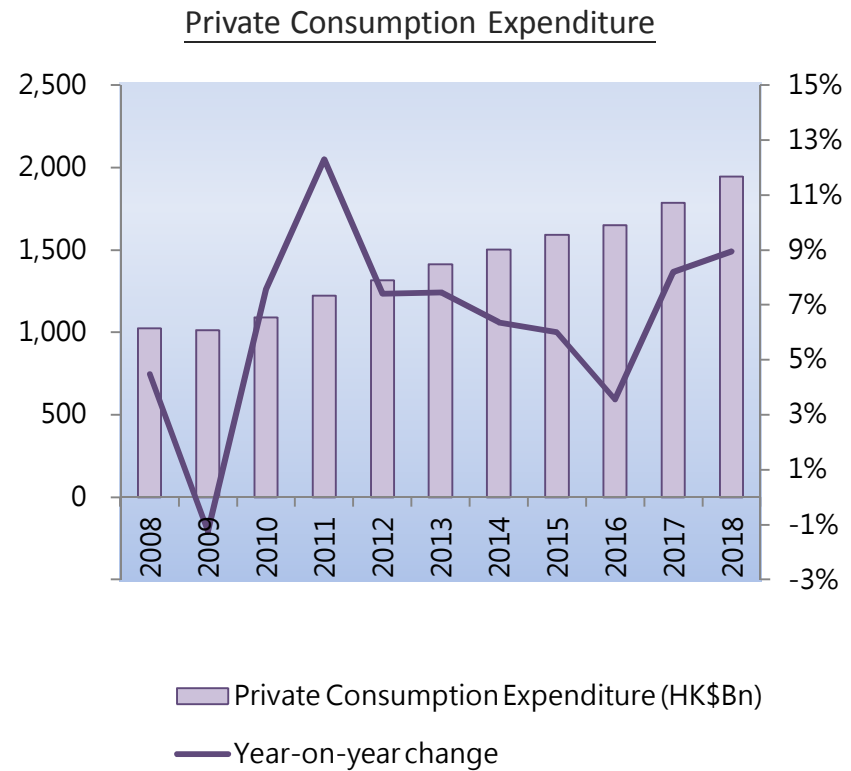
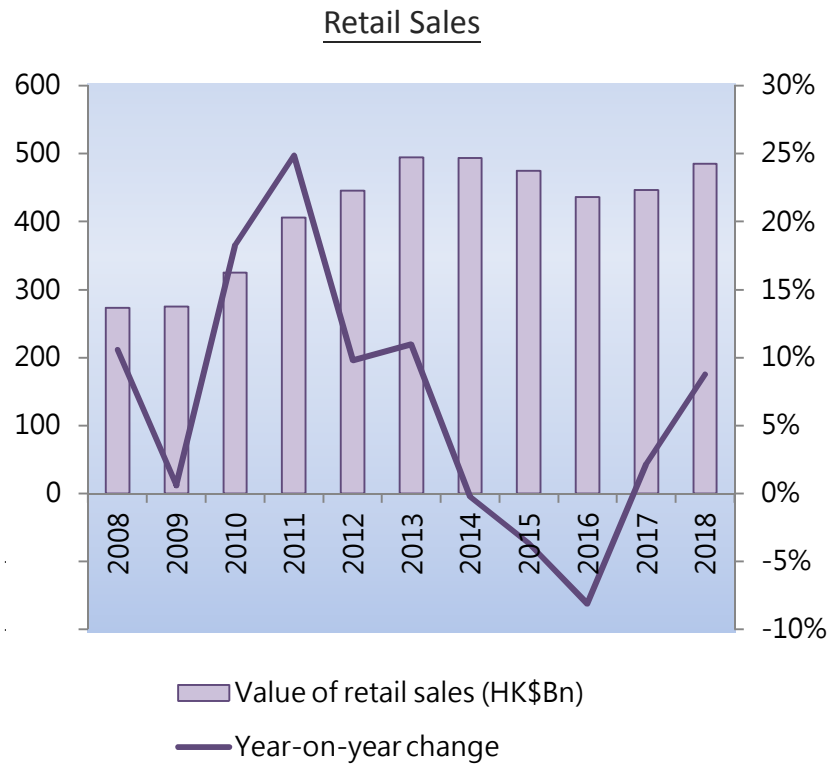


HONG KONG MONETARY AUTHORITY  
香港金融管理局

# Retail landscape



Retail sales: bumpy road despite healthy trend growth



Source: Census and Statistics Department

# Tourist arrivals an important driver



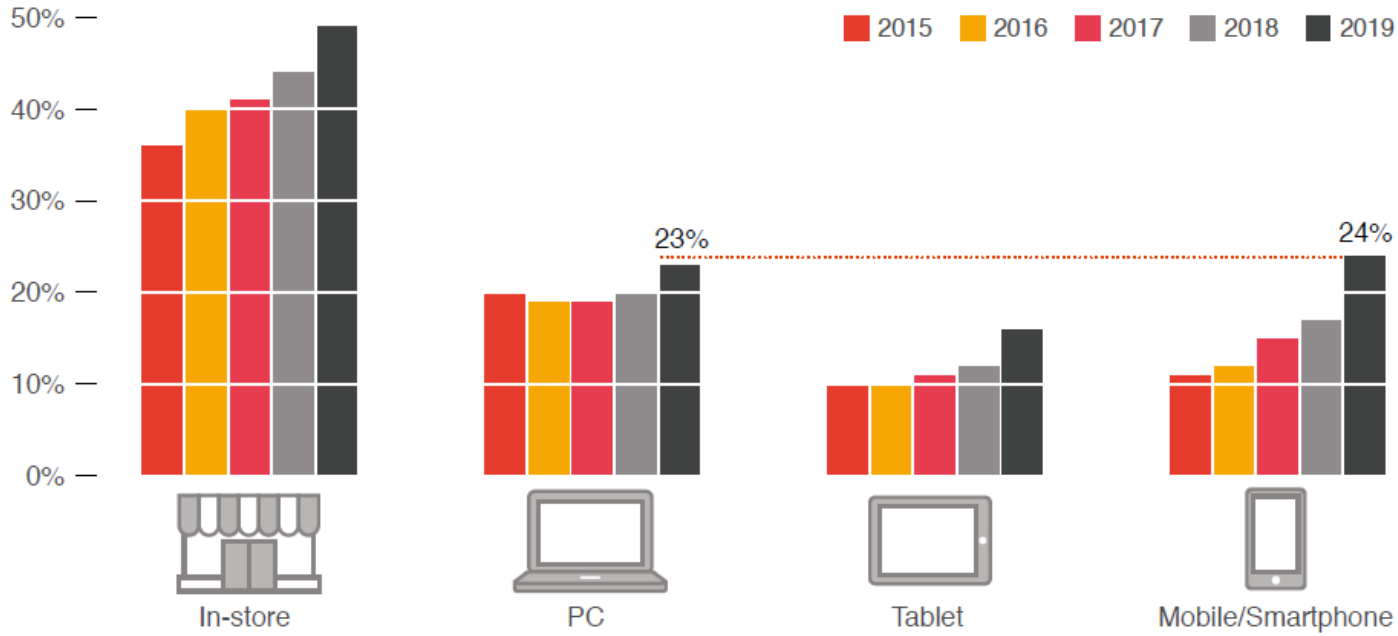
Source: Hong Kong Tourism Board

# Customers' shopping preferences are changing



## E-commerce an increasingly important channel

Percentage of respondents using the following channels to shop at least weekly



Q: How often do you buy products (e.g. clothes, books, electronics) using the following shopping channels? (Excluding grocery shopping)  
 21,480 respondents (Note: Chart combines daily and weekly shopping)

Source: PwC Global Consumer Insight Survey 2019

# Proliferation of different e-payment options

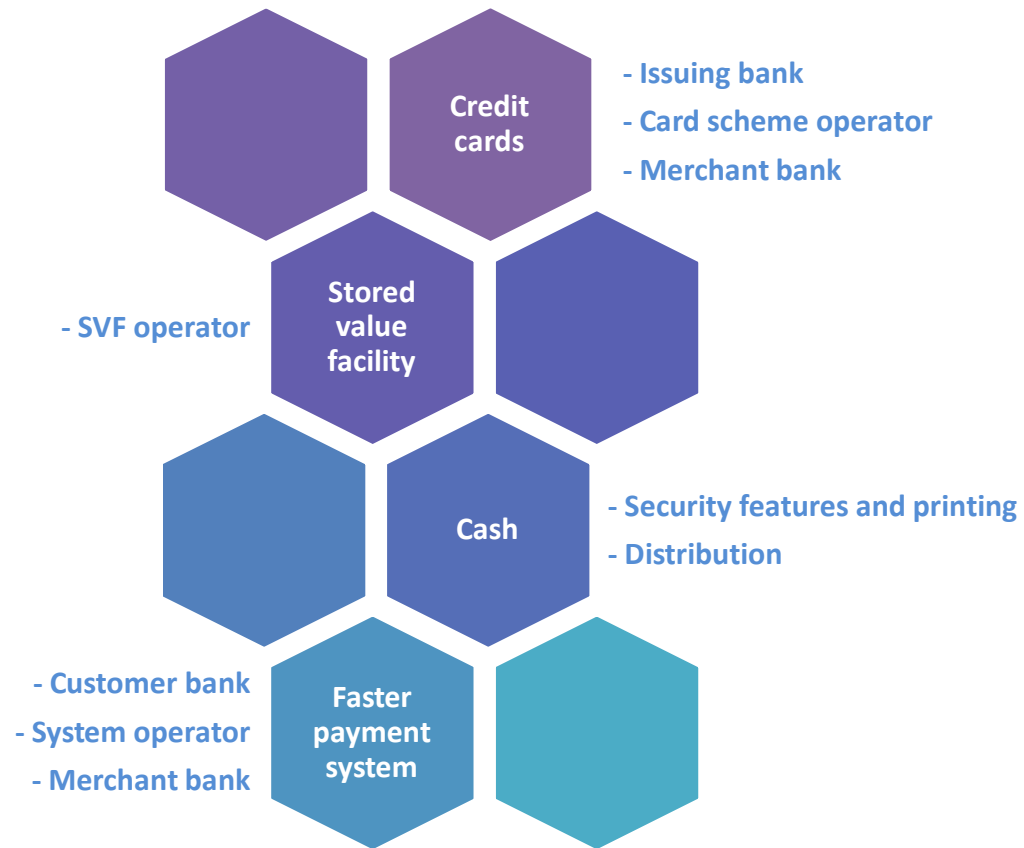


Point-of-sale

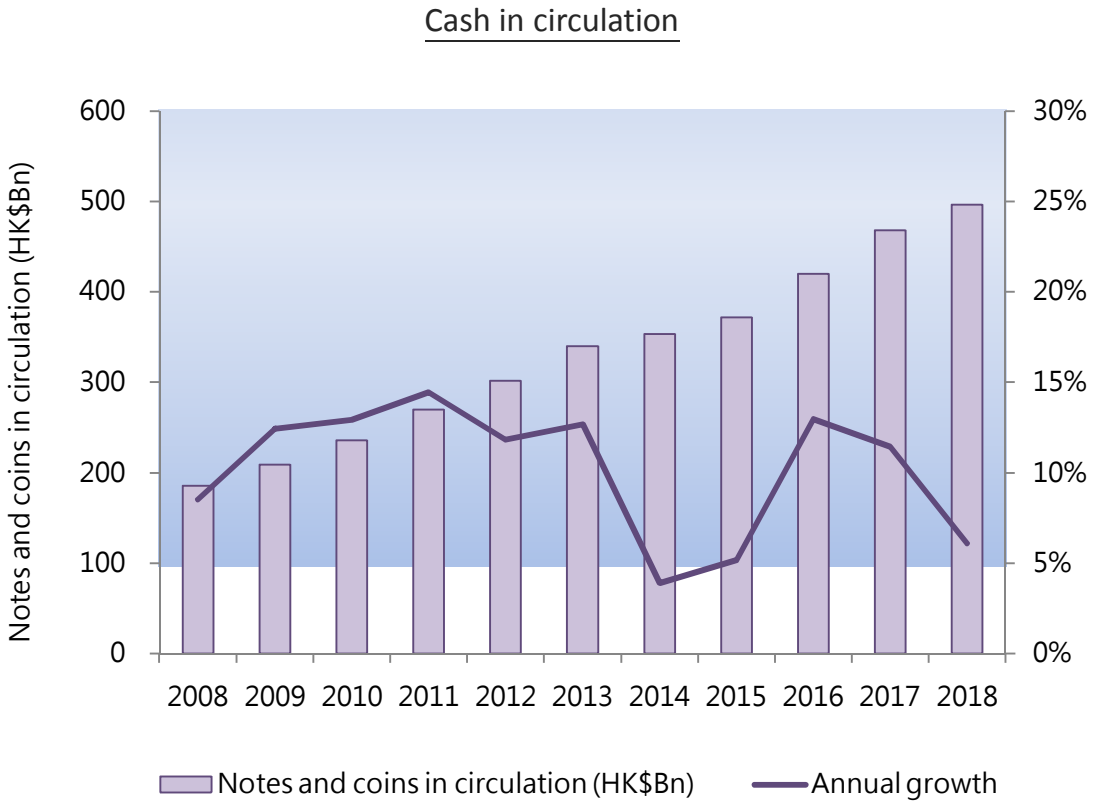


Online

# HKMA has supervisory role in all common payment means



# Cash demand still growing despite popularity of e-payment



Source: HKMA



## Common reasons for not using e-payment

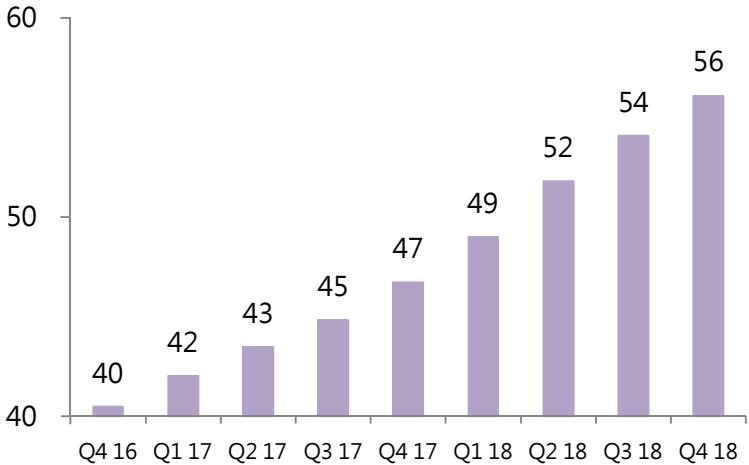
- IT requirements
- Transaction fee
- Cash flow
- Difficulty in getting a terminal
- Cost of handling cash ignored



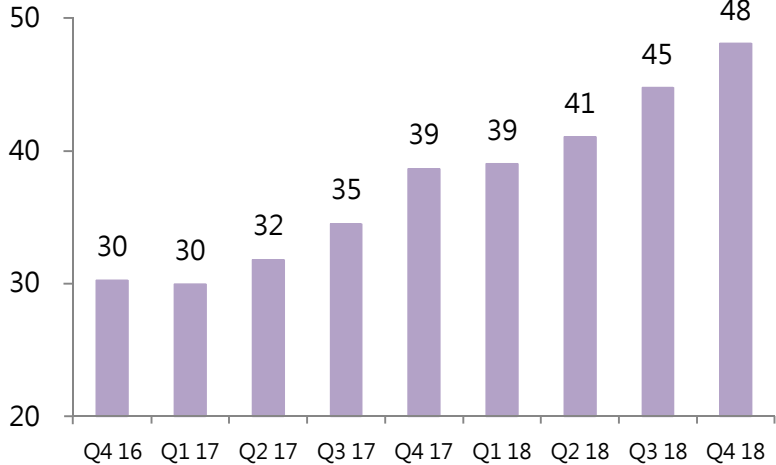
# SVF proving a viable alternative



Total number of SVF accounts in use (mn)



Total value of transactions (HK\$Bn)



Source: HKMA

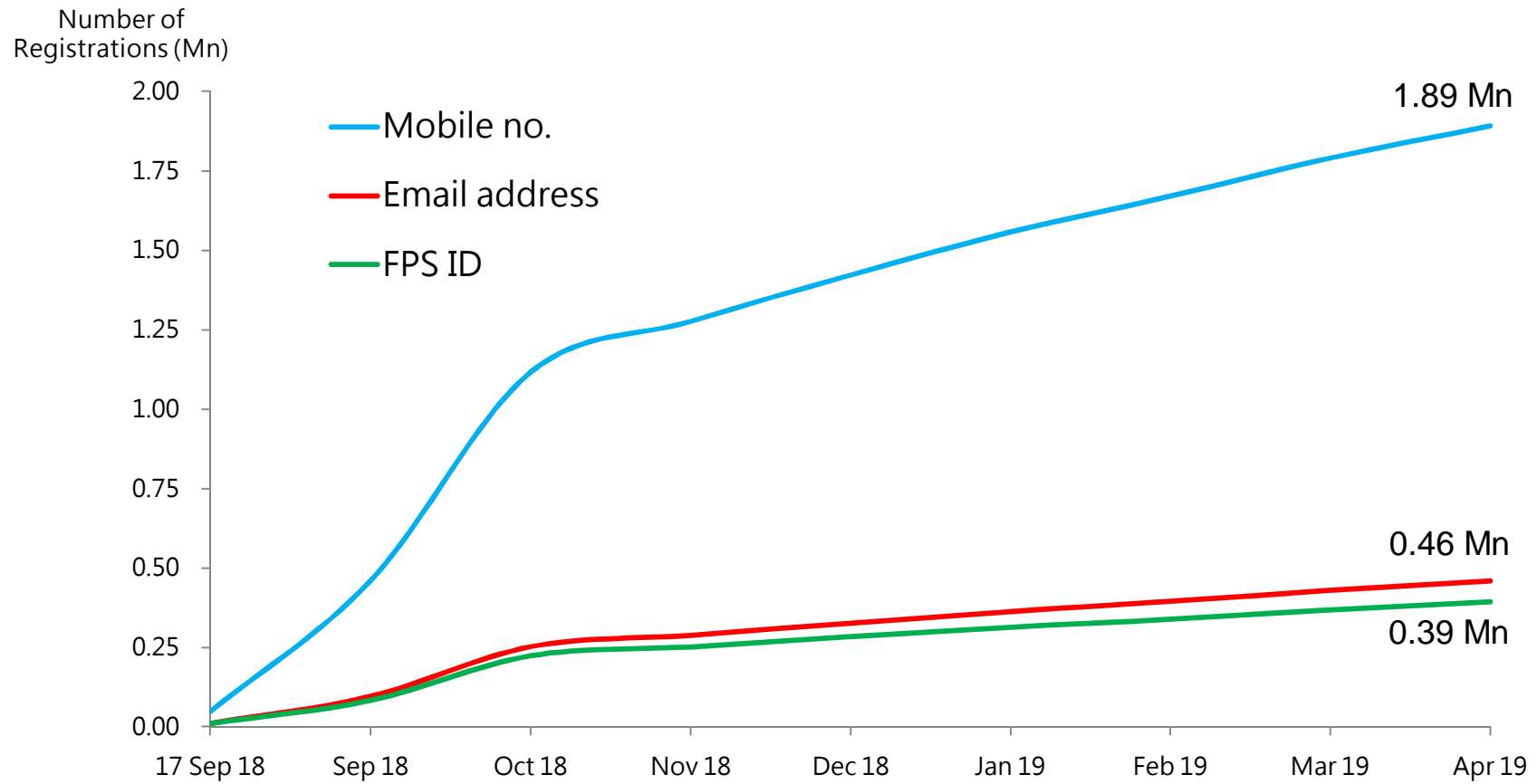
# Faster Payment System (FPS) brings a new ecosystem



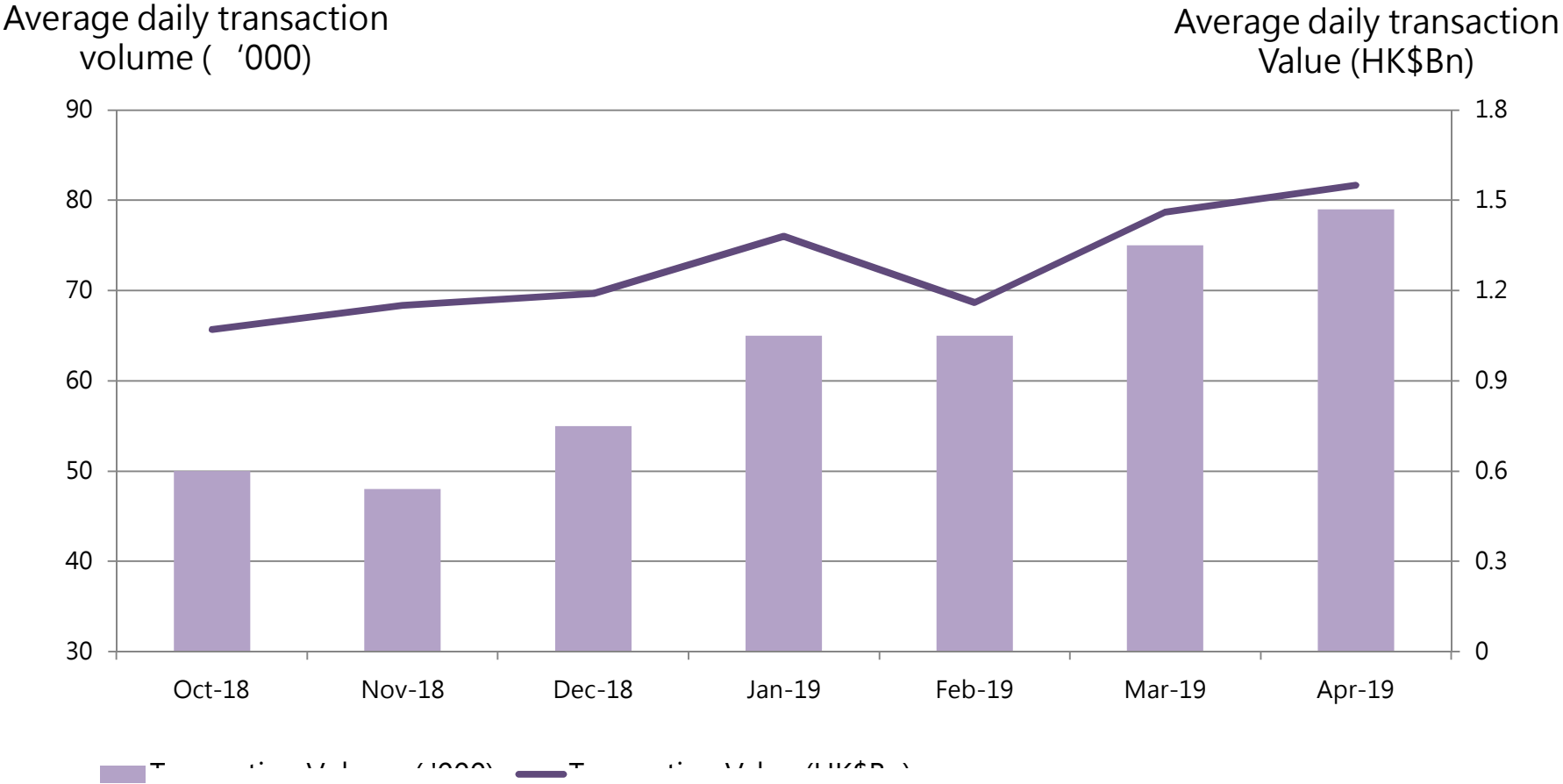
# Registration of FPS proxy identifiers growing fast



Total number of registrations (as of 30 Apr 2019): **2.74 Million**



# Turnover of HKD real-time credit transfer increasing



# Versatile FPS merchant payment scenarios



Bill payment

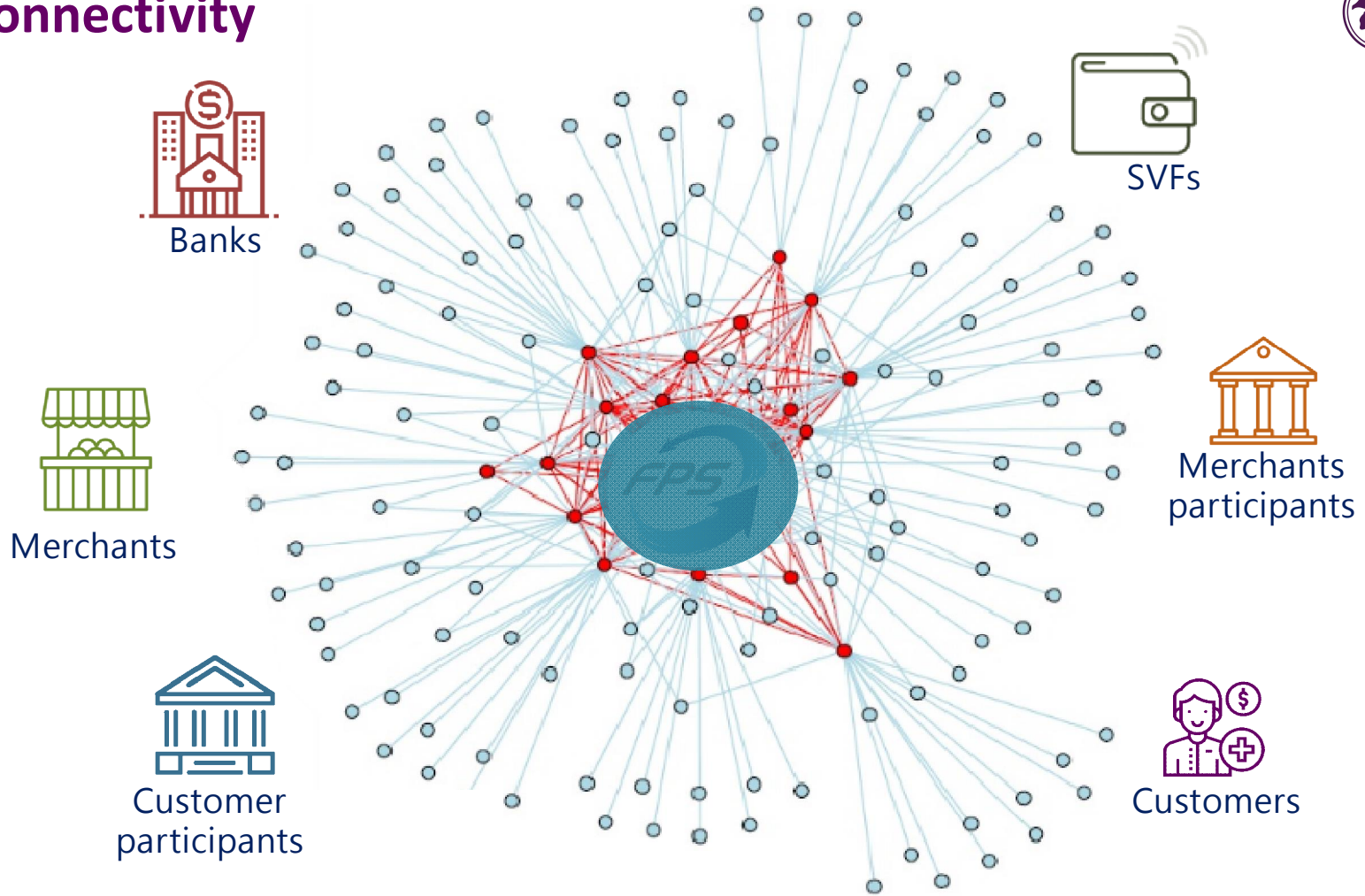
Online shopping

Point-of-sale (POS)

App-to-App



# Full connectivity

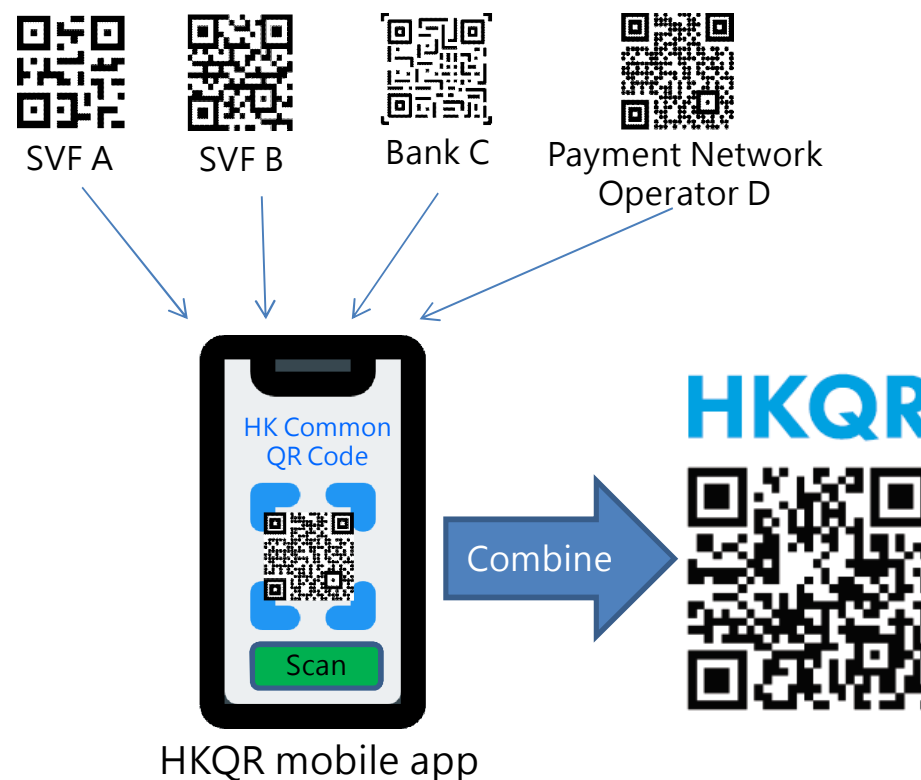




## Helping the smaller merchants

Enhance financial infrastructure - Common QR code

- Enable merchants to use one QR code for accepting payments
- A new mobile app for Android & iOS "Hong Kong Common QR Code"
- Available at Google's Play Store and Apple's App Store





## Helping the smaller merchants

Government funding schemes

### Technology Voucher Programme (科技券)



<https://www.itf.gov.hk/l-tc/TVP.asp>

### Retail Technology Adoption Assistance Scheme (零售業人力需求管理科技應用支援計劃)



<https://www.retaas.hkpc.org/tc/>





## Concluding remarks

- E-payment is growing in acceptance

- Wide range of options to meet different business needs

- Some further food for thoughts :

- “ Acceptance by small merchants including taxis

- “ Transparency of merchant fee

- “ Pay-at-the-table in restaurants



**Thank You**