



The Ever-changing Retail Payment Ecosystem

Presentation at HKRMA Retail Summit 2019

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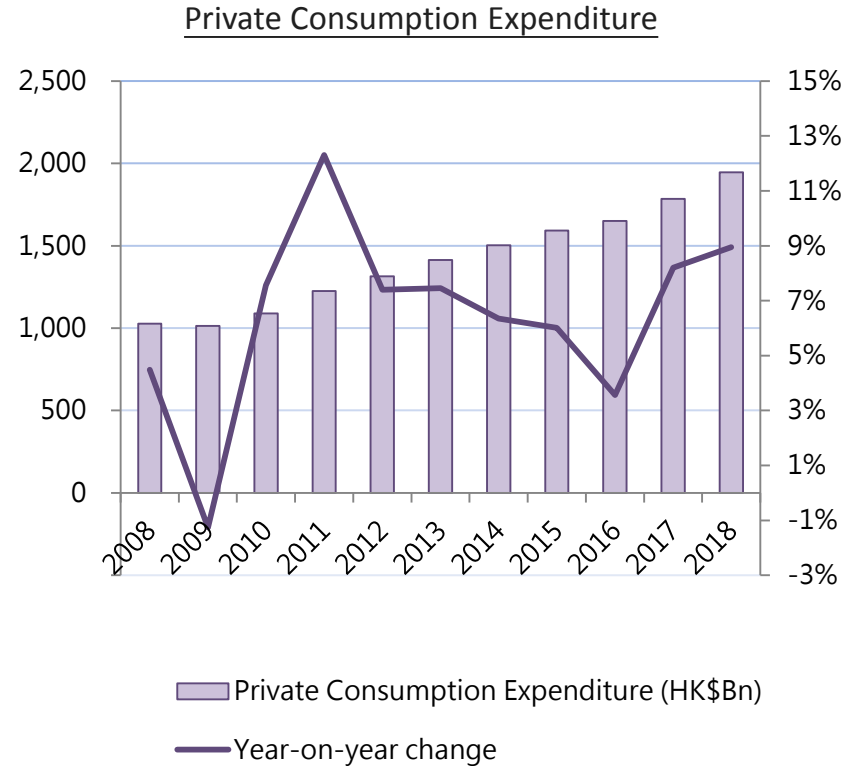
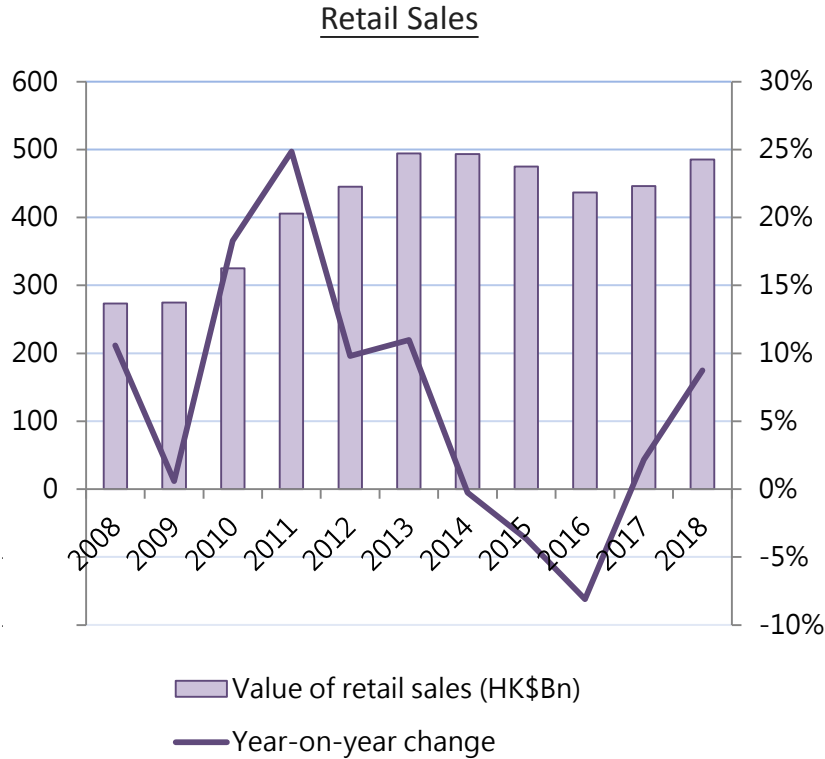


HONG KONG MONETARY AUTHORITY
香港金融管理局

Retail landscape

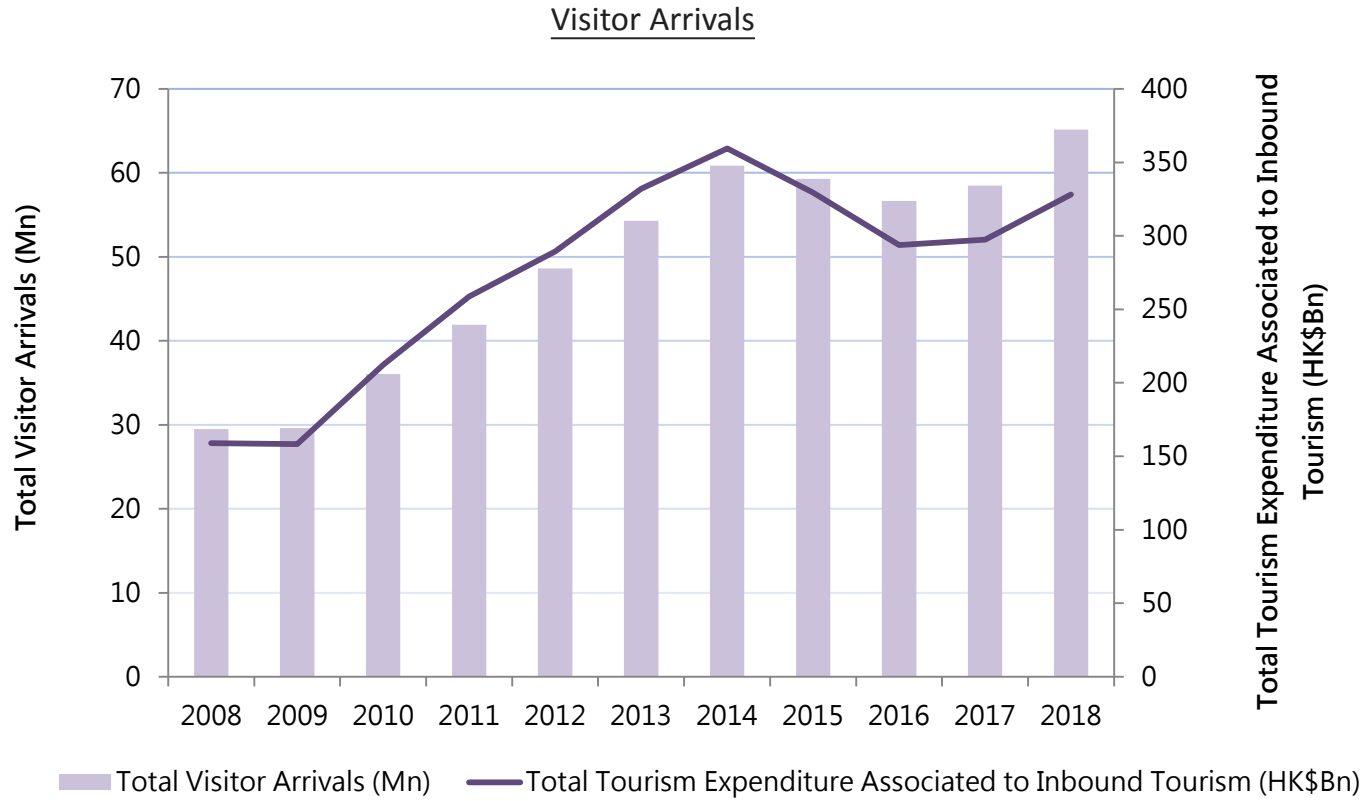


Retail sales: bumpy road despite healthy trend growth



Source: Census and Statistics Department

Tourist arrivals an important driver

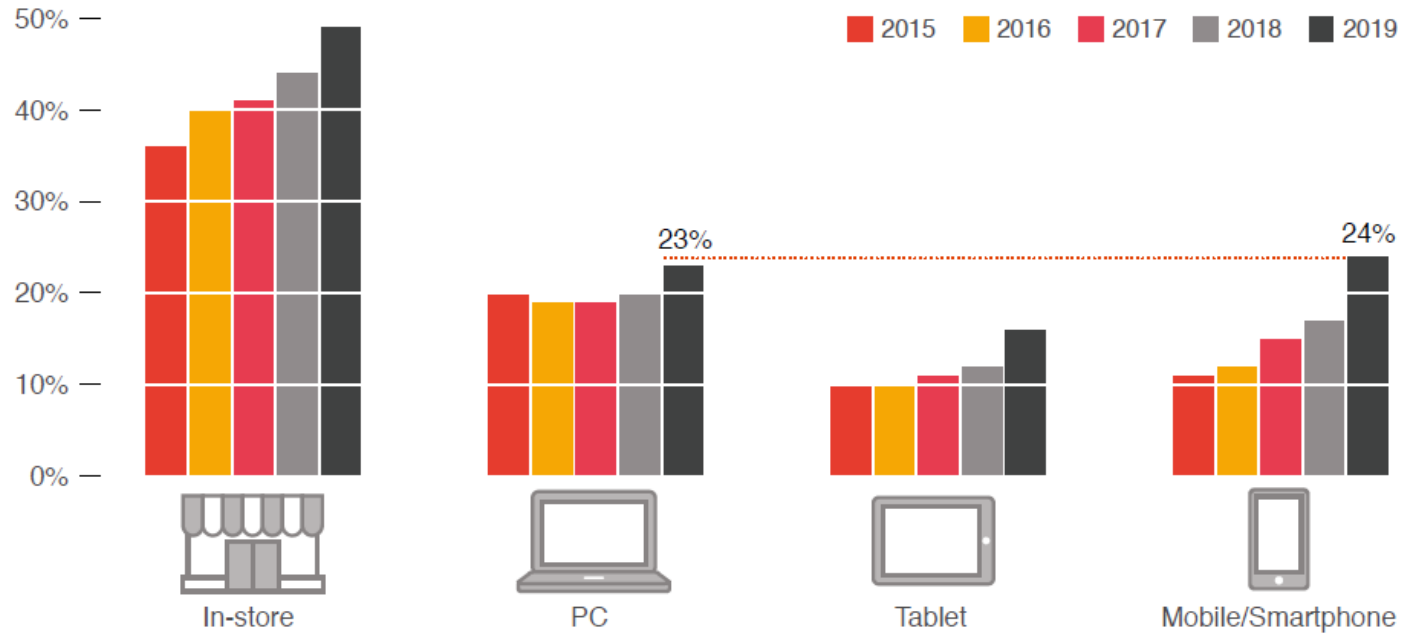


Customers' shopping preferences are changing



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)

Proliferation of different e-payment options

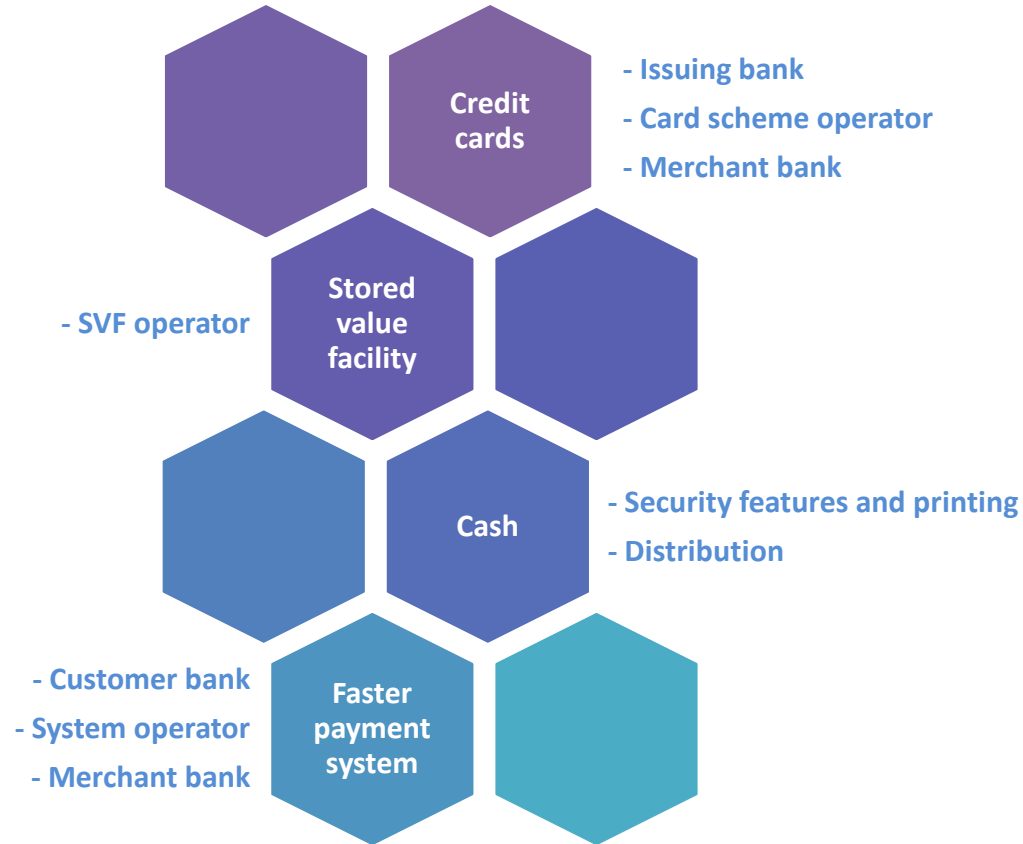


Point-of-sale

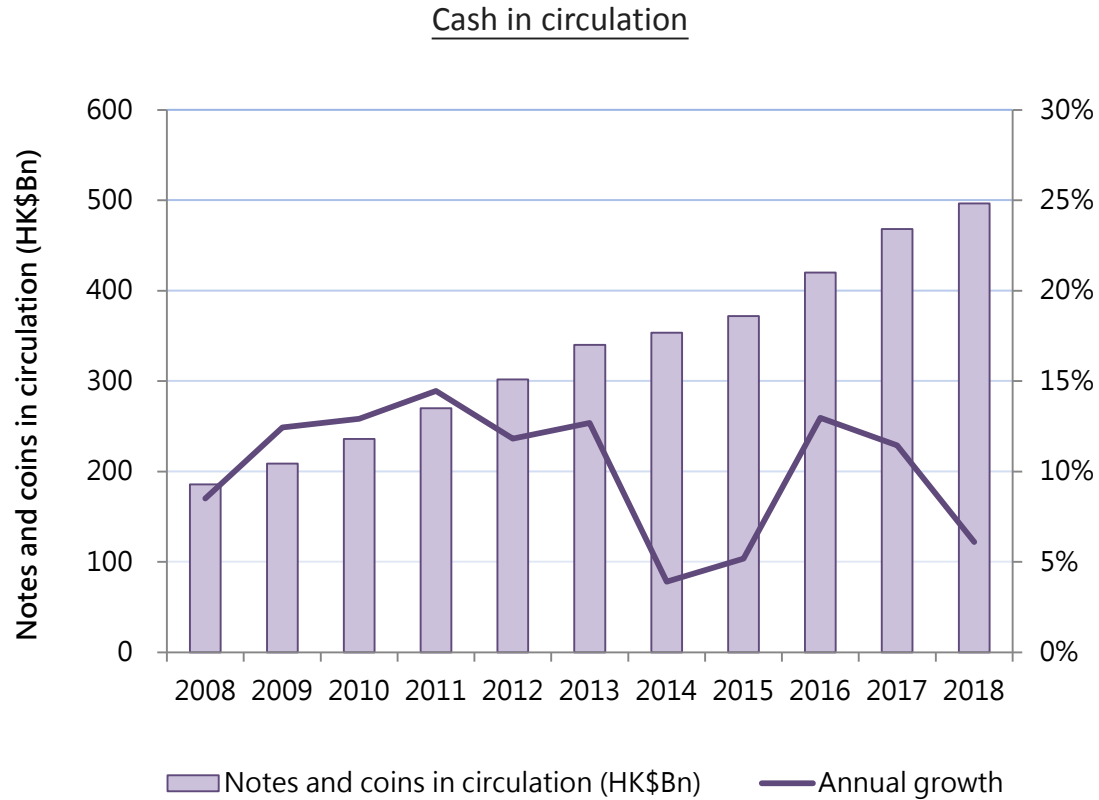


Online

HKMA has supervisory role in all common payment means



Cash demand still growing despite popularity of e-payment



Source: HKMA



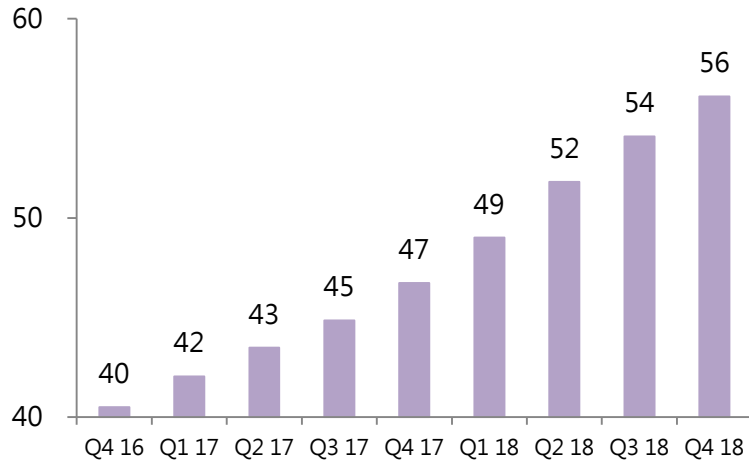
Common reasons for not using e-payment

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

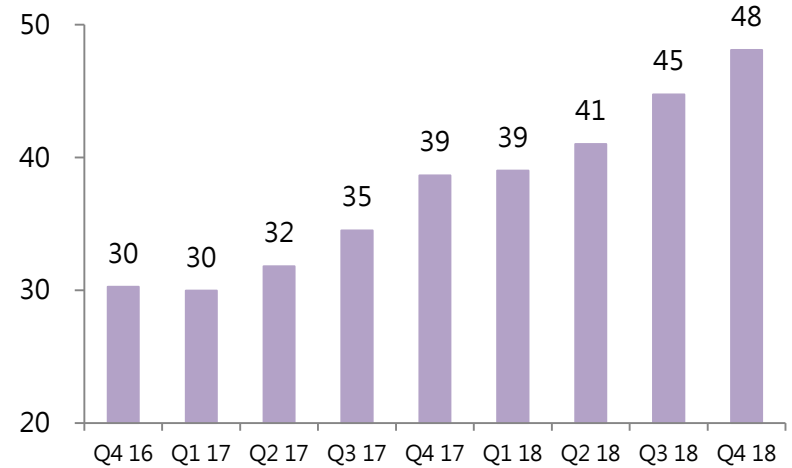
SVF proving a viable alternative



Total number of SVF accounts in use (mn)

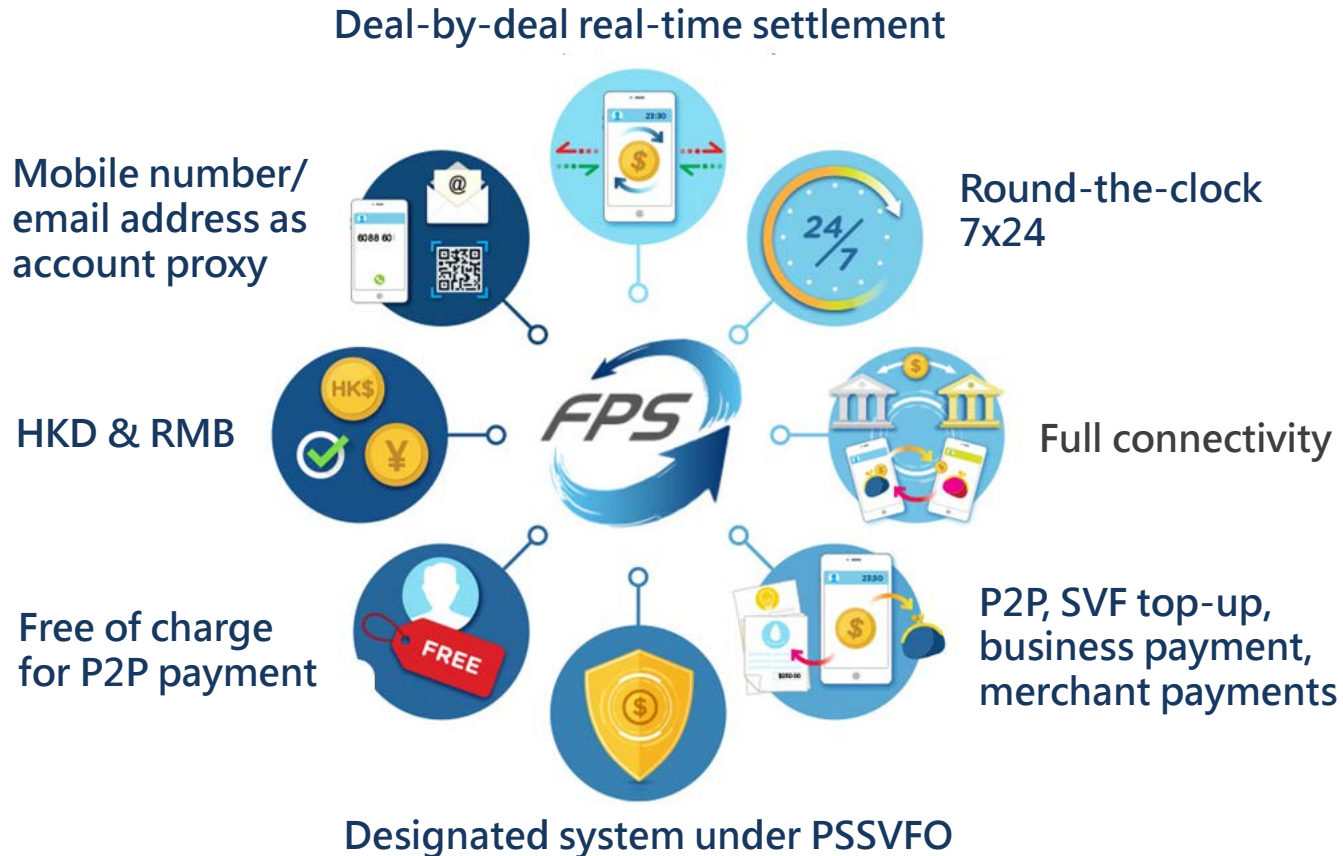


Total value of transactions (HK\$Bn)



Source: HKMA

Faster Payment System (FPS) brings a new ecosystem

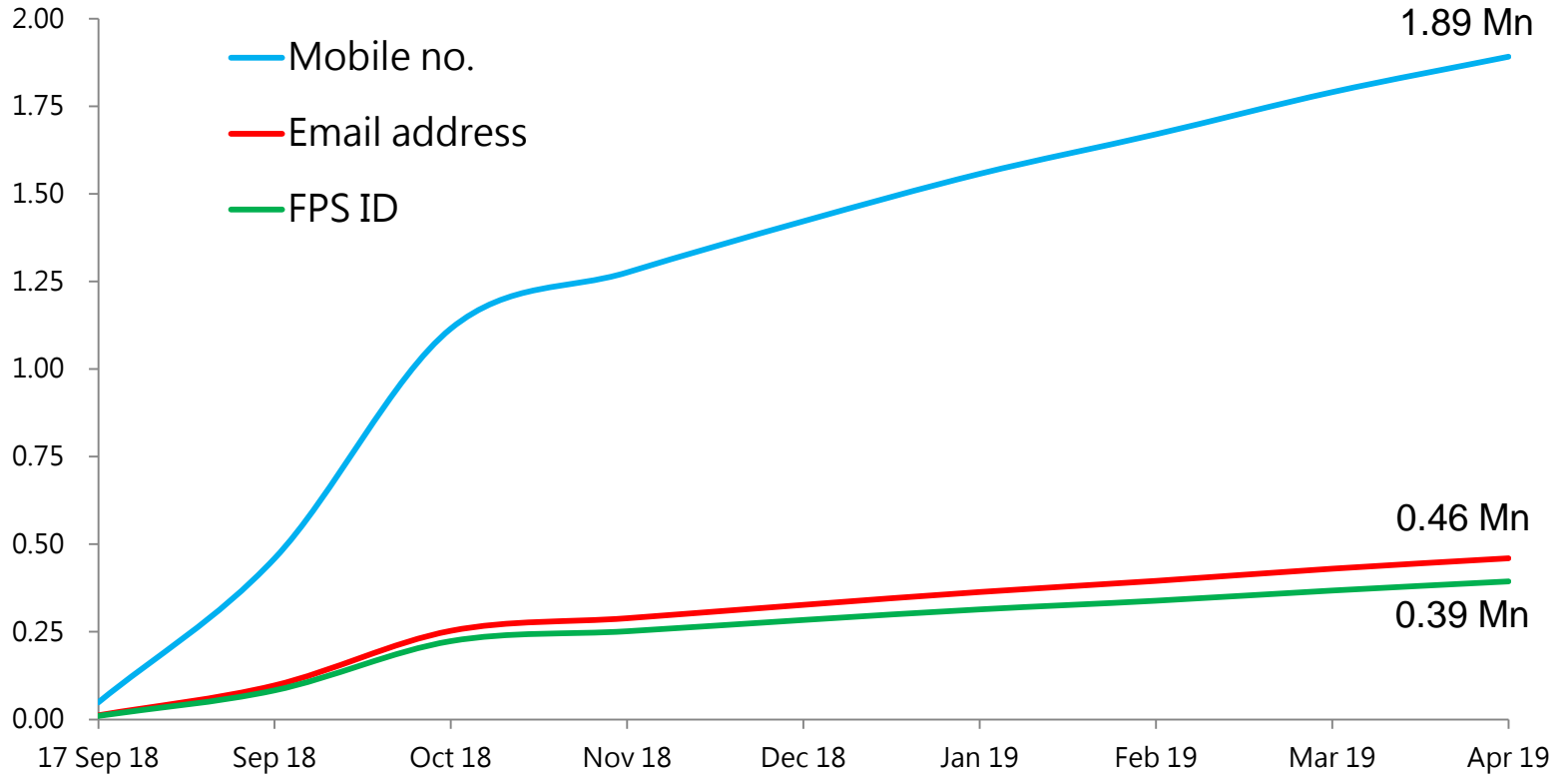


Registration of FPS proxy identifiers growing fast

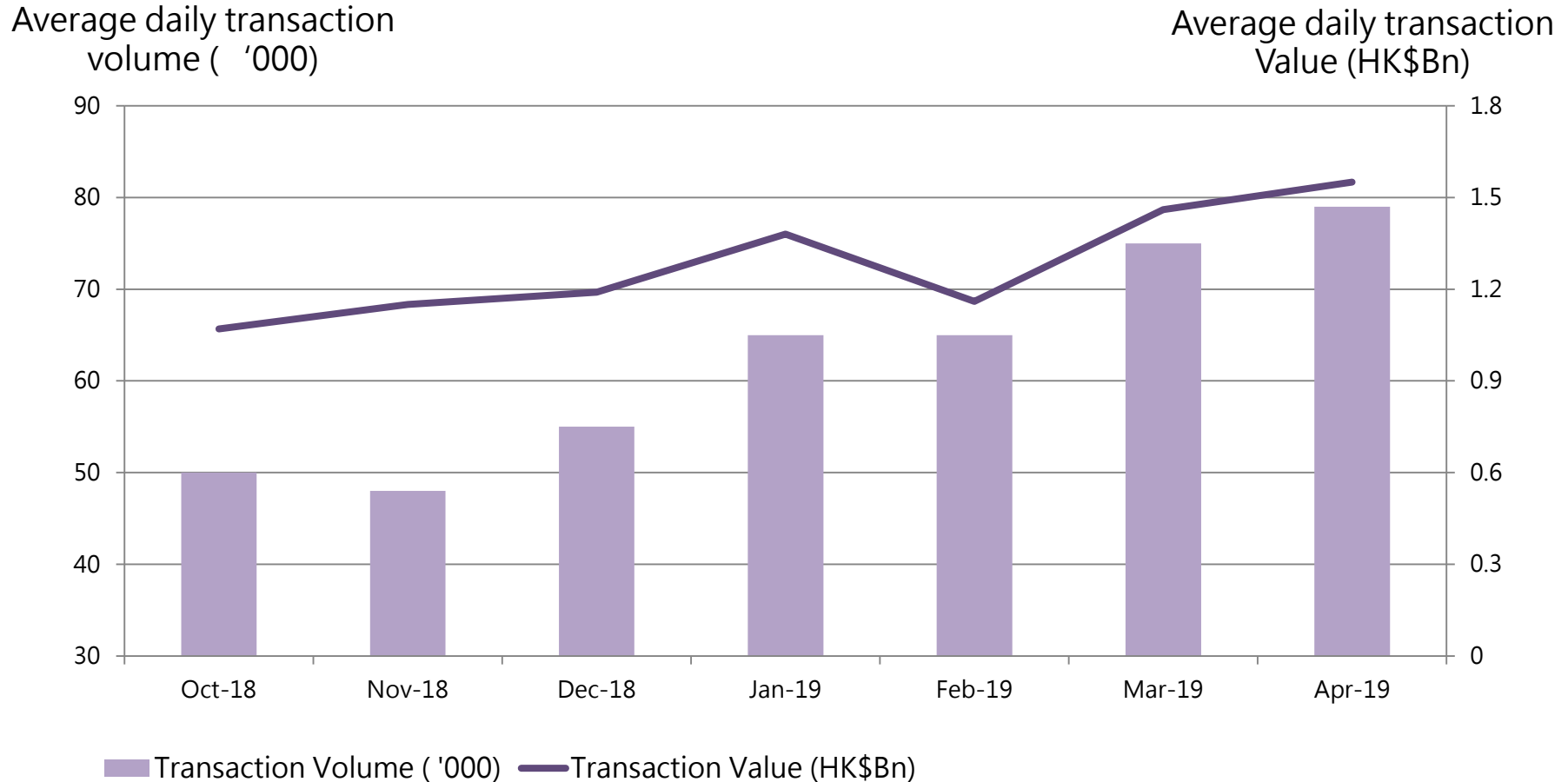


Total number of registrations (as of 30 Apr 2019): **2.74 Million**

Number of Registrations (Mn)



Turnover of HKD real-time credit transfer increasing



Versatile FPS merchant payment scenarios



Bill payment



Online shopping



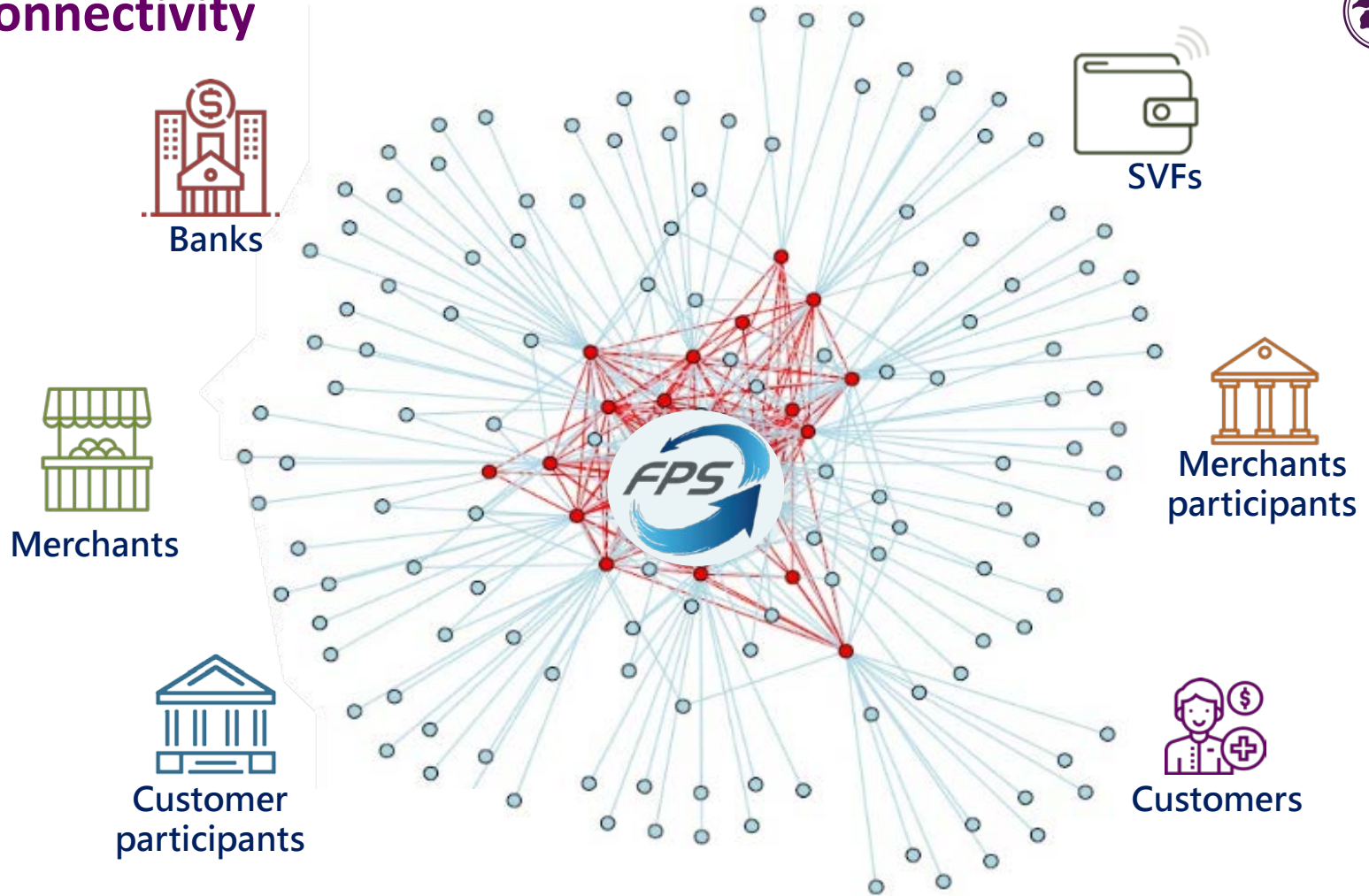
Point-of-sale (POS)



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