

Changing Landscape of Hong Kong's Retail Sales

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Hong Kong is a well-known destination for tourists from around the world. Retail sales would thus comprise, a substantive portion, spending on goods by visitors to Hong Kong. Retail sales grow alongside tourist spending, especially in recent years after the launch of the Individual Visit Scheme (IVS) which facilitates visitors from mainland China to visit Hong Kong in their individual capacity. Spending by mainland China visitors is thus an important driving force underpinning the growth of retail sales in Hong Kong. In this paper, the relationship between retail sales statistics in Hong Kong and visitor arrivals from mainland China was explored. Regression analyses revealed a significant relationship between total retail sales value and visitor arrivals from mainland China after the launch of the IVS. Among visitor arrivals from mainland China, the relationship between total retail sales value and IVS visitors was stronger than that of non-IVS visitors. It is also noted that the relationship between IVS visitors and retail sales of some outlet types such as supermarkets; and jewellery, watches and clocks, and valuable gift was strong.

Keywords: Individual Visit Scheme, mainland China, visitor arrivals, visitor spending