

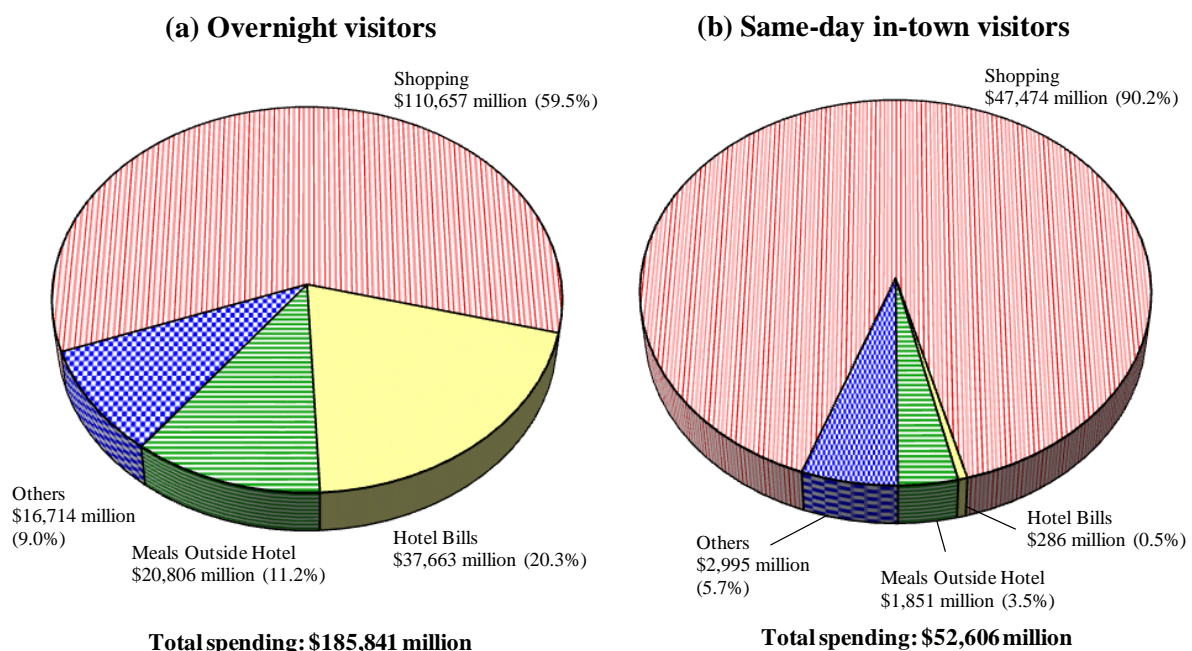
Box 3.1**Spending pattern of inbound visitors**

Sustained influx of inbound visitors has been rendering strong support to the Hong Kong economy in recent years. According to the Hong Kong Tourism Board, total destination consumption expenditure, including all spending on goods and services consumed in Hong Kong and excluding cross-boundary transportation services, reached record-highs of \$185,841 million for overnight visitors and \$52,606 million for same-day in-town visitors in 2012.

Inbound visitors spent on a wide spectrum of goods and services in various economic sectors, including apparels, cosmetics and luxury goods, hotel and accommodation, food and beverage, sight-seeing tour and entertainment. In particular, Hong Kong has a long-standing international reputation as the “Shopping Paradise” and its retail sector is crowned for competitive pricing, diversity of merchandise goods available and credibility. Indeed, shopping has accounted for the most of visitor spending through the years. In 2012, shopping took up almost 60% of the spending of overnight visitors and a much higher 90% of that of same-day in-town visitors.

Meanwhile, overnight visitors spent around 20% of their expenditure on hotel bills and 11% on meals outside hotel. In contrast, given the nature of their short-stay in Hong Kong, same-day in-town visitors consumed far less on hotel bills and meals outside hotel, in both absolute terms and as a share of total spending (*chart 1*).

Chart 1 : Spending pattern of overnight and same-day in-town visitors in 2012



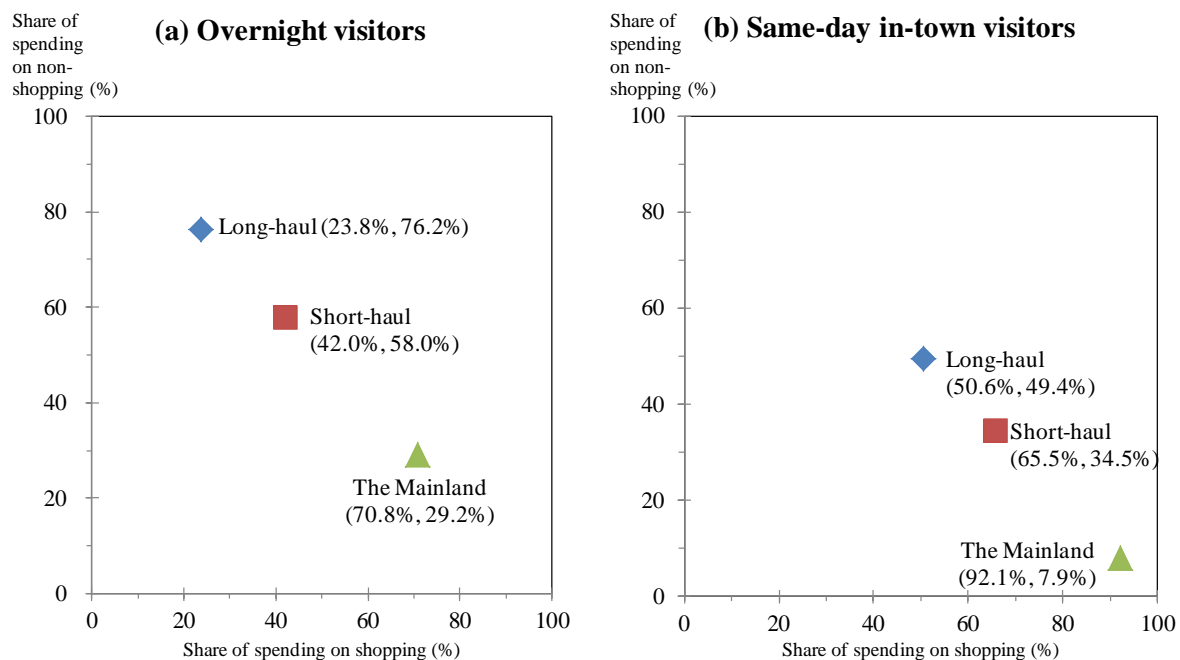
Notes : Figures might not add up to the total due to rounding. Figures in brackets represent the share in the total.

Box 3.1 (Cont'd)

It is also interesting to note that the spending patterns differ distinctly among visitors from different markets. Mainland visitors were very enthusiastic in shopping, with overnight visitors from this market spending 71% of their expenditure on merchandise goods. Meanwhile, shopping took up much smaller shares of the spending of short-haul and long-haul⁽¹⁾ overnight visitors, at 42% and 24% respectively (*chart 2a*). Long-haul overnight visitors spent most on hotel bills, accounting for around 48% of their total spending.

A similar pattern was also observed for same-day in-town visitors, with shopping accounting for a high 92% of the expenditure by Mainland visitors. Relatively speaking, short-haul and long-haul visitors spent less on shopping, at 66% and 51% of their expenditures respectively (*chart 2b*). This is conceivably due to the fact that more than half of the same-day non-Mainland visitors were en-route to other destinations and thus had limited time for shopping in Hong Kong.

Chart 2 : Share of spending on shopping and non-shopping in 2012



Note: Figures in brackets refer to the share of spending on shopping and non-shopping respectively.

(1) See note (3) at the end of this chapter for the definition of short-haul and long-haul markets.