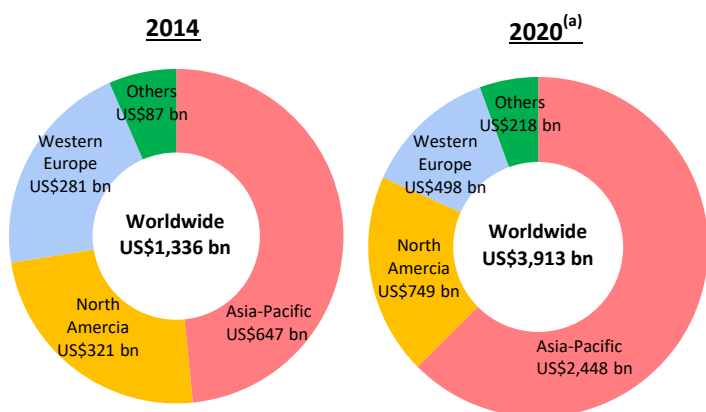




## E-commerce in Hong Kong

**Figure 1 — Retail e-commerce sales worldwide by region, 2014 and 2020**



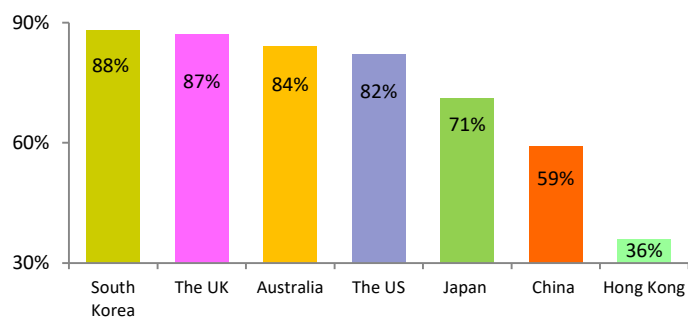
Note: (a) Estimated figures.

**Figure 2 — Development of ICT infrastructure in Hong Kong, 2009-2019**

	2009	2011	2013	2015	2017	2019
Mobile subscription penetration rate (%)	72%	114%	171%	202%	239%	316%
Household broadband penetration rate (%)	80%	86%	83%	84%	93%	94%
Customer access via broadband networks (exabytes) <sup>(a), (b)</sup>	1.4	1.9	2.6	3.5	6.0	7.8
Proportion of business establishments using the Internet (%)	61%	N.A. <sup>(c)</sup>	75%	80%	88%	90%

Notes: (a) This indicator shows internet traffic volume as measured by broadband usage of internet users. Broadband means the capacity to transmit data at the rate of 1 Mbps or above.  
(b) 1 exabyte = 1 million terabytes.  
(c) The Census and Statistics Department did not conduct any survey on ICT infrastructure in 2011.

**Figure 3 — Online buyer penetration rate in selected economies, 2019 or the latest year**

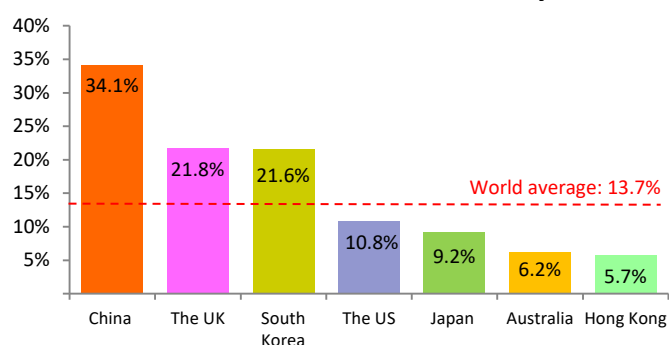


## Highlights

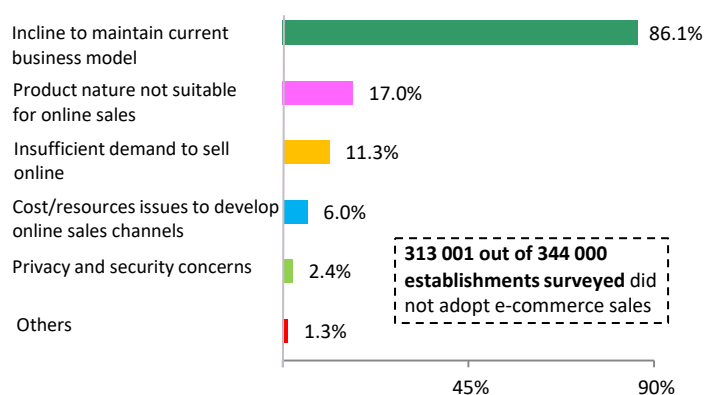
- Electronic commerce or e-commerce means buying and selling of goods or services over the Internet. The recent years saw a rapid growth of e-commerce fuelled by increased use of Internet for commercial purposes. Global Internet retailing is estimated to reach US\$3.9 trillion (HK\$30.2 trillion) in 2020, almost trebling the amount of US\$1.3 trillion (HK\$10.1 trillion) in 2014 (Figure 1). The recent outbreak of Coronavirus Disease 2019 ("COVID-19") has helped fuel the growth momentum of e-commerce, as it has enticed more consumers to shift their shopping habits online.
- Information and communications technology ("ICT") infrastructure is a key enabler for the development of e-commerce. In this connection, Hong Kong has robust ICT infrastructures (Figure 2) and serves as a major communications hub in the Asia-Pacific region. In particular, Hong Kong's mobile phone and household broadband penetration rates have been among the highest in the world.
- In addition to ICT infrastructural support, people having the necessary skills to use the infrastructure and businesses getting ready for the e-commerce world are also needed. In recent years, customer usage of broadband services and the proportion of business establishments using the Internet have been on the rise in recent years (Figure 2).
- While robust ICT infrastructures and a high level of Internet usage points to a promising start of online retailing, e-commerce is not so popular among consumers in Hong Kong. Online purchasing by consumers is very limited in Hong Kong, as a mere 35.8% of persons aged 15 or above had used online purchasing services for personal matters in 2018 (Figure 3). While the figure represents an improvement from 15.9% in 2009, it is still lower than that in many other developed economies.

## E-commerce in Hong Kong (cont'd)

**Figure 4 — Sales value of Internet retailing as a percentage of total business receipts/ retail sales, 2019 or the latest year**



**Figure 5 — Reasons for not adopting e-commerce sales in 2019**



**Figure 6 — Business use of the Internet and adoption of e-commerce in 2019<sup>(a)</sup>**

	All enterprises	Large enterprises	Medium enterprises	Small enterprises
Using the Internet	90.3%	99.5%	97.7%	89.2%
With a web presence	38.3%	88.1%	69.3%	33.5%
Receiving orders online	9.0%	24.1%	18.4%	7.5%
Placing orders online	21.2%	35.2%	24.4%	20.5%
Delivering orders online <sup>(b)</sup>	89.1%	97.8%	97.5%	87.9%

Notes: (a) Enterprises are classified by their employment sizes.  
 (b) Delivery of goods, services or information online.

## Highlights

- E-commerce usage is also very limited in the business sector. In 2018, business receipt from Internet sales amounted to HK\$491.7 billion. While the amount increased significantly from HK\$139.6 billion a decade ago, its share in total business receipts, at 5.7% in 2018, remains relatively small (**Figure 4**).
- The relatively low contribution of e-commerce sales reflects the small percentage share of establishments adopting e-commerce sales in Hong Kong. According to the survey conducted by the Census and Statistics Department ("C&SD") in 2019, the corresponding percentage share stood at a low of 9.0% during the survey period. For those establishments not adopting e-commerce sales, 86.1% of them cited "incline to maintain current business model" as the reason behind (**Figure 5**).
- Small and medium-sized enterprises ("SMEs") are generally lagging behind large enterprises when it comes to the adoption and usage of e-commerce. Yet, SMEs play a pivotal role in Hong Kong as an engine of growth and a source of job creation. Currently, there are over 340 000 SMEs in the territory. They constitute over 98% of the total business establishments and employ about 45% of labour force in the private sector.
- According to the C&SD's 2019 survey, the proportion of establishments using the Internet did not differ much among enterprises of different sizes (**Figure 6**). However, the uptake of e-commerce was much lower in SMEs, particularly in terms of having their own websites/webpages and receiving/placing orders online. The slow uptake of SMEs was due to their lack of the resources and technical capacities to effectively create and manage their own e-platforms.

Data sources: Latest figures from Census and Statistics Department, eMarketer, Office for the Communications Authority, Trade and Industry Department and the Ecommerce Foundation.

Research Office  
 Information Services Division  
 Legislative Council Secretariat  
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 Tel: 2871 2145

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