



18 December 2006

Dear Sir,

**Subject: In response to Digital 21 Strategy Consultation Paper**

Our association Hong Kong Retail Technology Industry Association is a non-profit making organization and was founded in 2003. Our members are including members from IT technology, Display technology, CRM technology, payment technology, International Standard association, security technology and University. We are also the advisor of Electronic commerce board of GS1 advisor, committee member of Sin CK advisory committee and task force for ICT Expo of Trade Development Council.

In response to the recent Digital 21 consultation paper, our association likes to point out the following points that your paper doesn't mention any particularly actions to develop technology for Retail. Actually, Retail and tourism have generated over 5% of GDP annually for Hong Kong. We therefore hoped that your office could consider the below suggested technology and include them in the coming Digital 21 program.

**A. NFC Payment Technology**

Near Field Communication (NFC) is a wireless connectivity technology that enables convenient short-range communication between electronic devices. NFC offers the ultimate in convenience for connecting all types of consumer devices and enables rapid and easy communications. It is the perfect solution for controlling data in our increasingly complex and connected world, like Hong Kong. We are highly recommended to deploy NFC as a new standard of wireless payment transaction in here for further benefiting to overseas visitors, Hongkong peoples & SMEs.

For Oversea Visitors, they would use this wireless payment technology to pay for transportation fare and settle all related payments in Hong Kong. It definitely brings great convenience to them.

For Hongkong Peoples, they are benefited from NPC as follows:

- i) No need to carry too many coins;
- ii) Convenience to pay for food and in a small amount;
- iii) Convenience to visit other countries where have deployed the same standard; wireless payment technology.

For Hongkong SMEs, they are also benefited from NFC as follows:

- i) Provide a simple payment method to their overseas clients / visitors;
- ii) Improve their payment efficiency;
- iii) Would track small account payment record.

Actually, this NFC wireless payment is similar to Octopus card that brings great convenience to the card owner, the major difference between NFC wireless payment and Octopus card is that NFC is a global standard, but Octopus card doesn't. NFC payment could be made in the form of credit card or mobile phone.



According to some studies conducted in United State American (USA), there will be half of mobile phones enabled NFC in 2010 and the number will be increased over 500 million in 2009. Since 2002, USA has already piloted this wireless payment technology in some states and has successfully implemented. In the Asia Pacific Region, several major countries in Asia, such as Japan, Korea, Taiwan and Malaysia, have already adapted NFC wireless payment technology or similar one in their transportation network and retail industry. As a modern and international city like Hong Kong, we believe that we should not fall behind with the other Asian countries on this aspect.

## **B. Anti-counterfeit Technology**

Anti-counterfeit is very important to dairy life of Hong Kong people and draws a lot of attention for the visitors. One of major reasons of visitors came to Hong Kong and spent their money in here is that Hong Kong does not only provide good qualified goods / service, but also “**Real Thing**”. We found that there is not much addressed to the anti-counterfeit technology study or any specific arrangement in this proposal.

## **C. Recognition Award for Retail Technology Application**

Highest adoption rate of new technology in Asian countries except Japan is founded on our committee's internally studies and some research paper. Hong Kong is definitely an idea-generation place for the Asian countries to follow, as Hong Kong is a high living standard place; new technology and innovative ideas from the technology companies always brings efficiency and better service to the Retailers. We are proud of for those local IT companies 'efforts to build and create those innovative applications. Therefore, a well-know recognition award program is definitely useful to build reputation of Hong Kong within the Asia Pacific Region.

### **Conclusion:**

Hopefully the new Digital 21 Implementation Plan would consider the above mentioned suggestions made by our association, including:

1. Provide more support and actively promote NFC wireless payment technology
2. Provide a specific and study program on anti-counterfeit technology
3. Add-in the recognition award for innovative Retail Technology adoption

Yours truly,

Nelson S. K. Tse  
Chairman  
Hong Kong Retail Technology Industry Association