



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO A NEW ERA

海南离岛免税引领中国旅游零售业翻开新篇章

- Jason Cao, DFE FOUNDER, Dec.3RD, 2020 @ SANYA



About DFE



DFE (DutyFreeExpert, 免税零售专家) is the first professional platform in travel retail industry in China.

1. 22,000+行业追随者;
22,000 +Travel retail industry followers
2. 资深业内专家团队持续7年打造
7 years operating by an expert team.
3. 中国免税业最具影响力的智库平台
The most influential think tank platform in China duty free industry.





DFE (DutyFreeExpert, 免税零售专家) 由免税行业资深人士Jason@DFE创建于2013年3月, 是中国最早、影响力最大的免税行业资讯平台, 宗旨是打造一个旅游零售行业共享共建、彼此成就的行业资源中心。 DFE聚焦中国、放眼世界, 以多种方式分享全球旅游零售行业最新趋势, 报道零售商、品牌和业主的最新动态, 探讨免税零售营销与销售技能, 促进旅游零售行业的人才发展。截至2020年10月, DFE已拥有21000+专业用户, 遍布于全球旅游零售业, DFE也是世界免税协会(TFWA)及多家世界级行业媒体的长期合作伙伴。

DFE咨询团队精耕免税业二十余年, 提供中国免税行业最新政策解读和最新市场趋势分析; 提供的服务包括: 免税店空间设计、免税店招商采购、免税零售运营、品牌代理、 人才招聘、教育培训等。

DFE (DutyFreeExpert) founded by Jason@DFE in March 2013, is the first integrated professional information platform in travel retail industry in China. The commitment is to become an industry resource center to benefit the industry talents. DFE interpret China market with global view, sharing the latest news of global travel retail, brands, retailers and landlords, report new marketing trend and service enhancement. and promoting the personal development of talents in the travel retail industry. As of October 2020, DFE has attracted more than 21,000 professional readers across the global travel retail industry.

With 24 years of working experience in duty-free industry, DFE consulting team provide varies services to the industry including interpretation of China's duty-free policy, market analysis, merchandising and purchasing management, duty free shop design, retail operation, distribution, talent recruitment & education etc. DFE is also a long-term partner of World Tax Free Association (TFWA) and top industry medias.

Contact us via WeChat: DFE007; email: dfc@idutyfree.cn
联系微信号: DFE007; 电邮: dfc@idutyfree.cn



What we do?



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. **Government**
2. **Retailers**
3. **Sales**
4. **Customers**
5. **DFE insights**



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Location - Hainan



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Government / Policy background



The Party Central Committee decided to support the establishment of a free trade pilot zone on the entire island of Hainan, and support Hainan to gradually explore and steadily promote the construction of a free trade port with Chinese characteristics, and to build a free trade port policy and system in stages and stages.

——On April 13, 2018, a meeting to celebrate the 30th anniversary of the establishment of a provincial special economic zone in Hainan



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Government / Policy

Opening a New Chapter for the Hainan Free Trade Port



- ❖ On April 13, 2018, Chinese President Xi Jinping announced that China had decided to support Hainan in building the pilot free trade zone throughout the entire island, gradually exploring and steadily promoting the establishment of a free trade port with Chinese characteristics.
- ❖ On June 1, 2020, the Overall Plan for the Hainan Free Trade Port is officially released to the world.

Align with High-level Global Economic and Trade Rules

Build Hainan Free Trade Port into:

A Flagship of China's Opening-up and a Key Opening Door in the New Era

Relax Offshore Duty-Free Shopping Policy

Quota raised to RMB100,000 per person/per year

Expand Categories of Duty-Free Goods



Duty Free Consumer Goods

Preferential Policies & Advantages:	Business Opportunities:
❖ International Tourism Consumption Center	❖ Global Center for Fashion Information
❖ China's Only Province to Adopt Duty-free Shopping Policy	❖ World-Famous Brands
❖ Quota Raised to RMB100,000 Per Person/Per Year	❖ Independent Designer Brands
❖ Expand Categories of Duty-Free Goods	❖ World-Famous Top-End Retail & Department Stores
❖ By 2025 when the Island Becomes an Independent Customs Territory, Zero-Tariffs will be Implemented; Goods Exempt from Import Duties, Import VAT and Consumption Tax	❖ Global Fashion Marketing Agencies and Institutions

The Ministry of Finance, the General Administration of Customs, and the State Administration of Taxation jointly issued the "Announcement on the Offshore Duty Free Shopping Policy for Hainan Islands Passengers" (June 29, 2020)



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Government/Policy support, released 51 important new policies since 1st, June, 2020

1. 财政部、税务总局联合印发《关于海南自由贸易港高端紧缺人才个人所得税政策的通知》（2020年6月23日）
2. 省政府印发《海南自由贸易港享受个人所得税优惠政策高端紧缺人才清单管理暂行办法》（2020年8月26日）
3. 财政部、税务总局联合印发《关于海南自由贸易港企业所得税优惠政策的通知》（2020年6月23日）
4. 国家税务总局海南省税务局发布《关于海南自由贸易港企业所得税优惠政策有关问题的公告》（2020年7月31日）
5. 财政部、海关总署、税务总局联合印发《关于海南自由贸易港原辅料“零关税”政策的通知》（2020年11月11日）
6. 财政部、海关总署、税务总局联合发布《关于海南离岛旅客免税购物政策的公告》（2020年6月29日）
7. 海关总署印发《中华人民共和国海关对海南离岛旅客免税购物监管办法》（2020年7月6日）
8. 省财政厅、省商务厅、省市场监督管理局联合发布《关于海南离岛免税购物经营主体有关问题的公告》（2020年7月10日）
9. 国家税务总局出台《海南离岛免税店销售离岛免税商品免征增值税和消费税管理办法》（2020年9月29日）
10. 海关总署印发《中华人民共和国海关对洋浦保税港区监管办法》（2020年6月3日）
11. 海关总署发布《关于洋浦保税港区统计办法的公告》（2020年9月20日）
12. 省委人才发展局、省人社厅等部门联合出台《吸引留住高校毕业生建设海南自由贸易港的若干政策措施》（2020年6月19日）
13. 省政府印发《海南自由贸易港外籍“高精尖缺”人才认定标准（2020-2024年试行）》（2020年9月16日）
14. 省委人才发展局印发《关于开展海南自由贸易港国际人才服务管理改革试点工作的实施方案》（2020年9月21日）
15. 省政府印发《海南自由贸易港境外人员参加职业资格考试管理办法（试行）》《海南自由贸易港境外人员执业管理办法（试行）》（2020年9月21日）
16. 省委人才发展局等部门联合印发《海南自由贸易港对外籍人员开放职业资格考试目录清单（2020）》和《海南自由贸易港认可境外职业资格目录清单（2020）》（2020年9月22日）
17. 省委办公厅、省政府办公厅联合印发《海南自由贸易港高层次人才认定办法》（2020年9月23日）
18. 省委人才办印发《海南自由贸易港高层次人才分类标准(2020)》（2020年9月23日）
19. 省委办公厅、省政府办公厅联合印发《海南省有突出贡献的优秀专家奖评选奖励实施办法》（2020年9月23日）
20. 人力资源社会保障部印发《关于支持海南自由贸易港人力资源和社会保障事业创新发展的实施意见》（2020年10月23日）
21. 省教育厅印发《引进知名高校补助资金管理办法（暂行）》（2020年6月9日）
22. 省委、省政府印发《海南省深化教育教学改革全面提高义务教育质量行动方案》（2020年9月3日）
23. 国家外汇管理局海南分局印发《关于开展贸易外汇收支便利化试点工作的通知》（2020年6月19日）
24. 省地方金融监管局、省市场监管局、人民银行海口中心支行、中国证监会海南监管局联合印发《海南省关于开展合格境外有限合伙人(QFLP)境内股权投资暂行办法》（2020年10月26日）
25. 中国民用航空局印发《海南自由贸易港试点开放第七航权实施方案》（2020年6月3日）
26. 财政部、交通运输部、税务总局联合印发《关于海南自由贸易港国际运输船舶有关增值税政策的通知》（2020年9月3日）
27. 省交通运输厅、省商务厅、海口海关联合印发关于进出岛航班加注保税航油政策的实施方案（2020年9月7日）
28. 国务院印发《关于在中国（海南）自由贸易试验区暂时调整实施有关行政法规规定的通知》（2020年6月28日）
29. 海关总署发布《关于调整海南进出境游艇有关管理事项的公告》（2020年7月9日）
30. 交通运输部发布《关于在中国（海南）自由贸易试验区深化改革开放调整实施有关规章规定的公告》（2020年9月14日）
31. 海南海事局印发《海南自由贸易港船舶登记程序规定》（2020年11月3日）
32. 省财政厅、省商务厅联合印发《海南省支持会展业发展资金管理办法》（2020年7月27日）
33. 省政府印发《海南省支持高新技术企业发展若干政策(试行)》（2020年10月24日）
34. 省委办公厅、省政府办公厅联合印发《关于提振现代服务业创新发展的实施意见》（2020年11月1日）
35. 省委、省政府印发《关于促进中医药在海南自由贸易港传承创新的实施意见》（2020年11月2日）
36. 省政府印发《海南自由贸易港博鳌乐城国际医疗旅游先行区临床急需进口医疗器械管理规定》（2020年6月2日）
37. 省人大常委会出台《海南自由贸易港博鳌乐城国际医疗旅游先行区条例》（2020年6月16日）
38. 省人大常委会发布《关于批准在洋浦经济开发区等六个园区推广适用“三园”特别极简审批的决定》（2020年7月31日）
39. 省政府办公厅印发《海南自由贸易港博鳌乐城国际医疗旅游先行区制度集成创新改革方案》（2020年9月1日）
40. 省政府印发《文昌国际航天城管理局设立和运行管理规定》（2020年9月17日）
41. 省政府办公厅印发《中国(三亚)跨境电子商务综合试验区实施方案》（2020年9月20日）
42. 省委办公厅、省政府办公厅印发《关于强化知识产权保护的实施意见》（2020年8月11日）
43. 省委办公厅、省政府办公厅印发《关于完善产权保护制度依法保护产权的实施意见》（2020年8月28日）
44. 省委办公厅、省政府办公厅印发《海南自由贸易港制度集成创新行动方案（2020—2022年）》（2020年10月9日）
45. 省人大常委会公布《海南省多元化解纠纷条例》（2020年6月16日）
46. 省政府办公厅印发《海南省政务服务事项目录管理办法》和《海南省一体化政务服务平台电子证照应用管理实施办法》（2020年9月1日）
47. 海口边检总站印发《关于贯彻国家重大战略推进海南自由贸易港建设的实施意见》（2020年7月16日）
48. 省人大常委会公布《海南自由贸易港消防条例》（2020年7月31日）
49. 推进海南全面深化改革开放领导小组办公室印发《海南能源综合改革方案》（2020年8月14日）
50. 省自然资源和规划厅印发《海南热带雨林国家公园自然资源资产管理暂行办法（试行）》（2020年8月29日）
51. 省人大常委会公布《海南热带雨林国家公园条例》（2020年9月3日）



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Government / IEDB INVEST HAINAN





海南国际经济发展局
CHINA HAINAN

投资海南
我们为企业跑
WE RUN FOR YOUR BUSINESS

全球投资服务热线
**GLOBAL INVESTMENT
SERVICE HOTLINE**
4008-413-413

iedb@investhainan.cn
hainanexpo@investhainan.cn







HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Government / Policy/ Offshore Duty Free 45 Assortments

Offshore duty free: New categories and quantity limits per person per visit

#	Commodity variety	Limit purchases per person	Remarks
1	Jewellery	Unlimited	
2	Crafts	Unlimited	
3	Watches	Unlimited	
4	Perfumes	Unlimited	
5	Cosmetics	30 items	
6	Pens	Unlimited	
7	Glasses (Including sunglasses)	Unlimited	
8	Silk scarves	Unlimited	
9	Ties	Unlimited	
10	Wool products	Unlimited	
11	Cotton products	Unlimited	
12	Clothing	Unlimited	
13	Shoes and hats	Unlimited	
14	Leather belts	Unlimited	
15	Luggage	Unlimited	
16	Small leathergoods	Unlimited	
17	Candy	Unlimited	
18	Sporting goods	Unlimited	
19	Beauty and health equipment	Unlimited	
20	Tableware and Kitchenware	Unlimited	
21	Toys (including strollers)	Unlimited	
22	Infant formula and complementary foods in retail packaging	Unlimited	
23	Coffee(Coffee beans; espresso)	Unlimited	
24	Ginseng products Western Ginseng, Radix Ginseng Rubra, Panax ginseng capsules and granules	Unlimited	Non-first-time import, that has obtained the import health food approval certificate
25	Cereal flakes; foods and dairy products such as malt extract and grain flour; sweet biscuits; waffles and communion cakes; pastries, biscuits and baked pastries and similar products	Unlimited	
26	Health food	Unlimited	Non-first-time import, that has obtained the import health food approval certificate
27	Royal jelly preparation	Unlimited	Non-first-time import, that has obtained the import health food approval certificate
28	Olive oil	Unlimited	
29	Diapers	Unlimited	
30	Ceramic products (Fine bone china etc)	Unlimited	
31	Glass product (Glassware etc.)	Unlimited	
32	Household air purifiers and accessories	Unlimited	
33	Household hardware (Locks; faucet; shower apparatus)	Unlimited	
34	Clocks (Wall clocks; table clocks; alarm clocks, etc.)	Unlimited	
35	Plug Adapters	Unlimited	
36	Straps, bracelets	Unlimited	
37	Spectacle lens, eyeglass frames	Unlimited	
38	Class I and II home medical devices(Blood glucose meter; blood glucose test paper, electronic sphygmomanometer; infrared human body thermometer; vision training device; hearing aid; orthopedic fixed equipment; home ventilator)	Unlimited	Have obtained the registration certificate or record certificate of imported medical device
39	Natural honey and other food animal products(Natural honey; bird's nest; fresh royal jelly; other bees and food animal products)	Unlimited	
40	Tea, mate tea, and products based on tea and mate tea(Green tea; black tea; mate tea; tea, mate tea as basic ingredients)	Unlimited	
41	Tablet PCs; other portable automatic data processing equipment; small automatic data processing equipment; microcomputers; other data processing equipment; small computers in the form of systems; microcomputers in the form of systems	Unlimited	
42	Electronic consumer products such as wearable devices (Wireless headsets; other equipment for receiving, converting and sending or reproducing audiovisual or other data; parts and accessories for video game controllers and equipment	Unlimited	
43	Cell phones, handheld (including car) type wireless telephones	4 pieces	
44	Video game machines	Unlimited	
45	Liquor (Beer, red wine, sake, foreign wine and fermented beverages)	Total not to exceed 1500 ml	

Note: One product refers to a product with a single, complete package and independent price. But the packaged product is calculated according to the actual number of products contained in the package.



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Government / Policy/Duty Free logic

Traditional duty free business logic

- (1) As an innovative means to promote /stimulate economic development under a certain taxation system in Country /State.
- (2) Mainly for attracting **foreigners** to travel and consume, promote economic and cultural communication at home and abroad
- (3) Governments in various countries strictly control duty-free policy and operations to prevent impacting on the domestic market

Foreigners

New duty free business logic

- (1) As an innovative means to promote /stimulate economic development under a certain taxation system in Country /State.
- (2) Attract **Chinese** people to consume in China's duty-free shops, promote domestic consumption, and attract Chinese overseas luxury goods consumption to return
- (3) Governments in various countries strictly control duty-free policy and operations to prevent impacting on the domestic market
- (4) Promote the construction of Hainan Free Trade Port (duty-free for outlying islands)

Chinese



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Government / Policy/Duty Free business logic

Performance (2019)	RMB(0.1B)	Chinese	Foreigners	Percentage
Global Duty Free	5726	60%*		
Korea Duty Free	1478	80%	85%	26.20%
China Duty Free	550	95%	5%	9.61%



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. DFE basic understanding of China duty free market

1. The duty-free industry mission of outlying islands is to promote the construction of free trade port in Hainan; secondly, to stimulate domestic consumption; to attract overseas consumption to return to meet the needs of the islanders.
2. The specific policies of the new policy for duty-free industries are gradually implemented and gradually opened; the new policy for downtown duty-free shops is about to be released. (Customers, purchase amount and quantity limit)
3. After the Covid-19, inbound and outbound duty free will be the same important as offshore duty free
4. The duty-free market is a huge cake, and the market share depends on the operation quality.

1. 离岛免税的行业使命是促进海南自由贸易港建设；其次是刺激国内消费、吸引海外消费回流、满足岛上居民的生活需求。
2. 免税行业新政具体政策逐步实施，逐步开放；市内免税店新政待发（销售对象，购买额度与数量限制）
3. 疫情过后的中国免税，仍然是包括新市内店在内的进出境免税与离岛免税协调发展的局面
4. 免税市场蛋糕够大，市场份额看经营水平



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Government
2. **Retailers**
3. Sales
4. Customers
5. DFE insights



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

2. Duty free license holder – 10 licenses



珠海免税(Zhuhai Duty Free)

TIMES⁺DF

深圳免税 (Shenzhen Duty Free)
+Supported by DFS



王府井集团
Wangfujing



海发控(Hainan Development Holdings
supported by (Dufry+Alibaba)

海旅投

(Hainan Tourism Investment
(supported by Lagardere)



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

2. Offshore duty free retailers (Until to Nov. 30,2020)



海发控(Hainan Development Holdings
supported by (Dufry+Alibaba)

TIMES⁺DF

深圳免税 (Shenzhen Duty Free)
+Supported by DFS

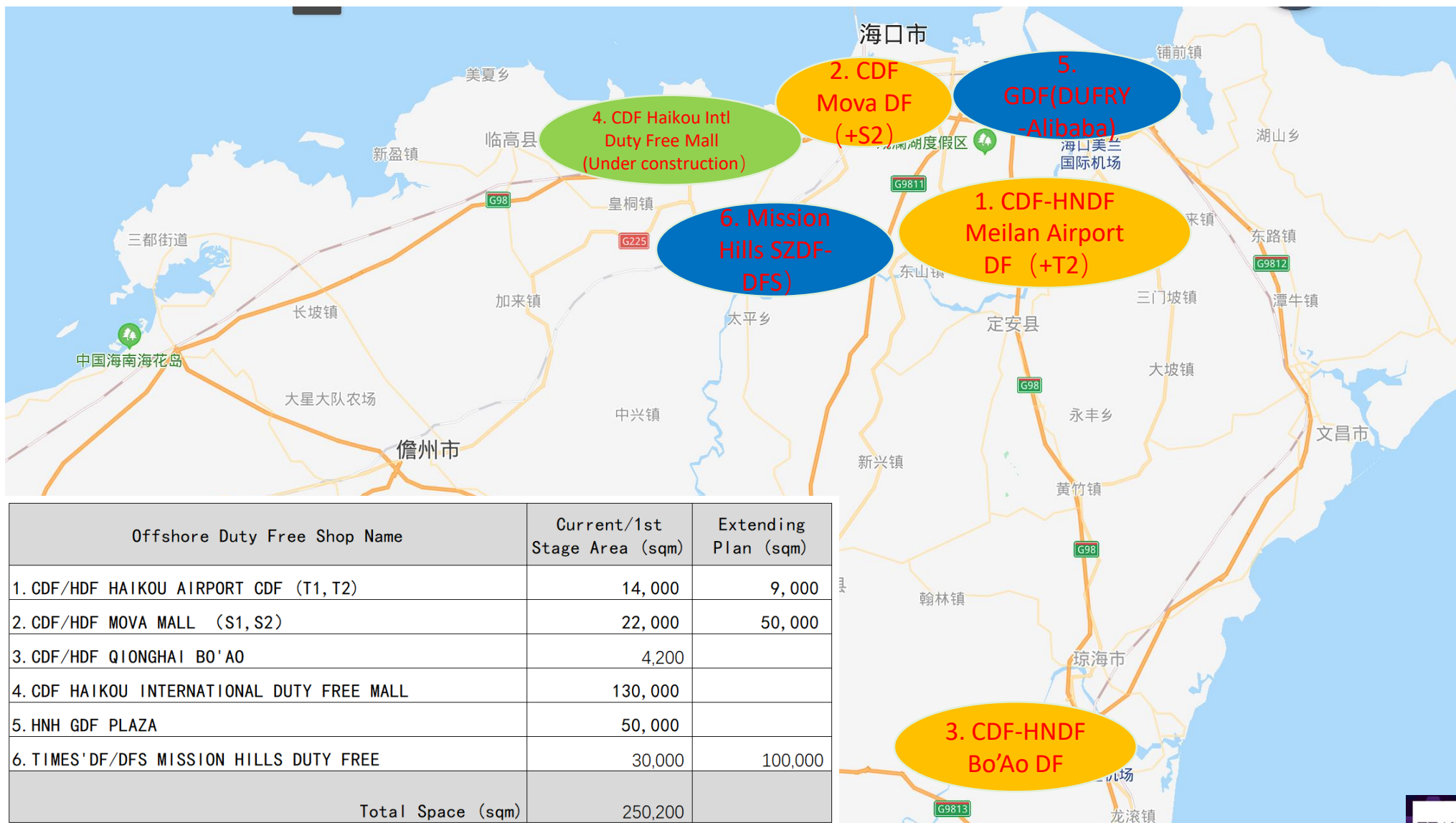
海旅投

(Hainan Tourism Investment
(supported by Lagardere)



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

3. Offshore duty free shops at Haikou Area





HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

2. Offshore duty free shops at Sanya

Offshore Duty Free Shop Name	Current/1st Stage Area (sqm)	Extending Plan (sqm)
7. CDF SANYA INTERNATIONAL DUTY FREE HAITANG BAY	72,000	
8. CDF SANYA AIRPORT DUTY FREE SHOP	800	
9. CNSC SANYA INTERNATIONAL DUTY FREE SHOPPING PARK	33,000	200,000
10. HTDF SANYA DUTY FREE CITY (LAGARDERE)	95,000	
Total Space (sqm)	200,800	





HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

2. Offshore duty free Retailer, Shop and Space

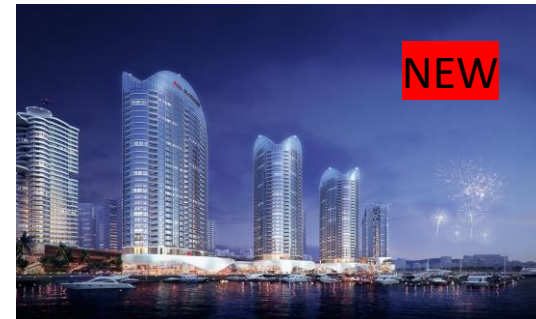
Offshore Duty Free Shop Name	Current/1st Stage Area (sqm)	Extending Plan (sqm)
1. CDF/HDF HAIKOU AIRPORT CDF (T1, T2)	14,000	9,000
2. CDF/HDF MOVA MALL (S1, S2)	22,000	50,000
3. CDF/HDF QIONGHAI BO'AO	4,200	
4. CDF HAIKOU INTERNATIONAL DUTY FREE MALL	130,000	
5. HNH GDF PLAZA	50,000	
6. TIMES'DF/DFS MISSION HILLS DUTY FREE	30,000	100,000
7. CDF SANYA INTERNATIONAL DUTY FREE HAITANG BAY	72,000	
8. CDF SANYA AIRPORT DUTY FREE SHOP	800	
9. CNSC SANYA INTERNATIONAL DUTY FREE SHOPPING PARK	33,000	200,000
10. HTDF SANYA DUTY FREE CITY (LAGARDERE)	95,000	
Total Space (sqm)	451,000	

DFE Remarks: Data is not officially confirmed by all retailers.



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

2. Offshore Duty Free Retailers & Shops



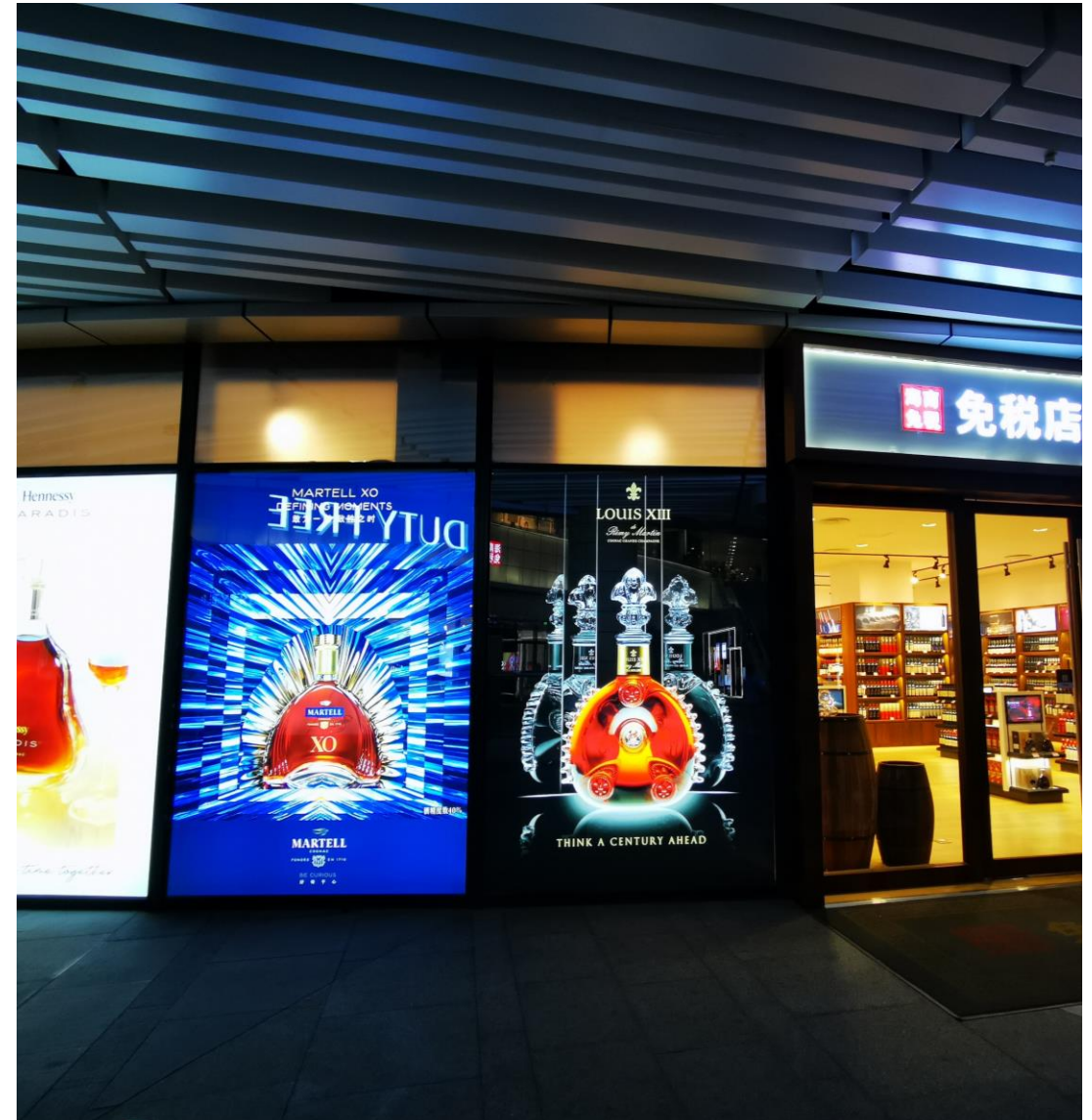


CDF Sanya INTL Duty Free Mall (Haitang Bay)





CDF Mova Duty Free Mall (Haikou Downtown)





CDF Haikou Intl Duty Free Mall (Haikou Downtown, EST 2022)





CNSC Sanya Intl Duty Free Park (Sanya Downtown)



NEW OPPORTUNITIES





Hainan Tourism Duty Free City (Sanya Downtown) +

Lagardère
TRAVEL RETAIL



TFWA

CHINA REBORN

ONLINE EVENT
01-03 DECEMBER 2020



HNH GDF Plaza (Haikou Downtown) +

DUFREY



Hainan Development Holdings Co.,Ltd





深圳免税 (Shenzhen Duty Free) +Supported by DFS

NEW

TIMES⁺DF 深圳免税

深免海口观澜湖免税城





HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Government
2. Retailers
3. **Sales**
4. Customers
5. DFE insights



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

3. Sales and Trend

55B (RMB)

China Duty Free
Market 2019
(9.6%)

147.8B(RMB)

Korea Duty Free 2019
(25.8%)

572.6B(RMB)

Global Duty Free 2019
(100%)

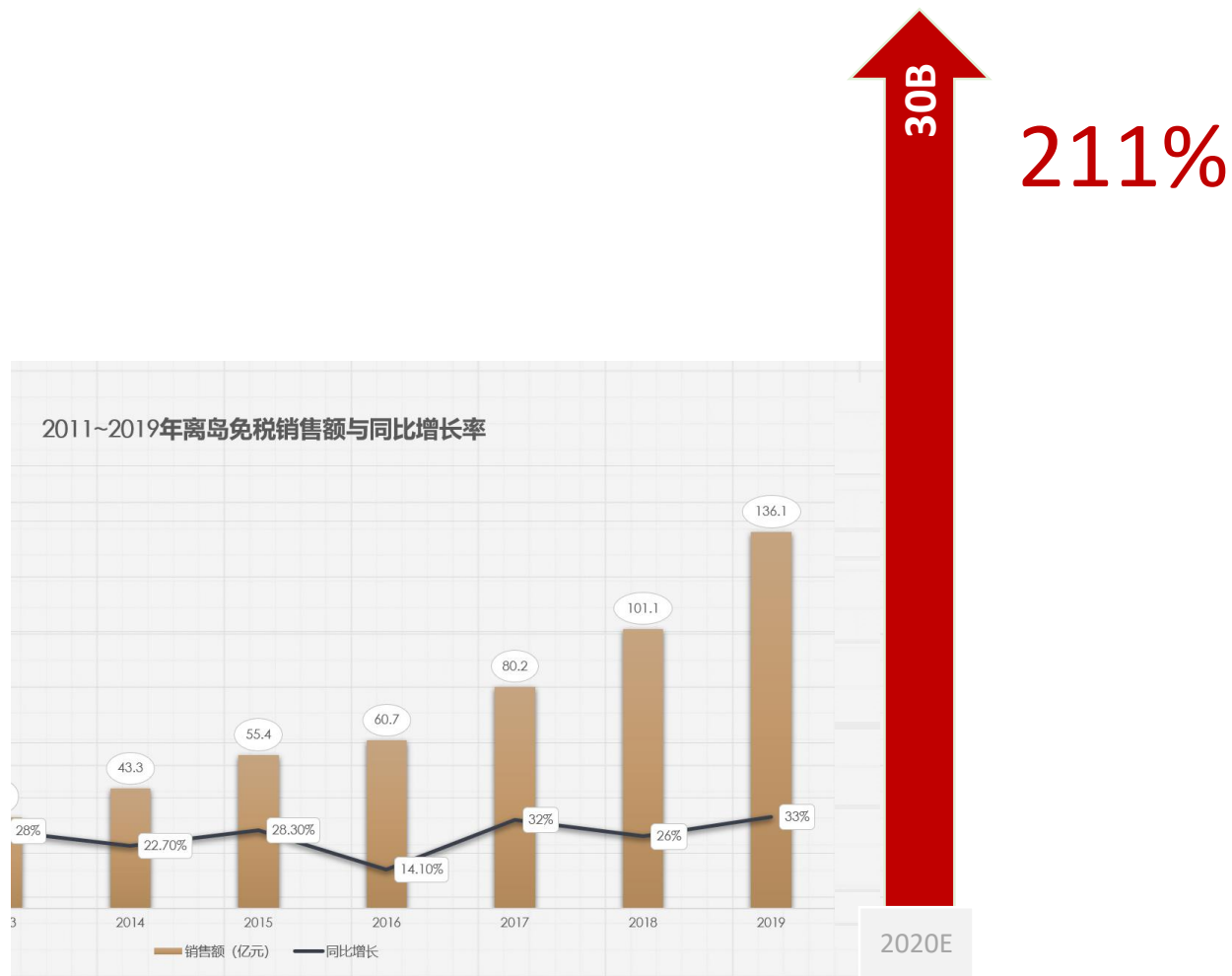
786.8B(RMB)

BAIN: Chinese overseas luxury
purchase 2019; 7% duty free



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

3. Hainan offshore duty free Sales 2020E, 30BILLION



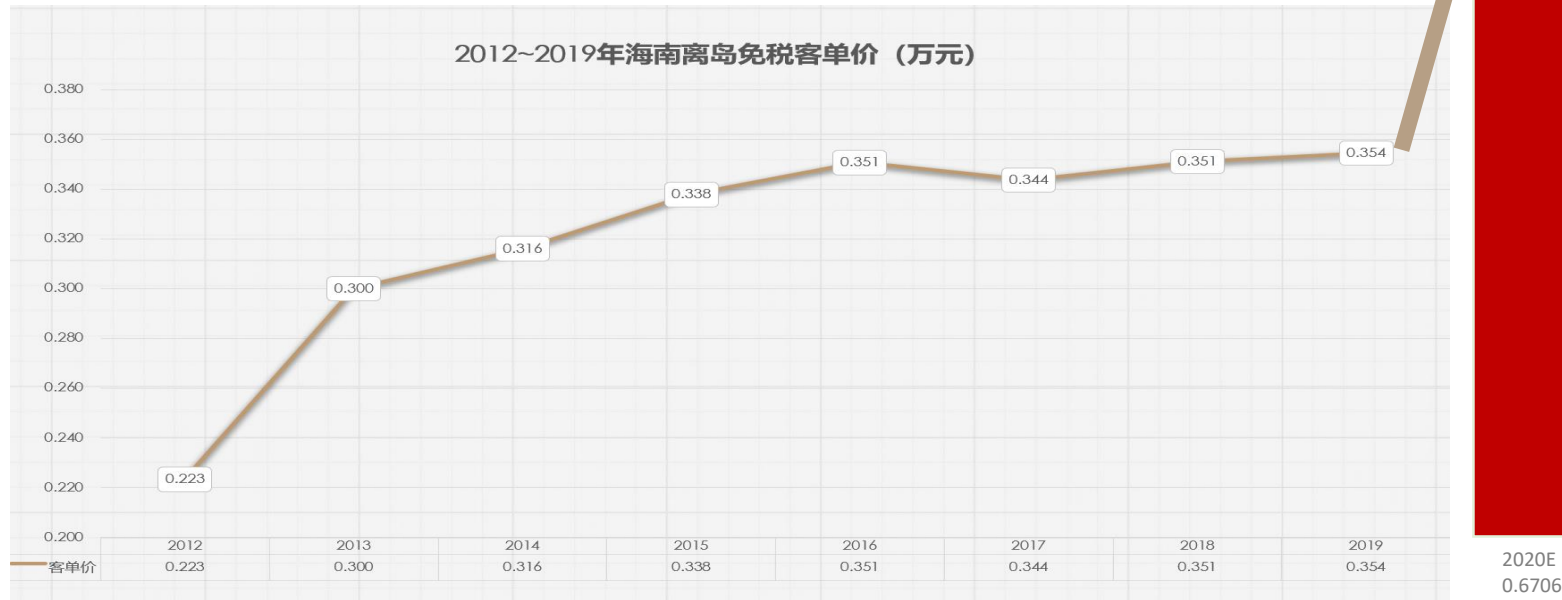
Hainan Offshore Duty Free sales 2011-2020



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

3. Average Purchase from 3540 to 6736

“According to Haikou Customs statistics, from July 1st to October 31st, Hainan Offshore duty-free policy was implemented for 4 months, and the total amount of offshore duty-free sales was 12.01 billion yuan (RMB), a year-on-year increase of 214%; with 1.783 million shoppers, a year-on-year increase of 58.8%. Average purchase growth from 3540 to 6736.

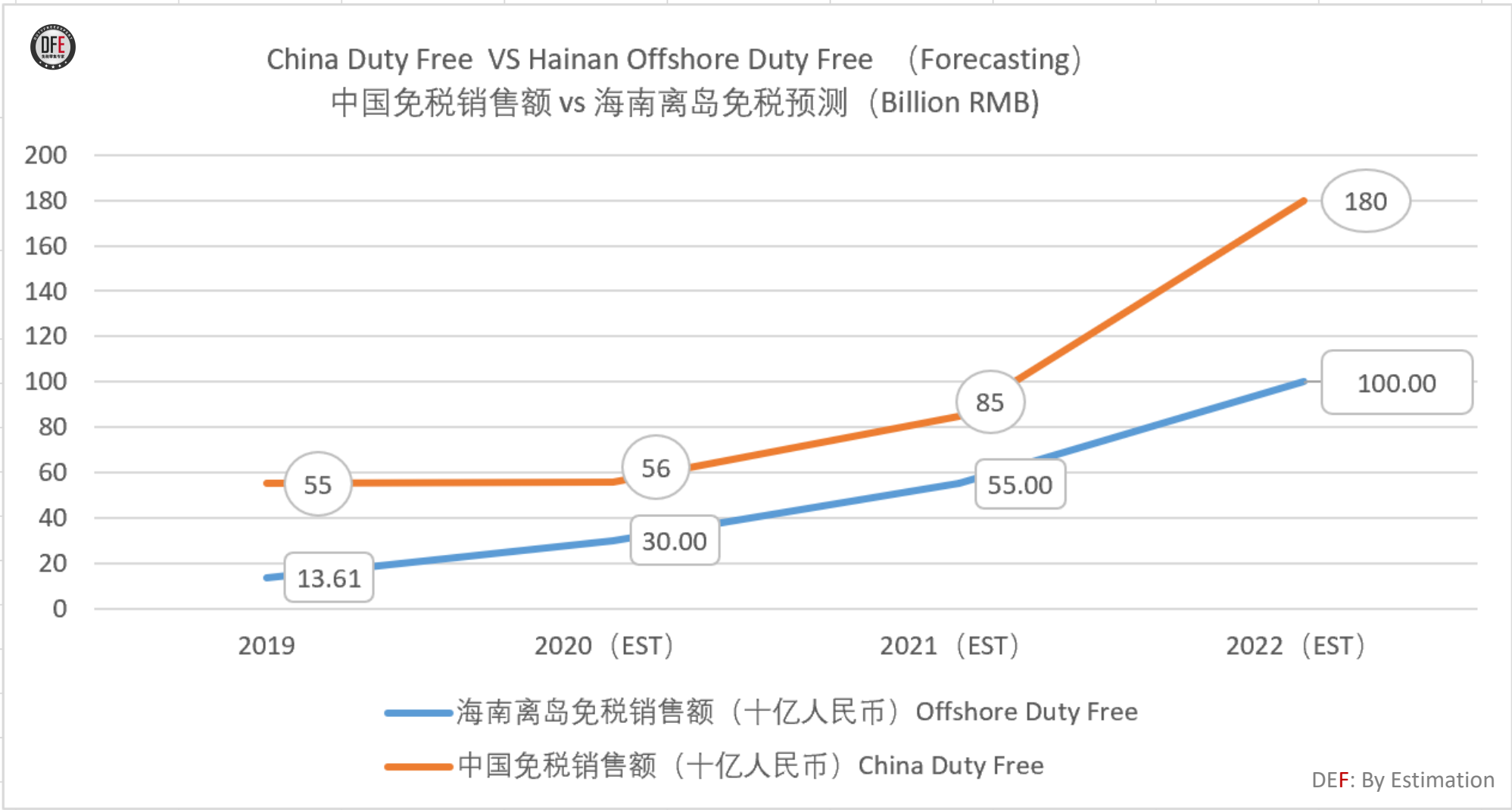


Double!



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

3. Sales – Forecasting (RMB)





HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

3. Offshore duty free – Sustainable?

- (1) Time is market opportunity. It will take time for international TR market recovery in Asia from pandemic affection.
 - (2) The number of Offshore Duty-free Shops up to 10 from 4, with retail areas up to 450K sqm, and the supply capacity of goods has been greatly enhanced; categories and quantity of duty free goods have increased sharply.
 - (3) The number of travelers to Hainan recovered, and the purchase rate and purchasing power continued to grow.
 - (4) With local resident population of 9.5 million at Hainan, the consumption is a big potential.
 - (5) Chinese travelers gradually used to buy duty free goods within China. Shopping behavior is changing.
-
- (1) 离岛免税抓时间换空间，疫情影响完全消失和国际旅游恢复需要一定时间， DFE预计亚太旅游零售市场需要3年时间才能逐步恢复
 - (2) 离岛免税从4家（1+2+1）， 增加到10家（9+1）零售面积(近450K sqm)、商品供应能力极大增强； 品类、数量大增
 - (3) 入岛人数基本恢复， 购买率及购买力持续呈现； 岛内旅游零售服务能力提升
 - (4) 岛内居民（9.5M）消费需求逐步增量
 - (5) 除了绝对增量， 中国人的购买行为发生了变化 ——在国内买免税



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Government
2. Retailers
3. Sales
4. **Customers**
5. DFE insights



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

4. Sales – only 4.7% of Chinese travelers buy duty free goods in Hainan 2019



83.14 million tourists visiting the island in 2019, only 3.84 million purchases out of 81.68 million Chinese tourists), accounting for 4.7%

Chinese travelers Shopping at Hainan Offshore duty free –Haitang Bay



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

4. Customers – more luxury brands are investing Hainan, cz customers are here.

2020年上半年主要奢侈品牌集团及品牌业绩情况

序号	集团	2020年上半年销售额	同比涨幅	时间段
1	LVMH	183.93亿欧元	-27.0%	2020.01-2020.06
	Fashion and Leather Goods	79.89亿欧元	-23.0%	2020.01-2020.06
	Watches and Jewelry	13.19亿欧元	-38.0%	2020.01-2020.06
	Perfumes & Cosmetics	23.04亿欧元	-29.0%	2020.01-2020.06
2	Kering	53.78亿欧元	-29.6%	2020.01-2020.06
3	Richemont	19.93亿欧元	-47.0%	2020.04-2020.06
	Jewellery Masion	10.83亿欧元	-41.0%	2020.04-2020.06
	Specialist Watchmakers	3.59亿欧元	-56.0%	2020.04-2020.06
	Online Distributors	3.56亿欧元	-42.0%	2020.04-2020.06
序号	品牌	2020年上半年销售额	同比涨幅	时间段
1	Gucci	30.72亿欧元	-33.5%	2020.01-2020.06
2	Saint Laurent	6.81亿欧元	-30.0%	2020.01-2020.06
3	Bottega Veneta	5.03亿欧元	-8.0%	2020.01-2020.06
4	Hermes	24.88亿欧元	-24.2%	2020.01-2020.06
5	Prada	7.75亿欧元	-39.7%	2020.01-2020.06
6	Miu Miu	1.31亿欧元	-40.7%	2020.01-2020.06
7	Burberry	2.57亿英镑	-48.0%	2020.04-2020.06
8	Tiffany & Co.	13亿美元	-37.0%	2020.02-2020.07
9	Moncler	4.03亿欧元	-29.0%	2020.01-2020.06
10	Brunello Cucinelli	2.05亿欧元	-29.6%	2020.01-2020.06
11	Canada Goose	2610万加元	-63.3%	2020.04-2020.06

Brands suffered big loss due to pandemic of Covid-19 in the 1st of 2020.



Travelers are buying duty free at Hainan Offshore Duty Free Shop – Haitang Bay



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Government
2. Retailers
3. Sales
4. Customers
5. **DFE insights**



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

1. Yesterday once more?— No. Competition just there !

昨日不会重现，竞争不可避免。



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

2. CDF will enhance it's competitive edge via brand partnership, environment, operation and customer service...

拥有先发优势的**CDF** 在品牌、环境、运营、消费者等层面，强化其竞争优势



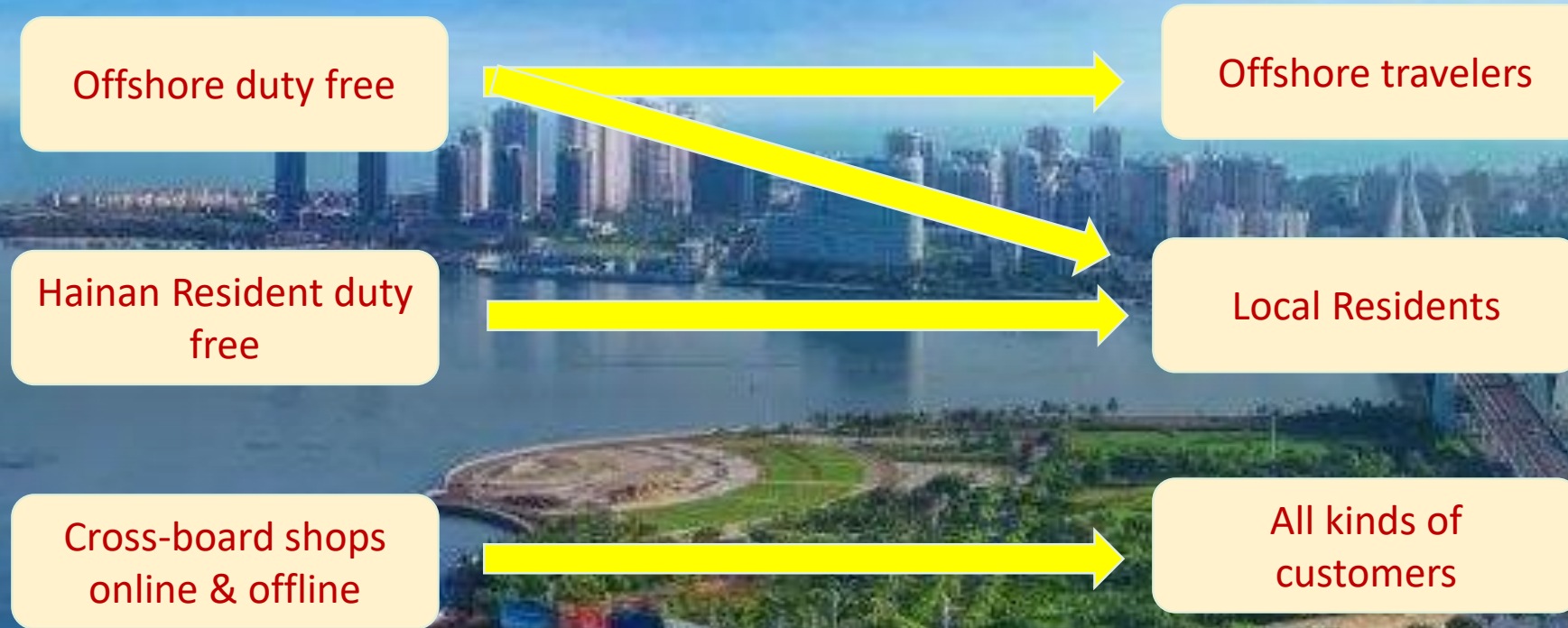
HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

3. Offshore duty free holds the model of shopping mall and Island resident duty free will be like supermarket, while cross-border e-commerce will attract customers by offering attractive items at reasonable price from online to offline. Tourists, island residents and mainland residents will all benefit from Hainan Free Trade Port policy.

离岛免税与岛民免税错位配合，如同购物中心**vs**超市；而跨境电商以采购和运营特色吸引线上线下消费者。海南自由贸易港在消费福利方面，逐步覆盖更多旅游者、本地居民和大陆居民。



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA





HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

About new offline shops enjoy
cross-board e-commerce tax
rate





HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

About Duty Free Shops for local residence





HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

4. The global pandemic of Covid-2019 and the effective control of the epidemic by the Chinese Government within the country have created unprecedented opportunities for local travel retail busienss and offshore duty free business. The competitiveness of offshore duty free business in future depends on the operating quality.

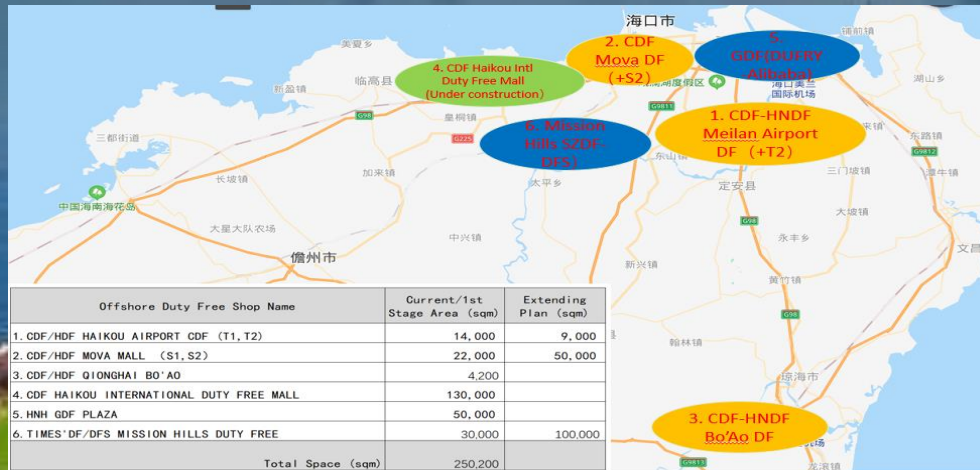
新冠疫情的全球大流行和中国政府对国内疫情的有效控制，给离岛免税带来史无前例的发展机遇，但是未来离岛免税业务的竞争力还得看零售商的运营能力。



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

5. The competition starts from the power of taking license, to the power of partnership with brands, and then to the operational ability. In the final, rely on the talent competition.

从拿牌竞争，到招商竞争，再到运营水平竞争，归根到底是人才竞争。





HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

6. Racing against time to establish a competitive advantage.
avoid simple price wars, and
avoid the Korean duty free operation strategy.
and set today's strategy with the Hainan Island consumer market
in 2025 against the Hong Kong retail market.

与时间赛跑，建立竞争优势，避免简单价格战，避免韩国免税经营模式。以**2025**年海南岛消费市场对标香港零售市场，设定今日战略。



HAINAN OFFSHORE DUTY FREE IS BRINGING CHINA TR INDUSTRY INTO NEW ERA

- 1. Government – Policy support**
- 2. Retailers – Limited duty free license**
- 3. Sales – Keep Growing**
- 4. Customers - habit change**
- 5. DFE insights**



世界免税看中国， 中国免税看海南！

China is leading the reborn of global duty free business. And Hainan is the powerful engine of China duty free business.



CHINA REBORN
ONLINE EVENT
01-03 DECEMBER 2020



Q/A THANK YOU !

- Jason Cao, DFE Founder
- Wechat/Phone: +86 159-2124-3369
- Email: Jason@idutyfree.cn

