

Provisional statistics of retail sales for January 2019

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (March 5).

The value of total retail sales in January 2019, provisionally estimated at \$48.1 billion, increased by 7.1% over the same month in 2018. The revised estimate of the value of total retail sales in December 2018 edged up by 0.1% over a year earlier.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in January 2019 increased by 6.9% over a year earlier. The revised estimate of the volume of total retail sales in December 2018 edged up by 0.1% over a year earlier.

In interpreting the figures for January, it should be noted that retail sales tend to show greater volatility in the first two months of a year due to the timing of the Lunar New Year. Local consumer spending normally attains a seasonal high before the Festival. As the Lunar New Year fell on February 5 this year but on February 16 last year, the year-on-year comparison of the figures for January 2019 with those for January 2018 might have been affected by this factor to a certain extent.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing January 2019 with January 2018, and also bearing in mind the effect due to the difference in the timing of the Lunar New Year as mentioned above, the value of sales of jewellery, watches and clocks, and valuable gifts increased by 4.7%. This was followed by sales of medicines and cosmetics (+12.9% in value); wearing apparel (+2.4%); commodities in department stores (+15.1%); commodities in supermarkets (+8.6%); food, alcoholic drinks and tobacco (+13.0%); other consumer goods, not elsewhere classified (+13.4%); motor vehicles and parts (+9.0%); footwear, allied products and other clothing accessories (+21.0%); furniture and fixtures (+8.2%); books, newspapers, stationery and gifts (+1.5%); Chinese drugs and herbs (+7.9%); and optical shops (+2.1%).

On the other hand, the value of sales of electrical goods and other consumer durable goods, not elsewhere classified decreased by 11.0% in January 2019 compared with a year earlier. This was followed by sales of fuels (-1.0% in value).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales decreased by 2.0% in the three months ending January 2019 compared with the preceding three-month period, while the provisional estimate of the volume of total retail sales decreased by 2.1%.

These retail sales statistics measure the sales receipts in respect of goods sold by local retail establishments and are primarily intended for

gauging the short-term business performance of the local retail sector. They cover consumer spending on goods but not on services (such as those on housing, catering, medical care and health services, transport and communication, financial services, education and entertainment) which account for over 50% of the overall consumer spending. Moreover, they include spending on goods in Hong Kong by visitors but exclude spending outside Hong Kong by Hong Kong residents. Hence they should not be regarded as indicators for measuring overall consumer spending.

Users interested in the trend of overall consumer spending should refer to the data series of private consumption expenditure (PCE), which is a major component of the Gross Domestic Product published at quarterly intervals. Compiled from a wide range of data sources, PCE covers consumer spending on both goods (including goods purchased from all channels) and services by Hong Kong residents whether locally or abroad. Please refer to the C&SD publication "Gross Domestic Product (Quarterly)" for more details.

Commentary

A government spokesman indicated that retail sales increased notably in January 2019 over a year earlier, partly lifted by the earlier arrival of the Lunar New Year this year and partly by the surge in visitor arrivals in that month. Yet, given the distortion by the difference in timing of the Lunar New Year, it would therefore be more meaningful to examine the retail sales figures for January and February combined, when available, to ascertain the underlying trend.

The spokesman commented further that, in the near term, the outlook for retail sales business is still subject to uncertainty. While the full employment situation in the local labour market and the sustained expansion in inbound tourism should provide support, consumption sentiment will still be affected by the unsteady external environment. The Government will closely monitor the situation.

Further information

Table 1 presents the revised figures on value index and value of retail sales for all retail outlets and by broad type of retail outlet for December 2018 as well as the provisional figures for January 2019.

Table 2 presents the revised figures on volume index of retail sales for all retail outlets and by broad type of retail outlet for December 2018 as well as the provisional figures for January 2019.

Table 3 shows the movements of the value and volume of total retail sales in terms of the year-on-year rate of change for a month compared with the same month in the preceding year based on the original series, and in terms of the rate of change for a three-month period compared with the preceding three-month period based on the seasonally adjusted series.

The classification of retail establishments follows the Hong Kong Standard Industrial Classification (HSIC) Version 2.0, which is used in

various economic surveys for classifying economic units into different industry classes.

More detailed statistics are given in the "Report on Monthly Survey of Retail Sales". Users can download this publication free of charge at the website of the C&SD

(www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=B1080003).

Alternatively, the historical series of retail sales statistics can be downloaded in the form of a statistical table at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=D5600089).

Users who have enquiries about the survey results may contact the Distribution Services Statistics Section of C&SD (Tel: 3903 7400; email: mrs@censtatd.gov.hk).

Secretary for Justice to visit Bangkok

The Secretary for Justice, Ms Teresa Cheng, SC, will tomorrow (March 6) leave for Bangkok, Thailand, to promote Hong Kong's legal and dispute resolution services.

During her stay in Bangkok, Ms Cheng will call on the Supreme Court of Thailand and the Ministry of Justice as well as the Embassy of the People's Republic of China in Thailand. She will also meet with representatives from the business sector to update them on Hong Kong's latest developments.

Ms Cheng will return to Hong Kong in the evening on March 7.

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Tuesday, March 5, 2019 is 103.2 (up 0.1 against yesterday's index).

Exchange Fund Bills Tender Results

The following is issued on behalf of the Hong Kong Monetary Authority:

Hong Kong Monetary Authority Exchange Fund Bills Tender Results

Tender date : March 5, 2019
Paper on offer : EF Bills
Issue number : Q1910
Issue date : March 6, 2019
Maturity date : June 5, 2019
Amount applied : HK\$101,750 MN
Amount allotted : HK\$49,594 MN
Average yield accepted : 1.29 PCT
Highest yield accepted : 1.34 PCT
Pro rata ratio : About 98 PCT
Average tender yield : 1.37 PCT

Tender date : March 5, 2019
Paper on offer : EF Bills
Issue number : H1939
Issue date : March 6, 2019
Maturity date : September 4, 2019
Amount applied : HK\$32,880 MN
Amount allotted : HK\$12,000 MN
Average yield accepted : 1.36 PCT
Highest yield accepted : 1.39 PCT
Pro rata ratio : About 38 PCT
Average tender yield : 1.47 PCT

Hong Kong Monetary Authority tenders to be held in the week beginning
March 11, 2019 :

Tender date : March 12, 2019
Paper on offer : EF Bills
Issue number : Q1911
Issue date : March 13, 2019
Maturity date : June 12, 2019
Tenor : 91 Days
Amount on offer : HK\$45,816 MN

Tender date : March 12, 2019
Paper on offer : EF Bills
Issue number : H1940
Issue date : March 13, 2019
Maturity date : September 11, 2019

Tenor : 182 Days
Amount on offer : HK\$14,000 MN

Dried seafood retailer convicted of supplying and possessing for sale dried seafood with false trade descriptions

A dried seafood retailer was fined \$15,000 today (March 5) at Eastern Magistrates' Courts for supplying and possessing for sale dried seafood with a false trade description applied, in contravention of the Trade Descriptions Ordinance (TDO).

Hong Kong Customs earlier conducted a test-buy operation and bought a type of dried seafood labelled as dried abalone slices at a dried seafood retailer in Wan Chai. Upon examination by the Government Laboratory, it was confirmed as conch meat.

Customs officers then conducted an operation and seized a total of six kilograms of sliced conch meat with the false label "dried abalone slices".

Customs reminds traders to comply with the requirements of the TDO and consumers to procure products at reputable shops.

Under the TDO, any person who supplies goods with a false trade description in the course of trade or business, or is in possession of any goods for sale with a false trade description, commits an offence. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years.

Members of the public may report any suspected violations of the TDO to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk).