

Provisional statistics of retail sales for August 2024

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (October 3).

The value of total retail sales in August 2024, provisionally estimated at \$29.2 billion, decreased by 10.1% compared with the same month in 2023. The revised estimate of the value of total retail sales in July 2024 decreased by 11.7% compared with a year earlier. For the first 8 months of 2024 taken together, it was provisionally estimated that the value of total retail sales decreased by 7.7% compared with the same period in 2023.

Of the total retail sales value in August 2024, online sales accounted for 8.0%. The value of online retail sales in that month, provisionally estimated at \$2.3 billion, decreased by 0.5% compared with the same month in 2023. The revised estimate of online retail sales in July 2024 increased by 0.8% compared with a year earlier. For the first 8 months of 2024 taken together, it was provisionally estimated that the value of online retail sales decreased by 0.2% compared with the same period in 2023.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in August 2024 decreased by 11.8% compared with a year earlier. The revised estimate of the volume of total retail sales in July 2024 decreased by 13.2% compared with a year earlier. For the first 8 months of 2024 taken together, the provisional estimate of the total retail sales decreased by 9.3% in volume compared with the same period in 2023.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing August 2024 with August 2023, the value of sales of commodities in supermarkets decreased by 3.6%. This was followed by sales of jewellery, watches and clocks, and valuable gifts (-24.0% in value); other consumer goods not elsewhere classified (-5.0%); wearing apparel (-13.4%); electrical goods and other consumer durable goods not elsewhere classified (-2.8%); commodities in department stores (-15.8%); motor vehicles and parts (-35.1%); fuels (-9.9%); footwear, allied products and other clothing accessories (-6.3%); furniture and fixtures (-21.3%); Chinese drugs and herbs (-11.9%); and optical shops (-17.0%).

On the other hand, the value of sales of food, alcoholic drinks and tobacco increased by 0.2% in August 2024 over a year earlier. This was followed by sales of medicines and cosmetics (+4.5% in value); and books, newspapers, stationery and gifts (+3.0%).

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 August 2024 compared with the preceding three-month period, while the

provisional estimate of the volume of total retail sales decreased by 2.8%.

Commentary

A government spokesman said that the value of total retail sales recorded a year-on-year decline in August amid the continued impact of the change in consumption patterns, the relatively strong Hong Kong dollar, and increased outbound travels by residents during the summer holidays, among other factors.

Looking ahead, the spokesman said that the retail sector will still face challenges in the near term. Nonetheless, the Central Government's various measures benefitting Hong Kong, as well as the Special Administrative Region Government's various initiatives to boost market sentiment and support the development of the sector, would benefit retail businesses. Continued economic growth, rising employment earnings, and an easing Hong Kong dollar exchange rate alongside the US interest rate cut, would also provide support to the retail sector.

The spokesman added that the Hong Kong Trade Development Council has organised the inaugural Hong Kong Shopping Festival in August to help Hong Kong enterprises increase brand awareness and expand into Mainland e-commerce business. The Government will continue to support small and medium-sized enterprises (SMEs), including those in the retail sector, through various measures, including the SME Export Marketing Fund and E-commerce Easy, so as to assist enterprises in expanding their market, as well as encourage enterprises to upgrade and transform their operations and develop e-commerce businesses, thereby promoting more diversified development and new quality productive forces.

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 July 2024 as well as the provisional figures for August 2024. The provisional figures on the value of retail sales for all retail outlets and by broad type of retail outlet as well as the corresponding year-on-year changes for the first 8 months of 2024 taken together are also shown.

Table 2 presents the revised figures on value of online retail sales for July 2024 as well as the provisional figures for August 2024. The provisional figures on year-on-year changes for the first 8 months of 2024 taken together are also shown.

Table 3 presents the revised figures on volume index of retail sales for all retail outlets and by broad type of retail outlet for July 2024 as well as the provisional figures for August 2024. The provisional figures on year-on-year changes for the first 8 months of 2024 taken together are also shown.

Table 4 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.

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. Data on retail sales are collected from local retail establishments through the Monthly Survey of Retail Sales (MRS). Local retail establishments with and without physical shops are covered in MRS and their sales, both through conventional shops and online channels, are included in the retail sales statistics.

The retail sales statistics 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 by Expenditure Component" for more details.

More detailed statistics are given in the "Report on Monthly Survey of Retail Sales". Users can browse and download this publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1080003&scode=530).

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