

Provisional statistics of retail sales for December 2019 and for the whole year of 2019

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (February 4).

The value of total retail sales in December 2019, provisionally estimated at \$36.2 billion, decreased by 19.4% compared with the same month in 2018. The revised estimate of the value of total retail sales in November 2019 decreased by 23.7% compared with 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 December 2019 decreased by 21.0% compared with a year earlier. The revised estimate of the volume of total retail sales in November 2019 decreased by 25.5% compared with a year earlier.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing December 2019 with December 2018, the value of sales of jewellery, watches and clocks, and valuable gifts decreased by 36.7%. This was followed by sales of commodities in supermarkets (-3.1% in value); wearing apparel (-22.1%); commodities in department stores (-25.3%); food, alcoholic drinks and tobacco (-1.9%); electrical goods and other consumer durable goods, not elsewhere classified (-17.4%); other consumer goods, not elsewhere classified (-14.5%); medicines and cosmetics (-29.9%); motor vehicles and parts (-2.5%); footwear, allied products and other clothing accessories (-20.4%); furniture and fixtures (-1.4%); books, newspapers, stationery and gifts (-14.8%); Chinese drugs and herbs (-9.8%); and optical shops (-19.3%).

On the other hand, the value of sales of fuels increased by 13.5% in December 2019 compared with a year earlier.

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales decreased by 7.1% in the fourth quarter of 2019 compared with the preceding quarter, while the provisional estimate of the volume of total retail sales decreased by 6.7%.

For 2019 as a whole, the value of total retail sales was provisionally estimated at \$431.2 billion, decreased by 11.1% in value and 12.3% in volume compared with 2018.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing the whole year of 2019 with the whole year of 2018, the value of sales of jewellery, watches and clocks, and valuable gifts decreased by 22.4%. This was followed by sales of commodities in department stores (-13.0% in value); wearing apparel

(-14.6%); medicines and cosmetics (-13.2%); food, alcoholic drinks and tobacco (-3.4%); electrical goods and other consumer durable goods, not elsewhere classified (-15.6%); other consumer goods, not elsewhere classified (-4.3%); motor vehicles and parts (-5.9%); footwear, allied products and other clothing accessories (-11.3%); furniture and fixtures (-3.0%); books, newspapers, stationery and gifts (-6.3%); Chinese drugs and herbs (-8.9%); and optical shops (-13.8%).

On the other hand, the value of sales of commodities in supermarkets increased by 0.7% in 2019 compared with 2018. This was followed by sales of fuels (+3.0% in value).

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 (Quarterly)" for more details.

Commentary

A government spokesman said that retail sales continued to decline sharply in December 2019, as the impact of the local social incidents on consumption- and tourism-related activities remained severe. For the fourth quarter of 2019 as a whole, the volume of retail sales fell by 24.1% year-on-year, representing the largest quarterly decline on record.

The spokesman further pointed out that the business environment for retail trade has become even more difficult recently, with the threat of the novel coronavirus infection heavily weighing on inbound tourism and local consumption sentiment. The near-term outlook for retail sales depends critically on how the situation of the novel coronavirus infection will evolve. The Government will monitor the situation closely.

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 November 2019 as well as the provisional figures for December 2019. 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 whole year of 2019 are also shown.

Table 2 presents the revised figures on volume index of retail sales for all retail outlets and by broad type of retail outlet for November 2019 as well as the provisional figures for December 2019. The provisional figures on year-on-year changes for the whole year of 2019 are also shown.

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).