

Provisional statistics of retail sales for February 2021

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (March 30).

The value of total retail sales in February 2021, provisionally estimated at \$29.5 billion, increased by 30.0% compared with the same month in 2020. The revised estimate of the value of total retail sales in January 2021 decreased by 13.7% compared with a year earlier. For the first two months of 2021 taken together, it was provisionally estimated that the value of total retail sales increased by 2.7% compared with the same period in 2020.

Of the total retail sales value in February 2021, online sales accounted for 6.1%. The value of online retail sales in that month, provisionally estimated at \$1.8 billion, increased by 56.5% compared with the same month in 2020. The revised estimate of online retail sales in January 2021 increased by 91.3% compared with a year earlier. For the first two months of 2021 taken together, it was provisionally estimated that the value of online retail sales increased by 74.5% compared with the same period in 2020.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in February 2021 increased by 31.7% compared with a year earlier. The revised estimate of the volume of total retail sales in January 2021 decreased by 14.6% compared with a year earlier. For the first two months of 2021 taken together, the provisional estimate of the total retail sales increased by 2.5% in volume compared with the same period in 2020.

In interpreting these figures, 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. Consumer spending in the local market normally attains a seasonal high before the Festival. As the Lunar New Year fell on February 12 this year but on January 25 last year, it is more appropriate to analyse the retail sales figures for January and February taken together in making year-on-year comparison.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing the combined total sales for January and February 2021 with the same period a year earlier, the value of sales of electrical goods and other consumer durable goods, not elsewhere classified increased by 34.3%. This was followed by sales of other consumer goods, not elsewhere classified (+15.4% in value); jewellery, watches and clocks, and valuable gifts (+3.2%); wearing apparel (+10.6%); commodities in department stores (+4.1%); motor vehicles and parts (+14.4%); and furniture and fixtures (+25.2%).

On the other hand, the value of sales of commodities in supermarkets

decreased by 8.6% in the first two months of 2021 over the same period a year earlier. This was followed by sales of food, alcoholic drinks and tobacco (-5.6% in value); medicines and cosmetics (-23.1%); fuels (-1.2%); footwear, allied products and other clothing accessories (-6.1%); Chinese drugs and herbs (-11.8%); books, newspapers, stationery and gifts (-6.7%); and optical shops (-11.2%).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales decreased by 2.8% in the three months ending February 2021 compared with the preceding three-month period, while the provisional estimate of the volume of total retail sales decreased by 2.5%.

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. Starting from January 2020, data on online retail sales have been collected in MRS. The relevant results were first published in the January 2021 issue of the "Report on Monthly Survey of Retail Sales".

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 increased sharply year-on-year in February, reflecting the distortion caused by the difference in timing of the Lunar New Year as well as an exceptionally low base of comparison early last year due to the COVID-19 outbreak. For the first two months of 2021 combined, retail sales volume registered a slight increase over a year earlier.

Looking ahead, the spokesman pointed out that the retail trade will continue to face a difficult business environment in the near term as inbound tourism remains frozen. It is thus pivotal to put the epidemic under control at the soonest possible, so as to create a favourable environment for the

revival of cross-boundary tourism activities.

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 January 2021 as well as the provisional figures for February 2021. 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 two months of 2021 taken together are also shown.

Table 2 presents the revised figures on value of online retail sales for January 2021 as well as the provisional figures for February 2021. The provisional figures on year-on-year changes for the first two months of 2021 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 January 2021 as well as the provisional figures for February 2021. The provisional figures on year-on-year changes for the first two months of 2021 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.

More detailed statistics are given in the "Report on Monthly Survey of Retail Sales". Users can download this publication 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 the C&SD (Tel: 3903 7400; email : mrs@censtatd.gov.hk).