

Provisional statistics of retail sales for February 2022

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (March 31).

The value of total retail sales in February 2022, provisionally estimated at \$25.2 billion, decreased by 14.6% compared with the same month in 2021. The revised estimate of the value of total retail sales in January 2022 increased by 4.0% compared with a year earlier. For the first 2 months of 2022 taken together, it was provisionally estimated that the value of total retail sales decreased by 4.9% compared with the same period in 2021.

Of the total retail sales value in February 2022, online sales accounted for 10.8%. The value of online retail sales in that month, provisionally estimated at \$2.7 billion, increased by 50.0% compared with the same month in 2021. The revised estimate of online retail sales in January 2022 increased by 30.7% compared with a year earlier. For the first 2 months of 2022 taken together, it was provisionally estimated that the value of online retail sales increased by 39.1% compared with the same period in 2021.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in February 2022 decreased by 17.6% compared with a year earlier. The revised estimate of the volume of total retail sales in January 2022 increased by 1.5% compared with a year earlier. For the first 2 months of 2022 taken together, the provisional estimate of the total retail sales decreased by 7.6% in volume compared with the same period in 2021.

In interpreting these figures, it should be noted that retail sales tend to show greater volatility in the first 2 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 in early February this year but in mid-February 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 2022 with the same period a year earlier, the value of sales of food, alcoholic drinks and tobacco decreased by 2.5%. This was followed by sales of electrical goods and other consumer durable goods, not elsewhere classified (-11.4% in value); jewellery, watches and clocks, and valuable gifts (-13.1%); commodities in department stores (-8.9%); wearing apparel (-14.3%); motor vehicles and parts (-23.1%); furniture and fixtures (-13.7%); footwear, allied products and other clothing accessories (-21.5%); Chinese drugs and herbs (-2.7%); books, newspapers, stationery and gifts (-13.2%); and optical shops (-15.6%).

On the other hand, the value of sales of commodities in supermarkets increased by 8.2% in the first 2 months of 2022 over the same period a year earlier. This was followed by sales of other consumer goods, not elsewhere classified (+5.7% in value); medicines and cosmetics (+5.0%); and fuels (+0.6%).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales decreased by 9.4% in the three months ending February 2022 compared with the preceding three-month period, while the provisional estimate of the volume of total retail sales decreased by 10.3%.

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 the value of retail sales fell sharply in February over a year earlier as the rapid worsening of local epidemic situation and further tightening of anti-epidemic measures in response led to a drastic fall in people flow and weaker consumption sentiment. Taking the first two months of 2022 together to remove the possible distortion caused by the difference in timing of the Lunar New Year, the value of retail sales turned to a year-on-year decline of 4.9%, having registered increases for four straight quarters in 2021.

Looking ahead, the spokesman pointed out that while the local epidemic has shown signs of easing of late, the retail sector will continue to face notable pressure in the near term. The Government has rolled out various

relief measures, with an aim of preserving the vitality of the economy and paving way for a speedy recovery once the epidemic subsides. The upcoming disbursal of the new round of electronic consumption vouchers in April should also provide some support to the retail sector. Yet, it remains essential for the community to work in unison with the Government to put the local epidemic under control as quickly as possible, so as to create conditions for the revival of retail business and other hard-hit economic 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 2022 as well as the provisional figures for February 2022. 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 2 months of 2022 taken together are also shown.

Table 2 presents the revised figures on value of online retail sales for January 2022 as well as the provisional figures for February 2022. The provisional figures on year-on-year changes for the first 2 months of 2022 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 2022 as well as the provisional figures for February 2022. The provisional figures on year-on-year changes for the first 2 months of 2022 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/en/EIndexbySubject.html?pcode=B1080003&scode=530). 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/en/EIndexbySubject.html?pcode=D5600089&scode=530).

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).