

Provisional statistics of retail sales for June 2022

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (August 2).

The value of total retail sales in June 2022, provisionally estimated at \$27.7 billion, decreased by 1.2% compared with the same month in 2021. The revised estimate of the value of total retail sales in May 2022 decreased by 1.6% compared with a year earlier. For the first half of 2022, it was provisionally estimated that the value of total retail sales decreased by 2.6% compared with the same period in 2021.

Of the total retail sales value in June 2022, online sales accounted for 8.2%. The value of online retail sales in that month, provisionally estimated at \$2.3 billion, increased by 0.5% compared with the same month in 2021. The revised estimate of online retail sales in May 2022 increased by 2.9% compared with a year earlier. For the first half of 2022, it was provisionally estimated that the value of online retail sales increased by 24.0% 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 June 2022 decreased by 4.1% compared with a year earlier. The revised estimate of the volume of total retail sales in May 2022 decreased by 4.8% compared with a year earlier. For the first half of 2022, the provisional estimate of the total retail sales decreased by 5.6% in volume compared with the same period in 2021.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing June 2022 with June 2021, the value of sales of commodities in supermarkets decreased by 0.3%. This was followed by sales of commodities in department stores (-2.4% in value); wearing apparel (-4.0%); electrical goods and other consumer durable goods not elsewhere classified (-13.3%); medicines and cosmetics (-1.7%); motor vehicles and parts (-10.9%); furniture and fixtures (-1.8%); and footwear, allied products and other clothing accessories (-8.6%).

On the other hand, the value of sales of other consumer goods not elsewhere classified increased by 4.5% in June 2022 over a year earlier. This was followed by sales of jewellery, watches and clocks, and valuable gifts (+2.3% in value); food, alcoholic drinks and tobacco (+3.4%); fuels (+7.5%); Chinese drugs and herbs (+1.2%); books, newspapers, stationery and gifts (+4.8%); and optical shops (+9.5%).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales increased by 16.4% in the second quarter of 2022 compared with the preceding quarter, while the provisional estimate of the volume of total retail sales increased by 15.8%.

Commentary

A government spokesman said that retail sales performance improved in the second quarter, with the value of retail sales rebounding sharply from the first quarter and reverting to mild year-on-year growth. Yet the momentum softened in the latter part of the quarter alongside the increased number of local COVID-19 cases and sharp interest rate hikes by many major central banks, with retail sales value registering a modest year-on-year decline in June.

Looking ahead, the spokesman pointed out that the upcoming disbursement of Phase II consumption vouchers will help support consumption demand, but retail sales performance down the road will also be dependent on how the local epidemic evolves and how the tighter financial conditions affect consumer's spending power and sentiment. It remains vital for the community to work in unison with the Government to keep the epidemic under control.

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 May 2022 as well as the provisional figures for June 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 half of 2022 are also shown.

Table 2 presents the revised figures on value of online retail sales for May 2022 as well as the provisional figures for June 2022. The provisional figures on year-on-year changes for the first half of 2022 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 May 2022 as well as the provisional figures for June 2022. The provisional figures on year-on-year changes for the first half of 2022 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 (Quarterly)" for more details.

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 the C&SD (Tel: 3903 7400; email: mrs@censtatd.gov.hk).