

Provisional statistics of retail sales for March 2020

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (May 5).

The value of total retail sales in March 2020, provisionally estimated at \$23.0 billion, decreased by 42.0% compared with the same month in 2019. The revised estimate of the combined value of total retail sales in January and February 2020 decreased by 31.8% compared with the same period a year earlier. For the first quarter of 2020, it was provisionally estimated that the value of total retail sales decreased by 35.0% compared with the same period in 2019.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in March 2020 decreased by 43.8% compared with a year earlier. The revised estimate of the combined volume of total retail sales in January and February 2020 decreased by 33.9% compared with the same period a year earlier. For the first quarter of 2020, the provisional estimate of the total retail sales decreased by 36.9% in volume compared with the same period in 2019.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing March 2020 with March 2019, the value of sales of food, alcoholic drinks and tobacco decreased by 21.2%. This was followed by sales of commodities in department stores (-42.7% in value); other consumer goods, not elsewhere classified (-29.1%); electrical goods and other consumer durable goods, not elsewhere classified (-39.6%); jewellery, watches and clocks, and valuable gifts (-75.2%); medicines and cosmetics (-63.8%); wearing apparel (-67.2%); motor vehicles and parts (-19.8%); fuels (-8.0%); furniture and fixtures (-14.4%); books, newspapers, stationery and gifts (-48.4%); Chinese drugs and herbs (-51.7%); footwear, allied products and other clothing accessories (-60.6%); and optical shops (-46.6%).

On the other hand, the value of sales of commodities in supermarkets increased by 16.1% in March 2020 over a year earlier.

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales decreased by 19.6% in the first quarter of 2020 compared with the preceding quarter, while the provisional estimate of the volume of total retail sales decreased by 20.4%.

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 plummet in March, as the COVID-19 pandemic and resulting anti-epidemic measures brought inbound tourism to a standstill and seriously disrupted consumption-related activities. For the first quarter as a whole, the volume of retail sales fell by 36.9% year-on-year, the largest decline for a single quarter on record.

The spokesman further pointed out that the business environment for retail trade will remain very difficult in the near term amid the deep economic recession and sharp deterioration in the labour market. The Government will monitor the developments 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 February 2020 as well as the provisional figures for March 2020. 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 quarter of 2020 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 February 2020 as well as the provisional figures for March 2020. The provisional figures on year-on-year changes for the first quarter of 2020 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).