

Provisional statistics of retail sales for May 2024

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

The value of total retail sales in May 2024, provisionally estimated at \$30.5 billion, decreased by 11.5% compared with the same month in 2023. The revised estimate of the value of total retail sales in April 2024 decreased by 14.7% compared with a year earlier. For the first 5 months of 2024 taken together, it was provisionally estimated that the value of total retail sales decreased by 6.1% compared with the same period in 2023.

Of the total retail sales value in May 2024, online sales accounted for 8.7%. The value of online retail sales in that month, provisionally estimated at \$2.6 billion, increased by 21.9% compared with the same month in 2023. The revised estimate of online retail sales in April 2024 increased by 11.5% compared with a year earlier. For the first 5 months of 2024 taken together, it was provisionally estimated that the value of online retail sales decreased by 1.0% compared with the same period in 2023.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in May 2024 decreased by 12.9% compared with a year earlier. The revised estimate of the volume of total retail sales in April 2024 decreased by 16.5% compared with a year earlier. For the first 5 months of 2024 taken together, the provisional estimate of the total retail sales decreased by 7.7% in volume compared with the same period in 2023.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing May 2024 with May 2023, the value of sales of commodities in supermarkets decreased by 3.4%. This was followed by sales of other consumer goods not elsewhere classified (-8.9% in value); jewellery, watches and clocks, and valuable gifts (-21.4%); wearing apparel (-18.8%); food, alcoholic drinks and tobacco (-4.1%); commodities in department stores (-21.1%); motor vehicles and parts (-29.8%); fuels (-11.6%); footwear, allied products and other clothing accessories (-11.7%); furniture and fixtures (-15.9%); Chinese drugs and herbs (-15.1%); and optical shops (-18.4%).

On the other hand, the value of sales of medicines and cosmetics increased by 2.5% in May 2024 over a year earlier. This was followed by sales of electrical goods and other consumer durable goods not elsewhere classified (+2.2% in value); and books, newspapers, stationery and gifts (+6.9%).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales decreased by 3.7% in the three months ending May 2024 compared with the preceding three-month period, while the provisional estimate of the volume of total retail sales decreased by 4.6%.

Commentary

A government spokesman said that the value of total retail sales continued to decline notably in May from a year earlier, mainly affected by changes in the consumption patterns of visitors and residents, as well as the strength of the Hong Kong dollar. A relatively high base for comparison in the same period last year was also relevant.

Looking ahead, the spokesman added that the retail sector may still face some challenges in the near term. However, the Central Government's recently announced measures benefitting Hong Kong, including the further enhanced Individual Visit Scheme and the increase of duty-free allowance for luggage articles for Mainland resident visitors, should help stimulate retail businesses. The SAR Government's strenuous efforts to promote a mega event economy and boost market sentiment should also provide support. Rising employment earnings and the recent stabilisation of the asset markets also bode well for the sector.

The spokesman added that the value of online retail sales increased by over 20% year-on-year in May, and its share in total retail sales value has continued to increase in recent months. This reflects that the retail sector can seize new opportunities by adapting to changing consumption patterns through changing sales mode and venturing into new businesses. The SAR Government will continue to support small and medium-sized enterprises in embracing digital transformation, including assisting the retail sector in adopting ready-to-use digital technology solutions through the Digital Transformation Support Pilot Programme.

The spokesman also added that the current overall economic situation of Hong Kong is positive. Overall investment expenditure continued to expand in the first quarter, and the values of merchandise exports posted further double-digit growth in April and May over a year earlier. The SAR Government has made good progress in actively attracting enterprises, capital and talent from around the world to Hong Kong. It will also continue to strengthen traditional sectors and accelerate the development of emerging sectors with potential. This will make Hong Kong's industrial development more enriched and diverse, adding new growth impetus and enhancing the overall competitiveness of the economy.

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 April 2024 as well as the provisional figures for May 2024. 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 5 months of 2024 taken together are also shown.

Table 2 presents the revised figures on value of online retail sales for April 2024 as well as the provisional figures for May 2024. The provisional figures on year-on-year changes for the first 5 months of 2024 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 April 2024 as well as the provisional figures for May 2024. The provisional figures on year-on-year changes for the first 5 months of 2024 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.

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 the 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 browse and download this publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1080003&scode=530).

Users who have enquiries about the survey results may contact the Distribution Services Statistics Section of the C&SD (Tel: 3903 7400; E-mail: mrs@censtatd.gov.hk).