

Provisional statistics of retail sales for November 2018

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (January 3).

The value of total retail sales in November 2018, provisionally estimated at \$39.2 billion, increased by 1.4% over the same month in 2017. The revised estimate of the value of total retail sales in October 2018 increased by 6.0% over a year earlier. For the first eleven months of 2018 taken together, it was provisionally estimated that the value of total retail sales increased by 9.7% over the same period in 2017.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in November 2018 increased by 1.2% over a year earlier. The revised estimate of the volume of total retail sales in October 2018 increased by 5.3% over a year earlier. For the first eleven months of 2018 taken together, the provisional estimate of the total retail sales increased by 8.4% in volume over the same period in 2017.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing November 2018 with November 2017, the value of sales of commodities in department stores increased by 3.9%. This was followed by sales of medicines and cosmetics (+10.1% in value); food, alcoholic drinks and tobacco (+1.9%); other consumer goods, not elsewhere classified (+14.3%); motor vehicles and parts (+7.0%); fuels (+3.1%); footwear, allied products and other clothing accessories (+1.7%); furniture and fixtures (+2.8%); books, newspapers, stationery and gifts (+6.2%); and optical shops (+5.4%).

On the other hand, the value of sales of jewellery, watches and clocks, and valuable gifts decreased by 3.9% in November 2018 compared with a year earlier. This was followed by sales of electrical goods and other consumer durable goods, not elsewhere classified (-4.9% in value); commodities in supermarkets (-0.1%); wearing apparel (-3.6%); and Chinese drugs and herbs (-0.4%).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales decreased by 2.7% in the three months ending November 2018 compared with the preceding three-month period, while the provisional estimate of the volume of total retail sales decreased by 1.8%.

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. They 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 indicated that retail sales decelerated again to a modest growth in November after some acceleration in October. The generally moderated growth in retail sales in recent months reflected more cautious consumption sentiment in the face of various external uncertainties such as the US-Mainland trade tensions and volatilities in the global financial markets.

The spokesman commented further that, looking forward, while the favourable local job and income conditions and continued expansion in inbound tourism should still provide some support to the retail sector in the near term, consumer sentiment could be affected by weaker asset prices and the external uncertainties. The Government will closely monitor the situation.

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 October 2018 as well as the provisional figures for November 2018. 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 eleven months of 2018 taken together 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 October 2018 as well as the provisional figures for November 2018. The provisional figures on year-on-year changes for the first eleven months of 2018 taken together 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).