

Provisional statistics of retail sales for November 2019

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 2019, provisionally estimated at \$30.0 billion, decreased by 23.6% compared with the same month in 2018. The revised estimate of the value of total retail sales in October 2019 decreased by 24.4% compared with a year earlier. For the first eleven months of 2019 taken together, it was provisionally estimated that the value of total retail sales decreased by 10.3% compared with the same period in 2018.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in November 2019 decreased by 25.4% compared with a year earlier. The revised estimate of the volume of total retail sales in October 2019 decreased by 26.4% compared with a year earlier. For the first eleven months of 2019 taken together, the provisional estimate of the total retail sales decreased by 11.4% in volume compared with the same period in 2018.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing November 2019 with November 2018, the value of sales of electrical goods and other consumer durable goods, not elsewhere classified decreased by 18.6%. This was followed by sales of commodities in department stores (-32.9% in value); jewellery, watches and clocks, and valuable gifts (-43.5%); food, alcoholic drinks and tobacco (-11.0%); wearing apparel (-31.9%); medicines and cosmetics (-33.4%); other consumer goods, not elsewhere classified (-18.6%); motor vehicles and parts (-11.9%); furniture and fixtures (-12.2%); footwear, allied products and other clothing accessories (-31.5%); books, newspapers, stationery and gifts (-20.8%); Chinese drugs and herbs (-23.4%); and optical shops (-27.9%).

On the other hand, the value of sales of commodities in supermarkets increased by 2.6% in November 2019 over a year earlier. This was followed by sales of fuels (+11.2% in value).

Based on the seasonally adjusted series, the provisional estimates of both the value and the volume of total retail sales decreased by 11.2% in the three months ending November 2019 compared with the preceding three-month period.

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 fall sharply in November as the local social incidents turned extremely violent, causing very severe disruptions to tourism- and consumption-related activities and further dampening consumption sentiment.

The spokesman further pointed out that the near-term outlook for the retail trade continues to hinge on how the local social incidents will evolve. As such, ending violence and restoring social order are essential to the recovery of the retail trade and indeed that of the whole 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 October 2019 as well as the provisional figures for November 2019. 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 2019 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 2019 as well as the provisional figures for November 2019. The provisional figures on year-on-year changes for the first eleven months of 2019 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 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 the C&SD (Tel: 3903 7400; email: mrs@censtatd.gov.hk).