

Provisional statistics of retail sales for September 2020

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

The value of total retail sales in September 2020, provisionally estimated at \$26.1 billion, decreased by 12.9% compared with the same month in 2019. The revised estimate of the value of total retail sales in August 2020 decreased by 13.1% compared with a year earlier. For the first nine months of 2020 taken together, it was provisionally estimated that the value of total retail sales decreased by 28.7% 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 September 2020 decreased by 13.4% compared with a year earlier. The revised estimate of the volume of total retail sales in August 2020 also decreased by 13.4% compared with a year earlier. For the first nine months of 2020 taken together, the provisional estimate of the total retail sales decreased by 30.0% 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 September 2020 with September 2019, the value of sales of food, alcoholic drinks and tobacco decreased by 11.1%. This was followed by sales of jewellery, watches and clocks, and valuable gifts (-25.7% in value); electrical goods and other consumer durable goods, not elsewhere classified (-38.7%); wearing apparel (-20.6%); medicines and cosmetics (-45.5%); fuels (-4.6%); footwear, allied products and other clothing accessories (-16.2%); Chinese drugs and herbs (-4.6%); and optical shops (-26.9%).

On the other hand, the value of sales of commodities in supermarkets increased by 3.8% in September 2020 over a year earlier. This was followed by sales of commodities in department stores (+5.5% in value); other consumer goods, not elsewhere classified (+16.7%); motor vehicles and parts (+17.1%); furniture and fixtures (+8.4%); and books, newspapers, stationery and gifts (+6.1%).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales increased by 5.9% in the third quarter of 2020 compared with the preceding quarter, while the provisional estimate of the volume of total retail sales increased by 5.1%.

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 the year-on-year decline in retail sales remained notable in September. Nonetheless, having considered that the base of comparison in the month was not as low as in August, the performance of the retail sector had actually shown some improvement over August as the third wave of the local epidemic abated.

Looking ahead, the spokesman further pointed out that the business environment of the retail trade will remain challenging in the near term, as inbound tourism is unlikely to see a swift rebound and the labour market is still under pressure. However, with the stabilisation of the local epidemic and the recent relaxation of social distancing measures, local consumption sentiment is likely to revive further. 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 August 2020 as well as the provisional figures for September 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 nine months of 2020 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 August 2020 as well as the provisional figures for September 2020. The provisional figures on year-on-year changes for the first nine months of 2020 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 the C&SD (Tel: 3903 7400; email: mrs@censtatd.gov.hk).