

Provisional statistics of retail sales for September 2021

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 2021, provisionally estimated at \$28.0 billion, increased by 7.3% compared with the same month in 2020. The revised estimate of the value of total retail sales in August 2021 increased by 11.9% compared with a year earlier. For the first nine months of 2021 taken together, it was provisionally estimated that the value of total retail sales increased by 8.0% compared with the same period in 2020.

Of the total retail sales value in September 2021, online sales accounted for 8.0%. The value of online retail sales in that month, provisionally estimated at \$2.3 billion, increased by 30.5% compared with the same month in 2020. The revised estimate of online retail sales in August 2021 increased by 17.6% compared with a year earlier. For the first nine months of 2021 taken together, it was provisionally estimated that the value of online retail sales increased by 43.5% compared with the same period in 2020.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in September 2021 increased by 4.7% compared with a year earlier. The revised estimate of the volume of total retail sales in August 2021 increased by 10.0% compared with a year earlier. For the first nine months of 2021 taken together, the provisional estimate of the total retail sales increased by 6.8% in volume compared with the same period in 2020.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing September 2021 with September 2020, the value of sales of electrical goods and other consumer durable goods, not elsewhere classified increased by 48.3%. This was followed by sales of food, alcoholic drinks and tobacco (+0.5% in value); jewellery, watches and clocks, and valuable gifts (+16.2%); other consumer goods, not elsewhere classified (+18.7%); wearing apparel (+8.8%); medicines and cosmetics (+9.8%); motor vehicles and parts (+8.1%); fuels (+15.1%); and optical shops (+17.3%).

On the other hand, the value of sales of commodities in supermarkets decreased by 4.9% in September 2021 over a year earlier. This was followed by sales of commodities in department stores (-11.6% in value); furniture and fixtures (-1.3%); books, newspapers, stationery and gifts (-6.4%); footwear, allied products and other clothing accessories (-4.2%); and Chinese drugs and herbs (-10.9%).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales increased by 3.7% in the third quarter of 2021

compared with the preceding quarter, while the provisional estimate of the volume of total retail sales increased by 1.6%.

Following the release of the 2019/20-based Composite Consumer Price Index in May 2021, the series of value and volume indices of retail sales have been re-referenced, taking October 2019 to September 2020 as the new reference period and adopting the relevant components of the 2019/20-based Composite Consumer Price Index as deflators for compiling the volume index of retail sales. As from the reference month of September 2021, the value and volume indices of retail sales and their year-on-year rates of changes published in each month are compiled based on the re-referenced series.

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. Starting from January 2020, data on online retail sales have been collected in MRS. The relevant results were first published in the January 2021 issue of the "Report on Monthly Survey of Retail Sales".

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 value of total retail sales continued to grow visibly in September, by 7.3% over a year earlier. For the third quarter as a whole, it also rose by 7.3%, partly reflecting the boosting effect of the Consumption Voucher Scheme. On a seasonally adjusted quarter-to-quarter basis, the growth rate was 3.7% in the third quarter.

Looking ahead, the spokesman pointed out that the stable local epidemic and improving employment and income conditions, together with the Consumption Voucher Scheme, should remain supportive to the retail sector in the near term. However, the virtually frozen inbound tourism will continue to constrain the extent of revival. To pave way for a broader-based recovery of

the retail sector and the overall economy, it is essential for the community to strive towards more widespread vaccination.

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 2021 as well as the provisional figures for September 2021. 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 2021 taken together are also shown.

Table 2 presents the revised figures on value of online retail sales for August 2021 as well as the provisional figures for September 2021. The provisional figures on year-on-year changes for the first nine months of 2021 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 August 2021 as well as the provisional figures for September 2021. The provisional figures on year-on-year changes for the first nine months of 2021 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.

More detailed statistics are given in the "Report on Monthly Survey of Retail Sales". Users can download this publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1080003&scode=530). 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/en/EIndexbySubject.html?pcode=D5600089&scode=530).

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).