

Quarterly business receipts indices for service industries for first quarter of 2020

Business receipts in value terms of most of major service industries showed decreases of different magnitudes in the first quarter of 2020 when compared with the first quarter of 2019, according to the provisional figures of business receipts indices released today (June 9) by the Census and Statistics Department (C&SD).

Comparing the first quarter of 2020 with the first quarter of 2019, double-digit decreases were recorded in business receipts of the accommodation services (-69.0%), retail (-35.0%), food services (-31.2%), transportation (-18.2%), wholesale (-13.5%), real estate (-13.3%), administrative and support services (-13.0%), import/export trade (-11.6%) and information and communications (-10.6%) industries.

On the other hand, the insurance industry recorded an increase of 10.6% in business receipts during the same period.

Analysed by service domain, business receipts of the tourism, convention and exhibition services domain decreased by 78.4% year-on-year during the same period, while those of the computer and information technology services domain also decreased by 12.1% year-on-year.

On a seasonally adjusted quarter-to-quarter comparison, business receipts in value terms of many major service industries recorded decreases of different magnitudes in the first quarter of 2020 when compared with the fourth quarter of 2019. In particular, double-digit decreases were recorded in business receipts of the accommodation services (-45.9%), retail (-19.6%), food services (-18.4%), administrative and support services (-11.5%) and transportation (-10.5%) industries. On the other hand, the insurance industry registered an increase of 13.0% in business receipts during the same period.

Comparing the first quarter of 2020 with the fourth quarter of 2019 and on a seasonally adjusted basis, business receipts of the tourism, convention and exhibition services domain decreased by 57.1%, while those of the computer and information technology services domain also decreased by 7.8%.

Commentary

A Government spokesman noted that business receipts of most major service industries declined in the first quarter of 2020 from a year earlier as the threat of COVID-19 seriously disrupted a wide range of economic activities. Industries related to consumption and tourism were hard hit and saw even steeper falls in business receipts. The plunge in business receipts of the tourism, convention and exhibition services domain was the largest on

record, as tourism was brought to a standstill in February and March. The decline in business receipts of import/export trade widened amid the serious disruptions to the regional supply chains and related trading activities. The fall in business receipts of the transportation industry enlarged notably amid sharply reduced passenger and cargo flows. Business receipts of many other service industries also declined visibly.

The spokesman further pointed out that while the local epidemic situation has abated, the service industries will continue to face a difficult business environment in the near term amid the lingering threat of the epidemic to global economic outlook and other challenges. To preserve the vitality of the economy, the Government has rolled out relief measures of unprecedented scale. Some of these measures, such as the enhancements to the SME Financing Guarantee Scheme and various types of support for specific sectors, should help businesses endure the current difficulty. The Government will continue to monitor the developments closely.

Further information

Table 1 presents the business receipts indices and their corresponding year-on-year rates of change in respect of selected service industries and service domains for the recent five quarters, while Table 2 shows the corresponding quarter-to-quarter rates of change in the business receipts indices for the recent five quarters based on the seasonally adjusted series.

The revised figures of business receipts indices for the first quarter of 2020 will be released at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp70.jsp?subjectID=7&tableID=093&ID=0&productType=8) and relevant publications of the C&SD starting from July 20, 2020.

Data for compiling the business receipts indices are mainly based on the Quarterly Survey of Service Industries conducted by the C&SD, supplemented by relevant data provided by the Hong Kong Monetary Authority and the Hong Kong Tourism Board.

A service domain differs from a service industry in that it comprises those economic activities which straddle different industries but are somehow related to a common theme. It may include all activities carried out by all establishments in a service industry that is closely related to the domain. For a service industry that is less closely related, however, only a portion of the establishments in the industry or even only part of the economic activities of the establishments is related to the domain. Taking the tourism, convention and exhibition services domain as an example, it includes all services of hotels and travel agents, and some (those involving visitors as customers) but not all of the services of restaurants, retailers and transport operators.

The classification of service industries 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 "Quarterly Business Receipts Indices for Service Industries, First Quarter 2020". Users can download this publication free of charge at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp70.jsp?productCode=B1080006).

Members of the public who have enquiries about the business receipts indices may contact the Business Services Statistics Section of the C&SD (Tel: 3903 7267 or email: business-receipts@censtatd.gov.hk).