

Quarterly business receipts indices for service industries for the fourth quarter of 2019 and the whole year of 2019

Business receipts in value terms of most of major service industries showed decreases of different magnitudes in the fourth quarter of 2019 when compared with the fourth quarter of 2018, according to the provisional figures of business receipts indices released today (March 24) by the Census and Statistics Department (C&SD).

Comparing the fourth quarter of 2019 with the fourth quarter of 2018, double-digit decreases were recorded in business receipts of the accommodation services (-41.1%), retail (-22.4%), food services (-14.4%), warehousing and storage (-13.6%) and wholesale (-10.9%) industries.

On the other hand, the financing (except banking) industry recorded an increase of 9.9% in business receipts during the same period, followed by the real estate (+4.8%) industry.

Analysed by service domain, business receipts of the tourism, convention and exhibition services domain decreased by 49.9% year-on-year during the same period, while those of the computer and information technology services domain also decreased by 10.0% year-on-year.

On a seasonally adjusted quarter-to-quarter comparison, business receipts in value terms of almost all service industries recorded decreases of different magnitudes in the fourth quarter of 2019 when compared with the third quarter of 2019. In particular, business receipts of the accommodation services industry decreased by 26.0%. On the other hand, the financing (except banking) industry registered an increase of 7.0% in business receipts during the same period.

Comparing the fourth quarter of 2019 with the third quarter of 2019 and on a seasonally adjusted basis, business receipts of the tourism, convention and exhibition services domain decreased by 28.3%, whereas those of the computer and information technology services domain increased by 2.9%.

For 2019 as a whole, around half of service industries recorded year-on-year decreases in business receipts. Double-digit decreases were recorded in the accommodation services (-14.3%) and retail (-11.1%) industries. On the other hand, business receipts of the real estate industry increased by 11.1% as compared with 2018.

Analysed by service domain, business receipts of the tourism, convention and exhibition services domain decreased by 19.0%, while those of the

computer and information technology services domain also decreased by 7.3% during the same period.

Commentary

A Government spokesman noted that business receipts of most major service industries declined in the fourth quarter of 2019 over a year earlier. Hard hit by the local social incidents involving violence, industries related to consumption and tourism saw sharp falls in business receipts. The plunge in business receipts of tourism, convention and exhibition services domain was the largest since the SARS episode. Business receipts of the import/export trade and wholesale industries continued to record visible declines amid shrinking trade flows. Taking 2019 as a whole, visible declines in business receipts were recorded in the consumption- and tourism-related industries as well as trade-related industries.

The spokesman further pointed out that the COVID-19 pandemic has brought tourism almost to a standstill, caused severe disruptions to a wide range of economic activities and dampened economic sentiment lately. The service industries will be subject to even greater pressure in the near term, and the exact impact will hinge on the duration and severity of the pandemic. 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 and the whole year of 2019, 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 fourth quarter and the whole year of 2019 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 April 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, Fourth Quarter 2019". 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).