

Quarterly business receipts indices for service industries for third quarter of 2019

Business receipts in value terms of many major service industries showed decreases of different magnitudes in the third quarter of 2019 when compared with the third quarter of 2018, according to the provisional figures of business receipts indices released today (December 9) by the Census and Statistics Department (C&SD).

Comparing the third quarter of 2019 with the third quarter of 2018, double-digit decreases were recorded in business receipts of the accommodation services (-19.1%), retail (-17.5%), wholesale (-12.2%) and food services (-11.7%) industries.

On the other hand, the insurance industry recorded an increase of 6.8% in business receipts during the same period, followed by the banking (+5.5%) and courier (+5.0%) industries.

Analysed by service domain, business receipts of the tourism, convention and exhibition services domain decreased by 27.8% year-on-year during the same period, while those of the computer and information technology services domain also decreased by 8.2% year-on-year.

On a seasonally adjusted quarter-to-quarter comparison, business receipts in value terms of almost all major service industries recorded decreases of different magnitudes in the third quarter of 2019 when compared with the second quarter of 2019. In particular, double-digit decreases were recorded in business receipts of the accommodation services (-20.4%), retail (-15.1%), real estate (-14.0%) and food services (-10.6%) industries. On the other hand, business receipts of the banking industry increased by 1.4% during the same period.

Comparing the third quarter of 2019 with the second quarter of 2019 and on a seasonally adjusted basis, business receipts of the tourism, convention and exhibition services domain decreased by 29.7%, while those of the computer and information technology services domain also decreased by 0.8%.

Commentary

A Government spokesman noted that business receipts of many of the major service industries declined amid the notable economic downturn in the third quarter. Hard hit by the local social incidents involving violence, business receipts of the tourism, convention and exhibition services domain experienced the largest year-on-year fall since the SARS episode in 2003. As trading activities shrank in the face of the austere external environment and weaker demand for imports, business receipts of the import/export trade and

wholesale industries also recorded visible declines.

The spokesman further pointed out that soft global economic outlook with mounting uncertainties and the local social incidents will continue to weigh on the service industries in the near term. In particular, ending violence and restoring social order are of utmost importance to the recovery of the consumption- and tourism-related industries. 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 third quarter 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 January 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, Third 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).