

# Provisional statistics of retail sales for December 2023 and the whole year of 2023

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (February 1).

The value of total retail sales in December 2023, provisionally estimated at \$36.3 billion, increased by 7.8% compared with the same month in 2022. The revised estimate of the value of total retail sales in November 2023 increased by 15.9% compared with a year earlier.

Of the total retail sales value in December 2023, online sales accounted for 7.8%. The value of online retail sales in that month, provisionally estimated at \$2.8 billion, decreased by 29.7% compared with the same month in 2022. The revised estimate of online retail sales in November 2023 decreased by 16.3% compared with a year earlier.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in December 2023 increased by 4.8% compared with a year earlier. The revised estimate of the volume of total retail sales in November 2023 increased by 12.4% compared with a year earlier.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing December 2023 with December 2022, the value of sales of jewellery, watches and clocks, and valuable gifts increased by 50.1%. This was followed by sales of other consumer goods not elsewhere classified (+23.0% in value); wearing apparel (+19.3%); commodities in department stores (+4.6%); medicines and cosmetics (+32.7%); motor vehicles and parts (+3.5%); footwear, allied products and other clothing accessories (+13.2%); furniture and fixtures (+3.1%); books, newspapers, stationery and gifts (+18.1%); and optical shops (+11.5%).

On the other hand, the value of sales of commodities in supermarkets decreased by 6.3% in December 2023 over a year earlier. This was followed by sales of electrical goods and other consumer durable goods not elsewhere classified (-27.9% in value); food, alcoholic drinks and tobacco (-1.6%); fuels (-12.0%); and Chinese drugs and herbs (-5.5%).

Based on the seasonally adjusted series, the provisional estimate of the value of total retail sales decreased by 3.3% in the fourth quarter of 2023 compared with the preceding quarter, while the provisional estimate of the volume of total retail sales decreased by 3.6%.

For 2023 as a whole, the value of total retail sales was provisionally estimated at \$406.7 billion, increased by 16.2% in value and 13.8% in volume over 2022. The value of online retail sales was provisionally estimated at

\$32.5 billion, decreased by 5.9% over 2022.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing the whole year of 2023 with the whole year of 2022, the value of sales of jewellery, watches and clocks, and valuable gifts increased by 54.9%. This was followed by sales of other consumer goods not elsewhere classified (+22.3% in value); wearing apparel (+43.5%); food, alcoholic drinks and tobacco (+4.2%); commodities in department stores (+12.4%); medicines and cosmetics (+38.9%); motor vehicles and parts (+10.8%); footwear, allied products and other clothing accessories (+29.1%); books, newspapers, stationery and gifts (+20.5%); Chinese drugs and herbs (+24.4%); and optical shops (+29.3%).

On the other hand, the value of sales of commodities in supermarkets decreased by 5.7% in 2023 compared with 2022. This was followed by sales of electrical goods and other consumer durable goods not elsewhere classified (-4.9% in value); fuels (-9.7%); and furniture and fixtures (-10.0%).

#### Commentary

A government spokesman said that the value of total retail sales increased further by 7.8% over a year earlier in December. For 2023 as a whole, the value of total retail sales grew notably by 16.2%.

Looking ahead, the spokesman added that visitor arrivals should increase further alongside the continued recovery of handling capacity. Rising household income also bodes well for local consumption. These factors, coupled with the Government's efforts to promote mega events and launch various activities including "Day x Night Vibes @ 18 Districts", should provide support to retail businesses.

#### 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 November 2023 as well as the provisional figures for December 2023. 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 whole year of 2023 are also shown.

Table 2 presents the revised figures on value of online retail sales for November 2023 as well as the provisional figures for December 2023. The provisional figures on year-on-year changes for the whole year of 2023 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 November 2023 as well as the provisional figures for December 2023. The provisional figures on year-on-year changes for the whole year of 2023 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.

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.

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

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## **Effective Exchange Rate Index**

The effective exchange rate index for the Hong Kong dollar on Thursday, February 1, 2024 is 104.8 (same as yesterday's index).

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## Inspection of aquatic products imported from Japan

In response to the Japanese Government's plan to discharge nuclear-contaminated water at the Fukushima Nuclear Power Station, the Director of Food and Environmental Hygiene issued a Food Safety Order which prohibits all aquatic products, sea salt and seaweeds originating from the 10 metropolis/prefectures, namely Tokyo, Fukushima, Ibaraki, Miyagi, Chiba, Gunma, Tochigi, Niigata, Nagano and Saitama, from being imported into and supplied in Hong Kong.

For other Japanese aquatic products, sea salt and seaweeds that are not prohibited from being imported into Hong Kong, the Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department will conduct comprehensive radiological tests to verify that the radiation levels of these products do not exceed the guideline levels before they are allowed to be supplied in the market.

As the discharge of nuclear-contaminated water is unprecedented and will continue for 30 years or more, the Government will closely monitor and step up the testing arrangements. Should anomalies be detected, the Government does not preclude further tightening the scope of the import ban.

From noon on January 31 to noon today (February 1), the CFS conducted tests on the radiological levels of 222 food samples imported from Japan, which were of the "aquatic and related products, seaweeds and sea salt" category. No sample was found to have exceeded the safety limit. Details can be found on the CFS's thematic website titled "Control Measures on Foods Imported from Japan" ([www.cfs.gov.hk/english/programme/programme\\_rafs/programme\\_rafs\\_fc\\_01\\_30\\_Nuclear\\_Event\\_and\\_Food\\_Safety.html](http://www.cfs.gov.hk/english/programme/programme_rafs/programme_rafs_fc_01_30_Nuclear_Event_and_Food_Safety.html)).

In parallel, the Agriculture, Fisheries and Conservation Department (AFCD) has also tested 50 samples of local catch for radiological levels. All the samples passed the tests. Details can be found on the AFCD's website ([www.afcd.gov.hk/english/fisheries/Radiological\\_testing/Radiological\\_Test.html](http://www.afcd.gov.hk/english/fisheries/Radiological_testing/Radiological_Test.html)).

The Hong Kong Observatory (HKO) has also enhanced the environmental monitoring of the local waters. No anomaly has been detected so far. For details, please refer to the HKO's website ([www.hko.gov.hk/en/radiation/monitoring/seawater.html](http://www.hko.gov.hk/en/radiation/monitoring/seawater.html)).

From August 24 to noon today, the CFS and the AFCD have conducted tests on the radiological levels of 28 331 samples of food imported from Japan (including 18 970 samples of aquatic and related products, seaweeds and sea

salt) and 8 020 samples of local catch respectively. All the samples passed the tests.

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## **Import of poultry meat and products from Szamotulski District of Wielkopolskie Region in Poland suspended**

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department announced today (February 1) that in view of a notification from the General Veterinary Inspectorate of Poland about an outbreak of highly pathogenic avian influenza in the Szamotulski District of Wielkopolskie Region in Poland, the CFS has instructed the trade to suspend the import of poultry meat and products (including poultry eggs) from the area with immediate effect to protect public health in Hong Kong.

A CFS spokesman said that according to the Census and Statistics Department, Hong Kong imported about 3 110 tonnes of frozen poultry meat from Poland last year.

"The CFS has contacted the Polish authority over the issue and will closely monitor information issued by the World Organisation for Animal Health and the relevant authorities on the avian influenza outbreak. Appropriate action will be taken in response to the development of the situation," the spokesman said.

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## **Labour Advisory Board reaches consensus on review of "continuous contract" requirement**

The Labour Advisory Board (LAB), at a meeting today (February 1), continued the discussion on the review of the "continuous contract" requirement (commonly referred to as the "418" requirement) under the Employment Ordinance. The employer members and employee members candidly expressed their views and, after thorough and in-depth deliberations, the LAB reached a consensus that such a requirement will be relaxed by using the

aggregate working hours of four weeks as a counting unit and setting the four-week working hour threshold at 68 hours. The above review is one of the labour support initiatives announced in "The Chief Executive's 2023 Policy Address".

Under the existing requirement, regardless of whether working full-time or part-time, employees employed by the same employer for four weeks or more and having worked for 18 hours or more per week are regarded as being engaged under a "continuous contract". Subject to their meeting of relevant eligibility criteria under the Employment Ordinance, these employees are entitled to a range of employment benefits, such as statutory holiday pay, paid annual leave and sickness allowance.

A Government spokesman said, "The Government appreciates the efforts of all LAB members in achieving the result at today's meeting. The amendments will contribute to enhanced protection of the rights and benefits of employees with shorter working hours. The Government will report the outcome to the Panel on Manpower of the Legislative Council (LegCo) later and commence the relevant legislative amendment work. An Amendment Bill will be introduced into the LegCo for scrutiny upon completion of drafting."

The LAB is a tripartite consultative body comprising representatives of employees and employers to advise the Commissioner for Labour on labour matters.