

HKRMA Monthly Retail Sales Statistics Press Information

Month of **October** **2008**

1) October Total Retail Sales

- a. Total value growth vs last year
- b. Total volume growth vs last year

+0.3%
-4.3%

2) YTD (Jan-Oct) Total Retail Sales growth vs LY

+12.7%

3) Trend of Retail Sales Growth

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23.2%	9.5%	20.0%	18.6%	13.0%	11.7%	13.7%	10.2%	7.0%			

4) Commentary - overall

- a. 2 days of Golden Week fell into September this year
- b. Golden Week commentary
 - i) generally not too exciting particularly in some fashion / foot wear however some high end dept recorded ok sales
- c. Post Golden Week very soft in many non-basic sectors so promotions (VIP night; close door staff sale) started much earlier
- d. Earlier winter sale in dept store and fashion related products
- e. Deeper cut in discount affecting retailers' gross margin

5) Commentary - by type of retail

- a. Obvious drop - clothing, footwear, jewellery, dept store & chin inese drugs and cars
- b. Better sector - food, bread, photographic & electrical

Month of November 2008 Quick Feedback

- 1) Helped by cold weather in the last 2 weeks with food; clothing and skincare
- 2) Electronic; dept store forecasts low single digit drop
- 3) Fashion might be flat vs LY but margin is badly hurt by the earlier deep discount promotion

4) Many promotions including staff sale; VIP days ; warehouse sale;

Christmas Forecast

- 1) Overall RMA forecasts 5-8% drop because of a high base last year
- 2) Dept store / electronic / electrical / home furnishings / specialty - all forecast flat or low single digit drop
- 3) Food / skincare / cosmetics - might be low single digit growth
- 4) Generally everyone is heavily discounting particularly the clothing / shoes / accessories / no basics